



UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
GENERAL

E/5675 (Part II)
28 May 1975

ENGLISH

ORIGINAL: ENGLISH/FRENCH

Fifty-ninth session

INTERNATIONAL CO-OPERATION AND CO-ORDINATION WITHIN THE
UNITED NATIONS SYSTEM

Annual report of the Administrative Committee
on Co-ordination for 1974-1975

(Part two)

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
Introduction	1	3
I. United Nations Conference on Trade and Development (UNCTAD)	2 - 16	4
II. United Nations Environment Programme (UNEP)	17 - 30	8
III. United Nations Industrial Development Organization (UNIDO)	31 - 54	12
IV. United Nations Children's Fund (UNICEF)	55 - 61	18
V. United Nations Development Programme (UNDP)	62 - 96	20
VI. World Food Programme (WFP)	97 - 98	30
VII. Office of the United Nations High Commissioner for Refugees (UNHCR)	99 - 102	31
VIII. United Nations Institute for Training and Research (UNITAR)	103 - 109	32
IX. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	110 - 113	35
X. International Labour Office (ILO)	114 - 126	36
XI. Food and Agriculture Organization of the United Nations (FAO)	127 - 147	40
XII. United Nations Educational, Scientific and Cultural Organization (UNESCO)	148 - 189	46
XIII. World Health Organization (WHO)	190 - 198	57
XIV. World Bank	199 - 216	60
XV. International Monetary Fund (IMF)	217 - 237	64
XVI. International Civil Aviation Organization (ICAO)	238 - 248	70
XVII. Universal Postal Union (UPU)	249 - 259	72
XVIII. International Telecommunication Union (ITU)	260 - 267	74
XIX. World Meteorological Organization (WMO)	268 - 272	76
XX. Inter-Governmental Maritime Consultative Organization (IMCO)	273 - 281	77
XXI. World Intellectual Property Organization (WIPO)	282 - 290	80
XXII. International Atomic Energy Agency (IAEA)	291 - 294	82
XXIII. General Agreement on Tariffs and Trade (GATT)	295 - 298	83

INTRODUCTION

1. At its session in October 1974, ACC decided that each of its members would consider how best to assist the General Assembly, at its special session devoted to development and international economic co-operation, with regard to issues which require international action for their solution and which could be dealt with at the special session with a view to finding agreed solutions. The members of the ACC, accordingly, transmitted their contributions to the Secretary-General and the ACC decided at its spring session in 1975 that those statements should be reproduced as part two of its annual report, in order to assist the Preparatory Committee for the Special Session, the Economic and Social Council and the General Assembly, itself, in their consideration of issues concerning the system as a whole. The statements are accordingly reproduced in full below.

I. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

Text of letter dated 31 January 1975 from the Secretary-General
of UNCTAD to the Secretary-General of the United Nations

2. The General Assembly will no doubt wish to be selective in determining what to discuss on the occasion of its special session devoted to development and international economic co-operation. Because of the short duration of the session and of the high level of expected participation, it should focus on a few major issues and should set guidelines within which the detailed exploration of specific problems could be undertaken by appropriate bodies. It is on that assumption that I base the following remarks.

3. One main theme of the session will be the crisis in international co-operation for development. The General Assembly should strive for a major break-through in this field, where we presently face the threat of an impasse. On the one hand, the developing countries are subject to mounting internal pressures, associated with a rising work force and the heightened expectations of their people, particularly the young. On the other hand, there seems to be a loss of interest in development co-operation on the part of the developed countries, who are themselves under economic stress. The conjunction of these two phenomena could seriously impair international relations in the period ahead.

4. The special session will doubtless wish to address itself to the question of the reorientation of internal development strategies towards social objectives such as better income distribution, employment creation and eradication of malnutrition and illiteracy. However, the main concern in a global forum should be with international policies which will enable the world community to assist in the implementation of those national strategies and to establish an international environment which is conducive to their realization. With this in view, I would like to put forward some very general ideas concerning new orientations in policies of international economic co-operation.

5. Hitherto, international development policies have laid emphasis on the transfer of real resources to the developing countries through financial aid - voluntary acts of transfer by donor countries, referred by them to other measures because of their minimal interference with prevailing economic mechanisms. This approach has not been successful and the aid efforts of many major donors have been declining. Despite the enormous resource requirements of the developing countries and notwithstanding the continuing importance of improving and implementing aid targets and of directing aid to those most in need of it, I do not consider that a further exhortation for aid should be a dominant theme of the special session.

6. What I believe that the General Assembly should seek is high-level intergovernmental agreement to establish more dependable and more automatic mechanisms for transferring resources to developing countries; and, since the

/...

bulk of the foreign exchange resources of these countries accrues through trade, it is on resource transfers through trade that attention should be concentrated in the first place.

6a. The scope for trade transfers has been insufficiently recognized up to now, partly because of the problems involved that would have to be dealt with. But it is clear that remedies which aim at dealing with current economic difficulties through aid, such as the United Nations Special Programme, the International Monetary Fund oil facility and the World Bank's "third window", will prove inadequate unless better results are obtained from trade arrangements.

7. Primary commodities constitute the largest element in the trade of developing countries, and, as has been stressed in UNCTAD forums, radical and far-reaching changes are needed in international approaches to commodity trade problems. Their objective should be not merely the stabilization of prices around an existing long-term trend, itself unsatisfactory, but also the improvement of long-run price levels. What is at issue is the restructuring of the world commodity economy so as to strengthen the position of developing countries in world markets and achieve a rational management of the world's natural resources.

8. Particular emphasis should be given to a special set of national and international measures to deal with the food problem. The nature of those measures, which are related to commodity policies, has, of course, already been elaborated upon at the World Food Conference and elsewhere.

9. A sound situation on the commodity front would in itself strengthen the base for the industrialization of the developing countries but a major break-through in the growth of their trade in manufactures is also needed. The introduction of the generalized system of preferences was a step forward, but we are still far away from any effective restructuring of patterns of economic activity in the developed countries, in order to help bring about a better allocation of resources and a better pattern of global specification. There should be a new concentration of attention on the policies required to achieve those ends, including adjustment assistance policies.

10. New initiatives towards closer economic co-operation among developing and socialist countries would contribute to achieving a more managed global trading system, as well as promoting the industrialization of developing countries.

11. In addition to emphasizing the importance of resource transfers through trade, the General Assembly should explore other means of assuring a more dependable flow of resources to developing countries - means which, unlike conventional aid, are not solely the outcome of voluntary contributions. One such mechanism, the proposed link between the creation of special drawing rights and additional official development assistance, already commands wide support, even among developed countries, but has still to be put into effect. Other ideas are still embryonic, for example, schemes for levying taxes on trade in non-renewable resources or for the distribution of revenues from the exploitation of the "international commons", such as sea-bed resources. Although the General Assembly could not be expected to examine such schemes before they are further elaborated, their potential worth could be stressed and work on them encouraged.

12. Another avenue for the exploration of new channels of resource transfers is opened up by the financial surpluses of the oil-exporting developing countries, which can be mobilized in two ways. First, new modalities, other than emergency aid, are needed to dampen the impact of higher oil prices on oil-importing developing countries. Some promising experiments are already in progress in this area. Secondly, and in addition to the foregoing, new mechanisms are required for canalizing investments from oil-exporting to oil-importing developing countries in a manner which offers the former security and adequate returns. Such investment funds could make an important contribution to the international adjustment process, since a substantial part thereof would be used by the recipient countries to import capital goods and technology from developed countries.

13. Those opportunities for financial transfers among developing countries are but one manifestation of the potential for economic interchange among them. Economic co-operation among developing countries is not merely an off-shoot of the new wealth of the oil producers, although that has provided an unprecedented stimulus. It can extend to all sectors of economic activity and the scope for co-operation will grow as the economies of the developing countries are transformed. Such co-operation will strengthen the collective self-reliance of the third world and counterbalance the economic weight of the industrialized countries. It should include the co-ordination of international economic policies and, where appropriate, joint economic action. The General Assembly will undoubtedly wish to recognize the importance of reinforcing economic relations among developing countries as a complement, indeed sometimes an alternative, to north-south exchanges.

14. While the revitalization of development co-operation will be one major theme of the special session, the other will be the restructuring of the institutional framework of international economic relations. Here, I believe that there are three general issues, which I shall list very briefly without attempting to expand on them in this letter. First and most important, there is the basic question of how United Nations organs, including UNCTAD, could be made into effective mechanisms for quick, flexible and high-level decision-making on economic questions, so as to counteract the tendency of Governments to take vital economic decisions in less representative multilateral fora and to undertake operational activities outside the United Nations system. Second, there is the need to make all institutions of the United Nations family universal and more responsive to the present-day economic and political realities. Third, there is the need to eliminate institutional duality and overlapping; this is particularly important in the trade field. I believe that measures of institutional change to meet those needs should go beyond minor adaptations and streamlining and should, where necessary, involve significant restructuring.

15. Some more specific proposals in amplification of these general ideas are contained in my recent submissions to the Trade and Development Board, which will meet in special session in March to make its contribution to the interrelated processes of review and appraisal of the International Development Strategy, implementation of the Declaration and Programme of Action and preparation of the special session of the General Assembly. Accordingly, I have annexed to this

letter a note which summarizes those submissions. 1/ The first part of the annex indicates certain policy measures which I consider should form part of a revised development strategy; the second part outlines certain considerations underlying the question of the establishment of a comprehensive international trade organization. In due course, the Board's own findings on those subjects will also be available. 2/

16. I trust that these ideas may be of some use to you in determining your approach to the special session of the General Assembly and I wish to assure you of my readiness to contribute personally in any way possible to the successful preparations for the session. I hope too, and indeed it has been our intention in UNCTAD, that the preparations for the fourth session of the Conference (Nairobi, May 1976) will provide useful inputs for the special session and that, in turn, the Conference will be an occasion to translate into concrete action such targets as the General Assembly may set in the field of trade and development.

1/ The annex is not reproduced here. See, however, "New directions in international trade and development policies: report by the Secretary-General of UNCTAD" (TD/B/530); see also "Question of the establishment of a comprehensive international trade organization: report by the Secretary-General of UNCTAD" (TD/B/535).

2/ See "Report of the Trade and Development Board on its sixth special session" (TD/B/547).

II. UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

A. Need for a new and more comprehensive concept for development and its significance for United Nations programmes and organization

17. Many of the issues which are now before the world community and will be the subject of attention at the special session of the General Assembly arise, in one way or another, from the interacting relationship between population, resources (including technology), environment and development. Indeed, it is now widely recognized that population, its growth and distribution, the availability of resources, their exploitation, use and the benefits derived therefrom, as well as the protection and enhancement of the environment are inextricably related as prime elements within the development process. It is not in any one of these but in the interaction amongst them that goals of development will either be achieved or frustrated. The development process itself provides the framework within which these interactions take place but this is still not fully reflected either in the Second Development Strategy or the approach of the United Nations system to development and the organization of its many activities and programmes which are devoted to development.

18. Thus the attention of the General Assembly should be drawn to the need for a new and more comprehensive framework for development which accommodates the new perceptions of the interacting relationships between population, resources and environment. At the same time, it should consider the important implications of these relationships for the organization of the United Nations system itself and its approach to formulation and carrying out of its various programmes and activities in those fields.

19. It is increasingly evident that whether a concern with respect to a particular issue arises initially in any one of the fields of population, resources, or environment, any attempt to deal with it inevitably leads into areas of development in which the other elements are actively involved. Thus to an increasing extent the various United Nations activities which bear on development converge into the same territory. While this can create fruitful opportunities for co-operation amongst the various parts of the system concerned, it more often than not, under present circumstances, leads to confusion, overlap and a dissipation of scarce resources and talent.

B. Relationship between independence and interdependence

20. The interdependence of the various elements which bear on the development process referred to above is closely related to the interdependence which exists between national concerns and their international manifestations. Any issues of national concern are the product of this same complex of interacting relationships, the dimensions of which more and more extend beyond their borders and require international co-operation. Thus, having just come through an era in which the independence of nations has been the rallying call of the international community, we are now being impelled into an era in which the byword is interdependence.

/...

21. Just as we have now begun to realize that there are limits to independence, even for the largest and most powerful nations, we must take a realistic look at the limits to interdependence. In this respect, the General Assembly might well consider the important relationships between independence and interdependence, as for example, the level at which the international community should feel an obligation to assist a nation to achieve and sustain self-sufficiency and the degree to which nations should be able and be expected to rely on the mechanisms of interdependence to meet their needs. Self-sufficiency in the capacity to meet, at least on balance, the basic needs of its population could surely be accepted by all as a basic attribute of independent nationhood, one which should be encouraged and supported by the international community. On the other hand, self-sufficiency interpreted as the capacity to meet the demands of a nation's population which extend well beyond the level of basic needs, is surely quite a different matter and should, at the very least, have lesser priority as the responsibility of the international community.

C. Need to define new minimum basis for international co-operation in period ahead, basic needs and outer limits

1. Basic needs

22. It is clear that earlier concepts of the goals of development, notably "closing the gap", and even the goals of the Second United Nations Development Decade, however useful and worthy, are no longer adequate. Experience demonstrates that the pursuit of these goals does not in itself assure that the basic needs of the most needy one third of humanity will be met. Indeed, the lot of that deprived group in relative terms and, in many cases, in absolute terms, has in fact been worsening in very many cases. The problems of that group will now become even more acute as the difficulties accompanying slower growth rates, inflation and related economic problems fall most heavily on them. Thus literally hundreds of millions of people in the developing world today face a growing threat to their capacity to live at a decent human level and, indeed, to their very survival: they are being forced to live without adequate food, shelter, health facilities, education and productive work.

23. It is clear that the basic needs of those people cannot be met by application of traditional "trickle down" theories of development and that a new and concerted approach must be mounted if the provision of the basic needs for a decently human life to the people is to be assured. The General Assembly should consider this as the single most urgent issue facing humanity. It should be asked to affirm that every human being born on the earth should have, as a fundamental right, access to the resources and environmental conditions to enable him to live at certain minimum levels compatible with human dignity and well-being. It should be recognized that that is the most basic of human rights and a prerequisite to the exercise of all other rights. The General Assembly should be asked to accept the provision of basic human needs to all as a minimum basis for international co-operation in the period ahead. This would call for appropriate adjustments in the International Development Strategy and in the orientation of the programmes and activities of the United Nations system.

/...

2. Outer limits

24. The whole environmental and "limits to growth" dialogue presupposes the existence of certain outer limits to the biophysical conditions essential to survival and well-being of the human species. As man peers further and further into outer space he realizes more and more the uniqueness of the planet earth he inhabits, the exceptional combination of conditions which make it hospitable for human life, and the surprisingly narrow margins within which these conditions exist. For example, the shift of but two degrees of temperature could have devastating consequences for much of the human population. Yet the awesome power which science and technology has placed in our hands has given us the capacity to modify, perhaps decisively, some of the key parameters which determine the conditions of life on earth, including climate. Of course, our capacity for self-destruction through nuclear or biological warfare is perhaps the most dramatic and imminent outer limit risk we face, but there is more and more evidence that the acceleration and increasing intensity of man's activities in pursuit of economic growth may already be impinging on some of those outer limits.

25. The United Nations Environment Programme has already initiated work, in co-operation with the scientific community, to identify areas in which such outer limits may exist, the human activities which may impinge upon them and the degree to which such activities may have to be subject to collective constraint or control by international agreement. It is already evident from our preliminary work that this range of issues bears very directly on the human future. Although the risks involved may, in many cases, be more remote and therefore seem less acute than those which are now preoccupying the attention of the world community, some of them could be no more than a generation or so away. And in some cases they are of such magnitude that they could be decisive to the human future. Most of them are also of a character which would make them impossible to avoid once their effect began to impact directly on us so that they could only be dealt with by identifying them sufficiently in advance to permit preventative action to be taken.

26. Many of the activities which give rise to such risks may already be under way and growing. As such activities are normally carried out in relation to more immediately perceived needs, demands and interests, it will often be extremely difficult and time-consuming to control or limit them. Thus it becomes even more important and urgent to identify and evaluate those outer limits risks at the earliest possible moment. Also, early identification of such risks would put the human community in a position to make conscious decisions which balance the longer-term risks of the outer limits kind against the shorter-term benefits which may derive from the activities which impinge on or give rise to such risks. If our response to the shorter term issues we face is going to impel us towards ultimate disaster for the human race, we should at least take these decisions in light of the best knowledge available to us and, indeed, there is every reason to believe that timely actions will enable us to avoid or at least mitigate the worst of such risks.

27. The identification and avoidance of outer limits risks to the future of all of the earth's inhabitants should be accepted by the General Assembly, together

with the provision of basic human needs, as the other indispensable minimum basis for international co-operation in the period ahead. Thus the special session of the General Assembly should be asked to establish, as the minimum foundation for international co-operation, the provision of basic human needs to assure the individual survival and well-being of every inhabitant of planet earth, together with the avoidance of offence to the outer limits on which the collective well-being and survival of all depends. A third pillar might be built around the concept of equal opportunity but I have not attempted to elaborate this here.

D. Automaticity in flow of resources from rich to poor

28. Just as programmes of direct assistance or charity have never proved to provide a viable basis for relations between rich and poor within nations, programmes of direct development assistance, as presently carried out with a high degree of donor control and subject to the limitations of annual appropriations by donor legislators, will not prove to be a viable long-term basis for relationships between rich and poor internationally. Current aid programmes have made important contributions to the development process in the third world and will continue to do so for some time in the future. But it should be recognized that these represent but the primitive beginnings of the process of extending into international life the concepts of distributive justice and equity which form the basis for relations of the privileged and less privileged groups within most national societies.

29. The time has come for this to be recognized by formal action by the General Assembly so that the goals, strategies and mechanisms of international development co-operation are reshaped accordingly. The General Assembly should be asked to establish the concept of automaticity in flows of resources to the developing countries as a basic goal of development co-operation and give its support to the initiation of the processes by which both political will and the methodologies required to accomplish this may be given new impetus in the period ahead.

30. An important beginning has already been made in the proposal to use the special drawing rights created by the International Monetary Fund (IMF) as a means of increasing transfer of resources to developing countries. Also, the Brookings Institution in Washington has initiated, in co-operation with the United Nations Environment Programme (UNEP) a major study of methods for applying levies, tolls, or user charges to the use of the international commons of oceans and atmosphere with the proceeds going mainly towards measures for protecting and enhancing the environment, with particular reference to the needs of developing countries. Practical measures, which may be considered in the short run, that would contribute to a move towards more automaticity in aid flows include acceptance by donors of the need to provide more direct budgetary and programme assistance and corresponding reduction on existing "tying" provisions and project assistance which is subject to a high degree of donor control.

/...

III. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

The establishment of a new international economic order

31. The Declaration and the Programme of Action on the Establishment of a New International Economic Order as expounded in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 represent a new understanding of the economic future of all nations and of the principles of co-operation among them. The Declaration and the Programme of Action are all the more significant in view of the fact that the share of the developing countries in the world industrial production has not increased appreciably over the past two or three decades, but has remained constant at less than 7 per cent even though the developing countries constitute some 70 per cent of the world population. This notwithstanding, industrialization is seen as being one of the major instruments for "bringing about a new international economic structure which should increase the share of the developing countries in world industrial production" (General Assembly resolution 3202 (S-VI), section III (c)). Such industrialization, however, must be based on international economic co-operation which respects equally the interests of all countries.

32. The achievement of a new economic order not only demands full co-operation from Governments, but it also involves a substantial degree of modification of the more customary forms of technical assistance. A new economic order "based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems" (General Assembly resolution 3201 (S-VI), third preambular paragraph), represents a fundamentally new orientation of the traditional industrialization process and new international industrial relations will have to be developed through consultation and harmonization.

33. The current industrial policies of the industrialized countries, which control almost 94 per cent of industrial production and even a greater share of industrial technology, will have to be replaced by a new set of policies and principles whereby the industrialized countries recognize and acknowledge the fact that it would be to their advantage to assist the developing countries in their industrialization. Once recognized, this long-range identity of interests would stimulate a new orientation of technological developments, expansion of markets, formation of human skills and would make for a generally more stable world order. Failure to develop such a co-operative system would further complicate the present economic, political and social difficulties, brought about by the current disequilibrium between developing and developed countries.

34. The primary areas of co-operation within UNIDO's field of competence have been identified in the Declaration and Programme of Action and can be summarized as: promoting the effective utilization of natural resources to the benefit of the developing countries; assuring favourable conditions for the transfer of financial resources to the developing countries; improving the production, storage and marketing of food; increasing the share of the developing countries in world industrial production; assisting in the transfer of technology; facilitating the

/...

role which producers' associations may play within the framework of international co-operation; regulating and controlling the activities of transnational corporations; and promoting co-operation among developing countries.

The Second General Conference of the United Nations
Industrial Development Organization

35. The significance of the Second General Conference of UNIDO as a means of implementing, in the field of industry, the New International Economic Order was specifically recognized in the Programme of Action adopted by the General Assembly at its sixth special session; the Programme of Action states that: "the Second General Conference of the United Nations Industrial Development Organization ... should be so directed as to enable the special session of the General Assembly on development, called for under Assembly resolution 3172 (XXVIII) of 17 December 1973, to make its full contribution to the establishment of the new international economic order" (General Assembly resolution 3202 (S-VI), section IX, para. 2).

Furthermore, in its resolution 3306 (XXIX), the General Assembly reaffirmed that a fundamental objective of the Second General Conference of the United Nations Industrial Development Organization was to contribute to the establishment of a new international economic order through the adoption of an international declaration and the definition of a plan of action to promote and lay down guidelines for renewed and strengthened co-operation for the promotion of the industrial development of the developing countries (General Assembly resolution 3306 (XXIX), para. 3).

The Lima Declaration and the role of UNIDO
in industrial development

36. The Declaration and Plan of Action on Industrial Development and Co-operation, which was subsequently adopted by 82 votes to 1 with 7 abstentions at the Second General Conference of UNIDO at Lima, in March 1975, identified the establishment of a new international economic order as being jeopardized by the economic policies of most of the developed countries, by the remaining vestiges of alien domination and by the industrialization problems of the developing countries which resulted, inter alia, in the under-utilization of resources, constraints in the planning and execution of industrial projects and an increase in the costs of industrial inputs, equipment and freight charges.

37. Most significantly, the Conference reaffirmed the role of industry as a dynamic instrument of growth, essential to the rapid economic and social development of the developing countries, in particular of the least developed countries. Furthermore, in view of the low percentage share of the developing countries in total world industrial production, it was agreed that their share should be increased to the maximum possible extent and as far as possible to at least 25 per cent of total world industrial production by the year 2000, while making every endeavour to ensure that the individual growth so achieved is distributed among the developing countries as evenly as possible.

/...

38. The achievement of such a target, however, cannot be achieved by exhortation alone: a restructuring of industry which, for example, effects the establishment of such basic industries as the steel, metallurgical and petrochemical industries, must be so controlled as to ensure that developments are not to the detriment of any one particular country or group of countries. Moreover, shifts of such magnitude assume the political will to change on the part of all concerned: in brief, no industrialization without full participation. Member States must be willing to co-operate in and contribute to the achievement of a new international socio-economic order, whereafter, and only thereafter, the United Nations system as an instrument of international co-operation can play its role.

39. In full awareness of the fact that the primary responsibility for the achievement of a just and equitable socio-economic order lies with the developing and developed countries, UNIDO's role consists essentially of providing the framework and technical facilities capable of advising the developing countries and the industrialized countries on the action they could take; of acting as a forum for consultations and negotiations; and of adapting its field activities to the real requirements of the developing countries in their industrialization endeavours.

40. The organization should seize the initiative by virtue of its intellectual capabilities and develop concepts and ideas on both a global and regional basis, thereby contributing to fruitful co-operation between the developing and industrialized countries. Given a climate of genuine international understanding, and above all the expressed political will to co-operate, the target set in the Lima Declaration can be achieved through the combined efforts of the developed and developing countries.

Studies and research

41. The importance of expanding the intellectual and analytical activities of UNIDO was recognized by the Ad Hoc Committee on Long-Range Strategy for UNIDO which identified the need to assist the developing countries in the formulation and revision of their industrial policies and strategies, as well as in the selection and design of projects in the country programmes of the United Nations Development Programme (UNDP), thereby meeting their priority needs in the industrial sector. Equally important were the exchange of formulae of industrial development assistance among developing countries, and the accumulation of knowledge on regional, sectoral and global trends in industrialization, thereby permitting a better understanding of the main problems confronting the developing countries in their international economic relations and of the impact on the processes of industrialization (ID/B/142, para. 25).

42. The essentiality of this studied assessment of both short-term and long-term developments in every industrial sector was also stressed in the Lima Declaration, which stated that "in order to give concrete content to the process of industrialization in the developing countries, studies must be undertaken and specific measures formulated in different sectors of industry, special attention being given to priority sectors" (ID/B/155/Add.1, para. 67).

Consultations and negotiations

43. The above studies will be complemented by "a system of continuing consultations at global, regional and sectoral levels" (ID/B/155/Add.1, para. 66), which, in full consideration of all the determining factors, will be directed towards the redeployment of certain productive capacities existing in developed countries and the creation of new industrial facilities in developing countries. Particular attention will be given to industries which process raw materials exported by developing countries or which consume vast quantities of energy (ID/B/155/Add.1, para 61 (d)).

44. Those consultations will also be directed towards the establishment of basic industries, such as steel, metallurgical and petrochemical industries, linkage industries, such as mechanical engineering, chemical and electrical industries, and consumer-oriented industries which not only satisfy domestic demand but also open up export markets (ID/B/155/Add.1, para. 58 (f)). Particular emphasis will be attached to the effective use of the environment and the production of goods that not only meet the requirements of the local population but also offer genuine export potential.

45. A further area of particular interest will be the promotion of agro-based or agro-related industries which, as was recognized in the Lima Declaration, not only arrest rural exodus and stimulate food production activities but also provide an incentive for the establishment of further natural resource-based industries. Agro-industrial development with its emphasis on the application of industrial technology to the agricultural sector not only satisfies a growing demand for agro-based products, but with the establishment of integrated production complexes, waste can be effectively processed and production values enhanced through the proper utilization of by-products and the manufacture of derivatives.

Restructuring of UNIDO and its field activities

46. The newly designed studies and consultations, however, have to be complemented by a corresponding reappraisal of UNIDO's field activities and the adoption of a full-scale interdisciplinary approach to problems. This will involve the simultaneous review of developmental issues in their technological, economic and social contexts, upon which basis meaningful projects of real benefit to the developing countries can be developed. Technical assistance would thus become more business-like in its operations and be directed towards development far beyond the bounds of training and the provision of expertise. UNIDO would evolve accordingly and expand its own effective capacity. Having mobilized existing resources in both the industrialized and developing countries, it would harness them in the interests of effective and rapid industrialization. A determined effort will be made to link feasibility studies with subsequent investment decision. Factories will not only be established but assistance provided in their initial operation and in the marketing of the goods they produce. The time-lag between the assessment of a problem and its eventual solution will be radically reduced.

/...

47. The growing trends towards linking the capabilities of advanced research institutes in developed countries with burgeoning institutes in developing countries will be matched by similar links between financial institutions in both countries. The ultimate aim is to expand the industrial catalyst role of UNIDO into that of a multifaceted resource agency capable of operating equally efficiently at Government, business and industrial levels.

48. An organization, however, whose declared aim it is to assist in the restructuring of industry on an international scale, must develop certain undisputed capabilities of its own if it is to convince the world at large of the necessity to redeploy industry. Conviction by example and not coercion are the sole means at the disposal of a multilateral organization and UNIDO has consequently taken certain steps to strengthen its ability to contribute to the establishment of a new international economic order.

49. The in-house capabilities of UNIDO will be amplified by the establishment of an industrial and technological information bank which will improve the dissemination to the developing countries of the information which they need for the proper selection of advanced technologies. Especial care will be taken to avoid duplicating the work of other institutions in this field and links will be established with other institutions active in this field. The industrial and technological information bank should be instrumental in stimulating the relationship between sources of information in developing and developed countries, and in activating such machinery as already exists in developing countries.

50. These activities will be matched by a co-operative programme of action involving the appropriate organs and agencies within the United Nations system designed to promote the creation, transfer and use of appropriate industrial technology for developing countries. The latter programme was the subject of a resolution adopted at the Second General Conference of UNIDO and, further to several multilateral organizations offering their support, one industrialized country declared its willingness to make a substantial voluntary contribution to ensure the success of this action.

51. Changes on such a scale, however, cannot be absorbed by redeployment measures or supplementary appropriations alone: they call for something much more extensive. It was with the increased effectiveness of the organization in mind that the Lima Declaration stated that it was essential that UNIDO's autonomy and functions be increased and expanded substantially and that UNIDO be provided with the necessary resources. It was thus recommended that UNIDO be converted into a specialized agency; the Secretary-General of the United Nations and the Executive Director of UNIDO have since finalized draft statutes of the specialized agency for industrial development, which will be submitted to the seventh special session of the General Assembly, through the Economic and Social Council.

52. Furthermore, the Second General Conference of UNIDO felt that the establishment of an Industrial Development Fund was crucial to both increasing the resources of UNIDO and enhancing its autonomy and ability to meet, promptly and flexibly, the needs of developing countries. It was recommended that the Fund should be established through voluntary contributions to UNIDO and that existing voluntary

/...

funds under UNIDO's authority should be consolidated as part of the new fund. The terms of reference and the rules for the functioning and administration of the Fund are in the course of preparation by UNIDO for review by the Industrial Development Board and full account taken of the Report of the Secretary-General of the United Nations as contained in document A/9792. The activities financed from this fund will be directed towards the instruments of consultation and negotiation; strengthening promotional activities as well as the research and study activities of UNIDO; intensifying co-operation among developing countries; and the development and transfer of technology. It was generally agreed at the Lima Conference that the establishment of the Industrial Development Fund would enhance the ability of UNIDO to participate in the implementation of the Declaration and Programme of Action for the Establishment of a New International Economic Order, adopted at the sixth special session of the General Assembly, in so far as they relate to industrial development.

53. In the meantime, the programme budget 1976-1977 and the medium-term plan 1976-1979, both of which had been conceived so as to reflect the expressed aims and objectives of the sixth special session of the General Assembly, will be modified in the light of the decisions and recommendations of the Second General Conference of UNIDO and the need for their immediate implementation.

54. The restructuring and reorientation of UNIDO thus envisaged by the Executive Director are intended to give rise to an instrument fully capable of servicing the developing countries; to a bridge linking the interests of the developing and industrialized countries; and to a form of operation whereby hitherto untapped sources of business and financial expertise can be co-opted into joint action on behalf of the international community as a whole. A duly strengthened and restructured UNIDO would thus be able to play more effectively the central co-ordinating role to which it has always adhered and contribute to the redistribution of the benefits of industrialization and to a more rational division of labour, based on interdependence, which remain the prominent features of the new international economic order.

IV. UNITED NATIONS CHILDREN'S FUND (UNICEF)

Text of letter dated 30 April 1975 from the Executive Director
of UNICEF to the Secretary-General of the United Nations

55. In the interests of brevity, UNICEF can confine its response largely to a full endorsement of Mr. McNamara's letter to the Secretary-General of 20 December 1974 on this subject. 3/ The five issues with which he deals - food, rural poverty, education, health and nutrition, and the transfer of real resources - with the population problem underlying all of these are, in UNICEF's view, the principal issues affecting not only the prospects for development of the population as a whole, but children in particular. It is, fortunately, now beginning to be understood that a country's prospects for development do depend importantly on the attention it gives to the well-being and preparation for life of its children. My subsequent remarks will deal with those aspects of the issues mentioned relating especially to the improvement of services for children.

56. That, in summary, involves the rapid expansion of simple basic services for children and mothers in rural areas, as well as in urban slums, delivering a "package" of assistance in these interacting fields. Those services, adapted in detail to the particular administrative structure of each country, would include such essential activities as: the provision of simple immunization and other basic drugs; education in preventive health care through such means as clean water and suitable diet; assistance in the production on family and community plots of nutritious foods needed by children and mothers to supplement the staple diet; storage of family food between harvests to prevent loss from deterioration and pests; as well as assistance in co-operation with the World Health Organization (WHO), to family planning programmes when requested by Governments. Closely related would be improvement of basic education, including non-formal education and especially for women and girls. A significant feature of those services is their staffing at the field level by people selected from the local population. They would be given short training courses and often be employed on a part-time basis. This approach is applicable to the fields of health services and agricultural and home economics extension and perhaps others. The recently concluded conferences in Bucharest on population and in Rome on food taken together resulted, inter alia, in a general endorsement of this type of practical approach.

57. Supplementing this broad consensus at the highest level, there have recently been completed a series of more detailed studies on practical means to mount these basic services. WHO in co-operation with UNICEF, has just completed an imaginative and ground-breaking study of approaches to meeting basic health needs at field level, relating especially to children and mothers. UNICEF, in co-operation with the Food and Agriculture Organization of the United Nations (FAO) and WHO, has commissioned an important study on child nutrition by Professor Jean Mayer, Professor of Nutrition at the Harvard School of Public Health. UNICEF also recently financed a study, in co-operation with the World

3/ See chap. XIV below.

Bank, UNESCO and others, on new approaches to non-formal education; most of this is now published. The net effect of these and other studies, as well as the accumulated practical experience of the agencies concerned, is that there is now a large body of detailed knowledge available on how to go about the creation and rapid expansion of these much needed basic services.

58. As to the amounts of external assistance required, through both bilateral and international channels, it has obviously not yet been possible for UNICEF or any other organization so far as I know to carry out a comprehensive analysis. It does, however, seem clear from illustrative experience that the costs, while large in relation to what has been available for these purposes in the past, would nevertheless be entirely feasible for the international community. The estimate before the World Food Conference for \$1 billion a year primarily for supplementary feeding and some attention to health care is a useful indicator. Perhaps something in the order of \$2 to \$3 billion a year would be more realistic to include the larger "package" of services described. Of course, not all of these funds will be needed initially, but a broad commitment to a significantly enlarged effort for that purpose would be extremely helpful. Naturally, these funds should flow through many channels: bilateral aid, the World Bank and other development banks, and many other organizations, including UNICEF.

59. In practical terms, what is principally required are funds for the training of local personnel, supplies and equipment for the various installations and direct financial assistance to the Governments concerned to meet the start-up costs. A significant characteristic of the basic services is that they are designed to operate at recurring costs which developing countries could afford, largely through the utilization of para-professional staff at the local level.

60. I suggest that discussions of those matters by the seventh special session could contribute importantly to a new approach to the development process itself by recognizing that the services constitute a missing link in the process as hitherto practised. What seems to be principally required from developing countries is a genuine commitment to basic services for children, expressed in appropriate decisions at the top level of Government in connexion with development planning, and followed through administratively to the local level where it is essential to stimulate local leadership and participation. A commitment from the more affluent countries to a significantly increased level of assistance is also essential, not only for help in meeting the actual costs involved but as an encouragement to the making of the necessary internal policy decisions by developing countries.

61. It seems to me that if the seventh special session could stimulate an additional flow of resources of sufficient magnitude from the affluent countries and a sufficient commitment on the part of developing countries to the approaches outlined herein, the United Nations system of organizations, especially those directly concerned, has already sufficient coherence and experience in practical co-ordination to do its part, through its own agencies and in co-operation with bilateral aid programmes. Some new methods of action would probably be necessary, and some are already being developed as a follow-up to the World Food Conference. UNICEF, for its part, is accustomed to co-ordinating its activities thoroughly with the other organizations concerned and would, naturally, be more than ready to participate fully in the larger endeavour herein described.

V. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

62. In the first part of the present paper, an attempt has been made to identify a few substantive subjects on which detailed studies may be prepared for submission to the Preparatory Committee for the special session. The second part contains some ideas and suggestions on the question of the restructuring of the United Nations system. The third part gives an account of the actions taken by UNDP recently for the reorientation and adaptation of its programmes and institutional structures.

A. Issues for International Action

63. At this stage, UNDP would confine itself to suggesting an illustrative list of topics of interest to it. The suggestions regarding topics have been offered mainly under the heading of the areas mentioned in paragraph 4 of General Assembly resolution 3343 (XXIX). The topics do not cover all the issues that may be considered at the special session and may be of interest to UNDP. Nor do they indicate UNDP's scale of priorities among issues that can be considered under the respective headings. It is assumed that a scheme of priority would be established and a selection of issues made accordingly, on the basis of suggestions to be offered by all the organizations of the United Nations system.

Commodities

64. A co-ordinated and comprehensive programme of assistance to developing countries for improving the marketing prospects and the import purchasing power of their commodity exports. On the demand side, this will call for intensified activities for research into the diversification of the end-uses of a selected number of primary commodities produced by these countries, assistance in marketing and export promotion, assistance towards their effective participation in international efforts for the removal of tariff and non-tariff barriers to the exports of these products. On the supply side, it will be necessary to assist them in the expansion of export-oriented activities.

Industrial development

65. A co-ordinated and comprehensive programme of action for the expansion of UNDP activities in the industrial field. Such a programme of action can be based on the more general programme of action likely to be adopted at the Second General Conference of UNIDO. UNDP activities for assistance in accelerating the process of industrialization in the developing countries, in spite of some gains recently, still constitutes a small proportion of its over-all activities. There is, therefore, an urgent need to adopt vigorous measures to expand these activities.

66. A study of the different modalities of promoting tripartite co-operation for industrial development, based on the matching of the physical and human resources of developing countries, the financial resources of the oil-exporting countries, and the technology, financial resources and access to markets of the developed countries; arrangements for a prompt identification of projects to be undertaken within the framework of such a co-operation.

Transfer and development of technologies

67. A study of the implications of the changed energy situation for the development strategies of developing countries. This could take the form of a few case studies. In addition, a separate study on methodology may be necessary. The studies can be either of the alternative strategies, including technological choices, for the development of the economy as a whole or for the development of particular sectors, especially transport and industry or for both.

68. How the United Nations development system can render more effective and increased assistance in this area, which in spite of the high priority attached to it continues to be rather limited.

Agriculture

69. A study on a multidisciplinary approach for meeting the fertilizer needs of developing countries. Such a study should be undertaken jointly by UNDP, the World Bank and FAO. It should review current research and experiment work in this area, analyse factors influencing the supply and demand of both organic and inorganic fertilizers, pay particular attention to the social, cultural and broader economic factors determining the use of fertilizers and analyse the implications of the current energy situation for the production and use of different kinds of fertilizers.

Transfer of resources

70. Ensuring an adequate rate of expansion in real terms of UNDP programmes. This can be considered only as a part of the problem of ensuring the attainment of the target for the flow of official development assistance, as laid down in the International Development Strategy. In that context, consideration may be given to the desirability and feasibility of establishing a subtarget as a minimum proportion of the total flow of official development assistance, for the flow of resources through multilateral channels.

Technical co-operation among developing countries

71. A review of current and planned activities of the United Nations system for assistance in the promotion of technical co-operation among developing countries and suggestions for action to be taken by the developing countries for intensifying such co-operation.

B. Structural changes within the United Nations system

72. The question of the restructuring of the United Nations system must be seen in a dynamic context. In a sense, restructuring is constantly under way, as would be apparent from the analysis in the next section of this paper. The evolutionary process of the kind which the UNDP set in motion some four years ago appears in retrospect a qualitative change of a radical nature, which has considerably enhanced the capacity of the United Nations system to contribute to the realization of the objectives of the International Development Strategy and the Programme of Action for the Establishment of a New International Economic Order. It is important to recognize the significance of structural changes which have already been set in motion and take all necessary action to bring them to their logical conclusion.

73. The dominant consideration behind any organizational restructuring of the United Nations system is going to be the need to consider and deal with major issues of development in an interrelated and integrated manner. This is one of the lessons from the recent world conferences and discussions both under the auspices of the United Nations and outside it. For example, it is recognized that the problems of population, food, resources, economic growth and institutional changes should be seen in their mutual relationship and dealt with accordingly. Similarly, there is now a greater emphasis than ever before on the desirability for taking parallel actions at the same time for monetary reforms, for the expansion of exports of developing countries and for the transfer of resources to them. Such an approach to the solution of the major problems of development calls for not only an interdisciplinary and unified approach but a much stronger co-ordination of the activities of the organizations within the United Nations family. For that purpose, it may not always be necessary to establish additional co-ordinating machineries. The purpose can be served to a great extent by reorienting the functions and methods of work of the existing machinery, by readjusting the programmes and activities of the United Nations organizations to this end and by inculcating among all concerned the importance of applying the concept of unified approach.

74. Stronger co-ordination and a unified approach is also necessary in the response of the United Nations system to emergency situations that may arise from time to time. The recent experience in the case of assistance to the Sahel region shows that within the limitations of the resources at its disposal, the United Nations system is quite capable of responding to such situations in a satisfactory manner. The United Nations system has, on the whole, an impressive record of co-operation at the intersecretariat level for carrying out field operations to meet emergency situations.

Creation of special purpose funds

75. There is a trend in the United Nations system towards the establishment of a multiplicity of special purpose funds. A number of such funds have already been created while quite a few others are under consideration. Without going into

the merits and demerits of the individual proposal for the establishment of funds and without questioning some of the general political and economic considerations underlying the initiatives for the creation of such funds, it may be pertinent as a part of the forthcoming discussion of structural changes in the United Nations system to consider the following points:

(a) Multiplicity of special purpose funds may result in the United Nations system adopting a fragmented approach to the major problems of development at a time when it has been universally recognized that none of these problems is completely separable from others and that they must be dealt within an interdisciplinary and unified manner.

(b) To the extent that new funds generate new resources, they help to enlarge the effort of the international community. But as they proliferate, they may tend merely to divide a given volume of resources rigidly between sectors, thereby undermining the freedom to set appropriate priorities country by country and coming in the way of the most effective utilization of the limited resources at the disposal of the United Nations system.

(c) Perhaps, one of the main reasons accounting for this trend is that the United Nations system was not provided with resources adequate to deal with the emerging problems of development on the scale and with the urgency desired by the international community. In that case, would not a flow of resources on a much enhanced scale and at a significantly accelerated rate obviate the need for the establishment of such funds in future?

(d) Another major factor has been policy and procedural constraints coming in the way of undertaking activities to which both the developing countries and most of the developed countries have attached great importance. This calls for a thorough reappraisal of existing policies and procedures and readiness to introduce promptly the necessary changes.

(e) Implications of the creation of these funds for maintaining a proper relationship between operational and non-operational activities of the United Nations system.

(f) The desirability of taking a policy decision on the manner in which current or prospective proposals for the establishment of special purpose funds should be dealt with.

(g) The desirability of bringing all such funds within a single institutional framework. If this happens, among others, it may be all the more difficult to maintain the present rigid distinction between technical and pre-investment assistance, on the one hand, and other kind of assistance, on the other.

C. Action already taken or under consideration by UNDP

Re-orientation and adaptation of Programme, policies and procedures

Programming and implementation

76. UNDP has initiated a series of interrelated measures as a part of the continuing process for enhancing the effectiveness and quality of the Programme and for adapting it to the evolving needs of the developing countries. A thorough review has been undertaken of the experience so far in country programming with a view to evolving and applying the best method for programming in future. One of the basic objectives of this exercise during the second cycle will be to formulate programmes in such a manner as to provide the United Nations system and the Government the maximum flexibility for meeting the country's evolving needs and adapting the programme to changing regional and global perspectives. Another objective is to rationalize and simplify the present policies and procedures for the formulation of country programmes in order to achieve maximum efficiency. The Administrator is considering a set of preliminary conclusions and recommendations relating to modifications of country programming procedures and policies and he will submit his views and suggestions to the Governing Council in June 1975.

77. UNDP intercountry programmes are a more direct tool at the disposal of the United Nations system to seek in its technical co-operation activities, the reflection of some of the important provisions of the International Development Strategy and the Programme of Action. Steps have therefore been taken to make an assessment of the substantive content and scrutinize the policies and procedures for the formulation of intercountry programmes with a view to enhancing their efficiency, improving their quality and orienting them to the basic purposes of the New International Economic Order and the International Development Strategy.

78. Another series of measures recently adopted are designed to speed up the process of project formulation and approval and to improve programme delivery. These include advance and improved planning of management at the field level as an instrument for keeping constantly under review progress in project preparation, approval and implementation, improved communication between the field and Headquarters and greater reliance on the field for the development of large-scale projects, to be approved only in principle by Headquarters.

New dimensions

79. Beyond the question of bringing about improvements in the policies and procedures governing the different phases of the United Nations Development Co-operation Cycle, UNDP is taking a broader look at the long-term evolution of the Programme and its relevance in the context of the present world socio-economic situation and international economic relations.

80. It is recognized that the nature and scope of assistance being provided by UNDP has not remained the same over the past quarter century. At the same time, conventions regarding what UNDP can finance and what it cannot have developed in

response to underlying realities which are no longer the same. Changes of momentous significance and far-reaching implications have taken place in the development process, in thinking on development problems and international economic relations. An examination is therefore being undertaken by UNDP to see whether those changes, particularly the development of planning and implementation capabilities in the developing countries themselves, the emphasis being placed on self-reliance and on increasing co-operation among developing countries, the importance of reaching the poorest section of the population and contributing to the direct betterment of the standard of living of the underprivileged people and areas, etc., should not call for changes in the kind and form of assistance being provided. It also appears that even for the purpose of securing the efficiency of the Programme and maintaining a satisfactory level of delivery, the content of the Programme should fully respond to the greatly diversified demands of the developing countries and should be informed by a set of consistent and clearly articulated objectives. Once such a set of objectives are agreed upon, the Programme should be able to deploy all the means that are necessary to attain them, discarding, if need be, the constraints built in the past years regarding what can or cannot be done, whenever they come in the way of the realization of those objectives.

81. The conclusions and recommendations of the Administrator on the subject will be presented for consideration by the Governing Council in June 1975. In this connexion, it may be recalled that a proposal was made at the eighteenth session of the Council to devote the first few days of the June 1975 session to the discussion of those broader policy matters, so as to facilitate the participation of ministers and senior government officials from the planning and development ministries of the member countries.

Reorganization of the UNDP institutional structure

82. With the adoption of the Consensus on the new system for providing UNDP assistance, far-reaching changes in the UNDP institutional structures were initiated a few years ago. The main features of the reorganized structure were: the maximum possible delegation of responsibility for programme formulation and management to the field; for that purpose the strengthening of the field staff; the establishment of regional bureaux at the Headquarters for providing a direct link between the Administrator and the UNDP Resident Representatives in all matters concerning field activities; Headquarters reorganization to ensure that the main trends in the evolution of the Programme are constantly analysed in order to give it new directions and explore new possibilities for making it more effective; and a renewed emphasis on the full accountability of the Administrator for the management of all aspects of the Programme.

83. Specific measures have been adopted for delegating authority to the field from the Headquarters with regard to each of the different phases of the United Nations Development Co-operation Cycle. Improved and new procedures as mentioned earlier in this section have also been set in motion as part of the process of decentralization. Finally, the Administrator has taken steps for upgrading the post of Resident Representative, for the strengthening of field

offices and for selective recruitment and promotion, improved placement and intensified training activities in order to enhance the competence of the field staff. Parallel reorganization and streamlining of the Headquarters responsibilities have been undertaken, so as to conform to the requirements of the decentralized system and to strengthen Headquarters capacity to provide guidance to the field on broad policy issues.

Relations with regional commissions

84. An important aspect of decentralization is to make necessary arrangements for co-ordination of programme activities at the regional level. It is also important for UNDP to follow major substantive policy development at the regional level and to ensure that these are duly reflected in its programme activities.

85. To ensure better co-ordination of UNDP activities at the regional level, an arrangement has been made with the Economic Commission for Africa according to which the UNDP office in Addis Ababa is headed by a high-ranking official as UNDP's Regional Representative and combining the functions of Resident Representative in Ethiopia with liaison duties of UNDP with ECA, as well as certain additional responsibilities at the regional level. For other regional commissions, the UNDP Resident Representatives in the countries where the commissions' headquarters are located also serve as the UNDP liaison officers with the commissions.

86. Full advantage is taken of all available opportunities for achieving co-ordination at the regional level and particularly for ensuring a two-way flow of ideas between the regional commissions and UNDP. The Directors of the regional bureaux and other senior officers of UNDP participate in the co-ordination meetings of the executive secretaries of regional commissions. The occasion of those meetings is also utilized for arranging separate meetings with the executive secretaries or their representatives for discussing specific issues and problems. Similarly, senior UNDP officials actively participate in the annual sessions of the regional commissions. Representatives of the regional commissions, on the other hand, participate in the regional meetings of Resident Representatives.

87. The present arrangements for liaison and co-ordination between UNDP and the regional commissions, particularly the special arrangement with the Economic Commission of Africa, are currently under review and the Administrator intends to submit a report, including suggestions for improvements and strengthening of those arrangements, to the twentieth session of the Governing Council.

88. A suggestion which is under consideration is whether the practice for consultations between the regional commissions and UNDP on programme and substantive policy matters could be put on a more organized basis so that such consultations are not in the nature of chance occurrences and that adequate preparations are made by both sides before they are held.

89. One of the factors limiting the capacity of the regional commissions to contribute to the programming and implementation of UNDP assistance has been the rather slow progress made so far in the decentralization of the United Nations

operational activities to the regional level. It is hoped that with the implementation of the decision at the eighteenth session of the Governing Council and of resolution 1896 (LVII) of the Economic and Social Council, delegating the appropriate functions of an executing agency to the regional commissions for regional, subregional and interregional projects, there would be a considerable strengthening of the capacity of the commissions in the field of operational activities. Consultations are taking place between the Administrator and the Secretary-General for making detailed arrangements for the implementation of the resolution of the Economic and Social Council.

Relationship with agencies

90. The relationship of UNDP with the other organizations of the United Nations system is that of a partnership in an effort to utilize the capacity of the United Nations system at optimum level to ensure the most efficient and effective use of UNDP assistance. For the sake of convenience of analysis, the relationship can be discussed at two levels: first, as a means for ensuring the optimum delivery of UNDP programmes, and second, as a framework for bringing to bear on the UNDP activities the substantive inputs of the participating organizations in their respective fields of competence.

91. In order to serve both these objectives, one of the major steps that was taken soon after the adoption of the new system of programming, was the changes introduced in the structure and functions of the Interagency Consultative Board and Programme Working Group. Instead of the earlier practice of reviewing large-scale projects as the most important role of the IACB and PWG, meetings of those bodies are now devoted mainly to the review of broad policy issues and the discussion of operational issues of system-wide interest. Such reorientation of the functions of the IACB/PWG has facilitated the adoption of agreed policies and procedures designed to improve the efficiency and effectiveness of the programme, the discussion of key substantive issues and the manner in which they can be translated into operational terms, and the consideration of urgent issues of global significance with a view to adopting a unified approach on behalf of the United Nations development system as a whole for finding solutions to them.

92. However, in the very nature of things, there are limitations to the IACB/PWG serving as an adequate mechanism for effective co-operation between the UNDP and the participating organizations for realizing the twin objective of speeding up programme delivery and getting intellectual and analytical feedback for improving the quality of the programme. It is therefore necessary to devise additional instruments and methods of co-operation. As in the case of relations with the regional commissions, it may be necessary in this case also to initiate periodic substantive discussions at the expert level in an informal but well-organized and systematic manner. Such discussion should be prepared in advance and should focus on a few selected substantive issues of common interest to the UNDP and the organization concerned.

93. It was recognized in the Consensus and subsequently in the relevant resolutions of the Economic and Social Council and the General Assembly that the new system

of providing UNDP assistance and, in particular, the organizational restructuring of the UNDP called for parallel reorganization and restructuring of the institutional machineries of the executing agencies. An important development in this regard has been the emergence of a general pattern in most of the organizations of the United Nations system, of the location of over-all responsibilities for development assistance within a single department or division and of the restructuring of the machinery for carrying out operational activities on geographical lines. Moreover, consistent with the country approach of providing UNDP assistance, it has become necessary for the organizations to reorganize their institutional structures in such a manner as to be able to meet the considerably enhanced demand for providing sectoral support to the field, imposed by the present system of providing UNDP assistance. One of the ways for achieving such a purpose is for the organization to carry out a parallel process of decentralization to the field and at the regional level. But here it should be recognized that agencies have their own problems arising out of historical circumstances and related to budgetary, functional and other considerations. Some of the agencies have, to a great extent, been able to decentralize. The Administrator is closely following these developments and has taken up with the agencies the question of giving this process a further impetus.

94. The new policies and procedures which are likely to be applied for the preparation of the second cycle of country programmes, will provide a better opportunity for utilizing the substantive inputs of the agencies for the formulation of the programmes. Moreover, as country programming is increasingly becoming a continuing and dynamic process, the agency expertise is bound to constitute an indispensable element in the continuing dialogue with the Government that would become necessary.

95. There is also a need for greater interaction between the substantive research activities of the participating organizations and the operational activities of UNDP. It is widely recognized that the research, analysis and standard-setting work of the United Nations organizations can acquire greater relevance if it is operationally oriented. It is hoped that a much larger proportion of UNDP resources, than has been the case so far, would be devoted to global and interregional projects designed to carry out research on problems of world-wide concern. There is also a need to reorient the functions of the substantive programme support staff of the UNDP in such a manner as to enable it to monitor substantive ideas of interest to the Programme, from the meetings, seminars and studies undertaken by the participating organizations, and co-operate with the organizations, within the framework of agreed work programmes, in carrying out analyses of major operational problem areas, with a view to suggesting new ideas and approaches. No less important is the question of disseminating these ideas and the fruits of research and analysis at the country level, both among the UNDP field staff and the Governments of the developing countries. For this purpose, the existing mechanism, such as the regional meetings of Resident Representatives, training programmes for field staff, the channel of communication between Headquarters and the field offices and the channel of contact between the Resident Representative's office and the Government, should be increasingly utilized. This will of course be in addition to the discussion and dissemination of ideas among Governments that take place in the intergovernmental forums within the United Nations system.

96. An activity to which increasing attention is being devoted and which is proposed to be undertaken on a wider basis during the coming years is joint UNDP/agency evaluations of activities in specific areas, with a view to reaching common understanding on the main trends and directions of such activities, identifying gaps and mounting additional programmes for bridging the gaps, and identifying methods and approaches to more effective programme formulation and delivery for wider application. A modest beginning has been made with the completion of an evaluation exercise covering UNDP/UNIDO activities in the field of industrial planning. A report containing the outcome of this exercise will be submitted to the June 1975 session of the Governing Council. Preparatory work and consultations with agencies are afoot for carrying out similar evaluation exercises in co-operation with other participating organizations.

VI. WORLD FOOD PROGRAMME (WFP)

Text of letter from the Deputy Executive
Director of WFP to the Secretary-General
of the United Nations

97. In the wake of the World Food Conference in November 1974, the World Food Programme is naturally anxious that the implementation of the conference resolutions that relate to food aid be effected as expeditiously as circumstances permit. This anxiety is reinforced by the urgency to increase food availability to the most needy and most severely affected countries and also by the belief that the continuing deterioration of the world food situation calls for the direct intervention of the international community. The Programme bases its concern for the world food problem on the recognition that, while the ultimate solution to the problem of food shortages in developing countries lies in increased production in these countries, food aid will, for some years to come, continue to be an international co-operative instrument to meet the emergency and nutritional needs as well as stimulate rural development and increase food production in the developing countries.

98. These considerations have led the World Food Programme to propose that, as an issue for international action to be taken by the special session of the United Nations General Assembly in September 1975, consideration might be given to the following:

The international arrangements for the effective implementation of resolution XVIII of the World Food Conference (an improved policy for food aid) as urged by the General Assembly at its twenty-ninth session (resolution 3348 (XXIX) of December 1974); in particular, the attainment of the minimum target of 10 million tons of grain as food aid a year, starting from 1975, and also adequate quantities of other food commodities.

VII. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR)

99. Since the mid-1960s problems of refugees and displaced persons have arisen on an increasing scale in the developing countries including some of the least developed among them. In some areas the displacement of very large numbers of people has seriously affected the economic situation of both their country of origin and their country of temporary refuge.

100. Under its Special Operations, UNHCR has been called upon to help the refugees and displaced persons concerned to move to areas where, on account of ethnic or social affinities, they are in a better position to become integrated.

101. It is believed that the orderly transfer of the various groups of people, combined with material assistance with a view to their re-establishment in their countries of final destination, contributes towards the optimum utilization of human resources and the facilitation of the harmonious economic and social development of the countries concerned while, at the same time, alleviating the burden that would otherwise fall on the Governments of those countries.

102. The General Assembly at its seventh special session may wish to consider this type of action as a contribution towards the achievement of the purposes laid down in resolution 3343 (XXIX).

VIII. UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (UNITAR)

103. The United Nations Institute for Training and Research has reviewed the constellation of problems and issues demanding further examination within the United Nations family in responding to the latest concerns and interests of the United Nations, with a view to promoting social progress, better standards of life, and enlarged freedom for mankind. It is well to acknowledge that UNITAR's activities as a training and research institute do not relate directly to sectoral or regional programmes, unlike other United Nations agencies. Therefore, the issues being suggested for examination are not limited to particular areas of sectoral responsibilities or interests. In selecting the following subjects deemed relevant for discussion on the coming occasion, the main purpose and duration of the special session have been kept in mind.

104. Problem areas suggested for consideration are:

(a) Increasing the rate of growth of world trade through expanded national participation and the need for a comprehensive international trade organization;

(b) The breakdown of post-war monetary arrangements, and the need for a comprehensive international monetary system;

(c) Overcoming global crisis in agricultural production, and the need for an international fund for agricultural development;

(d) The crisis in international co-operation for development, and the need for collective self-help in developing countries;

(e) The increasing cost of world economic development, and the restoration and management of stability in the world economy.

The need for a comprehensive international trade organization

105. International trade is the cornerstone of international co-operation and interdependence. In both developed and developing countries, trade is recognized not only as a vehicle of economic expansion, but also as a positive way of promoting world economic development. It may not be sufficiently realized that resource transfers through trade remain the largest element in intra-hemispherical resource transfers. Therefore, in dealing with present crisis in international co-operation for development, it is essential that the existing international mechanisms in the field of trade be reviewed, with a view to increasing the influence of these institutions' capabilities. In that respect particular attention should be given to the interaction between GATT-UNCTAD and the commodity agreements.

The need for a comprehensive international monetary system

106. In view of some recent and perhaps irreversible changes in the political economy of the world, it is important to consider whether the time has come to take deliberate steps to reform the international monetary system with a view to establishing permissive conditions for a balanced and sustained development of the world economy. Perhaps the policy-making organ of the existing international monetary institution requires drastic overhauling in order to conform to changes in the world economic situation. It is necessary to face reality by responding adequately to the pragmatic elements underlying the need for a world monetary system before the dawn of a new millenium.

The need for an international fund for agricultural development

107. It is now commonly realized that food supply may be the key to future world stability, and yet the known capacity for food production outside a small number of countries in the world is limited if not marginal. In order to make significant progress in dealing with the problem, it is important to re-examine the idea of establishing an international fund for agricultural development. Such a global institution could play a decisive role in helping to secure a more adequate food supply by supporting schemes to increase agricultural efficiency. It could be effective in supplying funds to provide adequate irrigation and other infrastructural facilities in rural areas.

The need for collective self-help in developing countries

108. In revitalizing international co-operation for development, it is necessary to promote action not only at the international but also the internal level as well, in order to make real progress. The cultivation of collective self-reliance among developing countries could provide the stimulus needed to overcome the inertia of limited achievements and expectations. As the tangible effects of rising levels of achievement are transmitted from one local area to another, the experience can be extended to every sector of the economy. In a real sense, the cumulative degrees of self-confidence gained by an individual, in the process of designing and achieving marginal improvements on farms and in factories, are essential parts of the ingredients necessary for effecting social and economic change at the national level. In rural areas, it is absolutely necessary that the creative and productive essence of co-operative self-help, which provides the stimulus for overcoming some of the internal obstacles to development, be promoted by the United Nations through formal and informal contacts among developing countries.

Restoration and management of stability in the world economy

109. Recent events have clearly demonstrated that social and economic progress can be achieved under a protracted instability in the world economy but only at rapidly increasing cost. By increasing the scale of abnormal risks and uncertainties associated with creating social opportunities for nations and the individual, aggravated instability in the world economy increases the cost of social and economic progress, thereby slowing down the curve of progress in developing countries. To deal effectively with the problem of instability, it is necessary to consider the modalities of "new rules of the game", a new set of sophisticated global policy instruments, designed to cope with situations of conflict and grave uncertainties in international relations during the disintegration of an old, and the transition to a new, international economic order. In this respect, thought should be given to the ways of increasing and improving international consultation at the level of policy making between the various group of partners in the international community.

IX. UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE
REFUGEES IN THE NEAR EAST (UNRWA)

110. While the nature of UNRWA's mandate places it on the periphery of the subject-matter of the special session, UNRWA has an interest in economic and social development and many of its services resemble what Governments provide for their own people, in some cases with the help of United Nations organizations. Indeed, in the light of the way such services have developed, it is possible to see them as a programme of aid for a people towards whom the United Nations has recognized a special obligation because of its unique involvement in their fate.

111. Thanks to the advice and direction of the World Health Organization, the health and supplementary feeding programmes of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), with their emphasis on preventive medicine, maternal and child welfare, and the nutrition of children and pregnant mothers, exemplify the priorities recommended in the contribution of the World Bank and have demonstrated the economy and effectiveness of such measures as a means of saving lives and protecting and improving the physical condition of a community. The trouble is that their value is underestimated by comparison with expensive individual treatment of disease in hospitals and clinics, pressure for the expansion and improvement of which is maintained by the rapid dissemination of news of advances in medical science in the developed countries.

112. In the UNRWA/UNESCO education programme a contribution has been made through the UNRWA/UNESCO Institute of Education, with the help of UNDP and UNICEF, to the methodology of in-service training of teachers and others engaged in education by dissemination to Governments of the multimedia approach that has been developed. Pre-service training has also been given to thousands of teachers, many of whom have found employment in the Arab world outside the host countries. Finally, the UNRWA/UNESCO vocational training programme has trained many thousands of Palestine refugees in skills indispensable to the economic development taking place in the host and neighbouring countries. The programme (initiated in 1954 with ILO assistance) has been, in many respects, a pioneer and has provided instructors for government training centres throughout the region.

113. UNRWA knows only too well the hazards of voluntary financing, the impediments it presents to forward planning and continuity of effort, and the moral ambiguities from which it is inseparable. The Agency therefore strongly urges adoption of a less precarious method of financing for United Nations programmes.

X. INTERNATIONAL LABOUR OFFICE

114. The forthcoming seventh special session of the General Assembly, devoted to development and international economic co-operation, will constitute a significant new stage in the continuing efforts to achieve the Charter aim "to promote social progress and better standards of life in larger freedom", which is the ultimate aim of development, to which the organizations of the United Nations system have been fully committed during the last 30 years. In that context, the twin basic problems confronting the world community are to produce the goods and services that are needed to meet basic human needs and to ensure the equitable distribution of productive capacity and purchasing power to promote social progress and justice among and within nations. Major advances towards the solution of those problems will require an unprecedented effort, implying the commitment of far-reaching political will, but also carefully combined, interlocking action on a number of fronts.

115. Clearly, international trade and the transfer of real resources are, together with food, rural poverty, education, health and nutrition, among the priority problems to be tackled by the General Assembly with a view to attaining the goals of the International Development Strategy and establishing a better international economic and social order. Although some of the problems fall partly or wholly within the competence of organizations other than the ILO, and will no doubt be dealt with in detail in their respective submissions, they are mentioned at the outset both because the ILO, as a member of the United Nations system, should explicitly recognize their immense intrinsic importance and because their solution is essential to the success of the efforts to be made to meet the basic minimum needs for survival and social justice which are of direct concern to the ILO.

116. Employment creation and a better income distribution are the major goals within the area of direct concern to the ILO which would make the greatest contribution to meeting basic minimum needs for survival and social justice. Some 30 million workers are now unemployed in developing countries, and this is merely the tip of the iceberg. Underemployment, defined as holding jobs which yield an income barely sufficient for subsistence, is much more widespread. An estimated 250 million workers earn less than \$150 a year, at 1970 prices. Over 200 million of them are in rural areas. The challenge is all the greater since 75 million people are reaching school age and 40 million entering the labour force each year.

117. The employment problem, which is assuming staggering proportions, has long been neglected and found no reflection in the First Development Decade, which accounts in part for its relative failure in terms of spreading the benefits of growth. Today, development plans are paying more attention to employment objectives, but a greater focus on the traditional and informal sectors, designed to raise productivity and income levels, is still needed. "Trickle-down" from the modern sector will not suffice. A more widespread application of appropriate, indigenous technology could play a crucial role. Clearly, an early solution to the present economic crisis has also to be found if such an approach is to be effective.

118. It must be admitted that the guidance given in the Strategy is not adequate

/...

from this point of view. For example, paragraph 18 states that "each developing country should formulate its national employment objectives so as to absorb an increasing proportion of its working population in modern-type activities and to reduce significantly unemployment and underemployment" (emphasis added). The possibility that these two objectives might be inconsistent or require different approaches should have been taken into greater account. The almost exclusive concentration on conventional development approaches in the so-called modern (largely urban-industrial) sector is clearly reflected in the quotation, and, indeed, in the first over-all review and appraisal of the Strategy organized by the United Nations in 1973, it was recognized that one of the main reasons for a reordering of priorities, the need for which was becoming evident in the developing countries, was the growing realization that even relatively high rates of increase in over-all production had not generally yielded an adequate rate of expansion of employment, and that, partly as a corollary to this, the process of growth had often by its very nature accentuated inequalities in the distribution of income. 4/

119. If one thing has become clear from the experience to date of the World Employment Programme, it is that the conventional development approach, with its emphasis on the modern sector and on GNP growth, and its optimistic assumptions as to the duration of the transition period required for the population at large to share in the benefits of such economic growth, has not produced the results expected of it. The reasons for such failure have become much more evident: the modern sector is an urban-based, high labour-productivity, highly capital-intensive sector, and for these very reasons has created relatively few jobs and failed to improve the lot of the masses of the population. On the other hand, the very high rates of population increase, taken together with the education explosion and the urbanization explosion, have created a situation in which the labour force has continued to grow at a very high rate. Thus, on the demand side, fewer jobs have been created than anticipated, while on the supply side, many more people have been looking for "modern-type" jobs than foreseen at the time when the so-called labour-surplus model of economic development was elaborated.

120. The changing world situation created by the energy, food and raw materials problems and inflation is a sharp reminder that international economic policies, in particular, trade, play a decisive role in the prospects of developing countries for the achievement of their employment and income distribution objectives. It is, of course, evident that the will and capacity to carry through internal reforms constitute the fundament of any national policy to eradicate mass poverty and unemployment. But at the same time, even the efforts of those countries which act dynamically at the domestic level can be frustrated by international developments over which they have little or no control.

121. In many developing countries exports constitute a large proportion of total output and often an even larger proportion of total employment. In such cases an

4/ International Development Strategy: First Over-all Review and Appraisal of Issues and Policies, 1973 (United Nations publication, Sales No. 73.II.A.6).

expanding export trade is crucial for raising the levels of output and employment. Even in countries where the share of exports in total output is modest, the importance of a growing export trade remains large by virtue of the possibilities it provides to increase the supply of imports necessary for accelerated development. Moreover, there are important effects through indirect employment in various forms from a primary expansion of exports. In the case of the poorer developing countries, successful policies for combating mass poverty and unemployment can hardly be implemented on an adequate scale without more trade and aid.

122. The impact of trade on the employment situation of developing countries as a whole can be illustrated by the following example. It has been estimated that the drop in the share of developing countries in total world trade between 1955 and 1970 is statistically equivalent to the loss of about 72 million additional jobs. This figure is in excess of the estimated volume of total open unemployment in the developing countries; in effect, it is 44 per cent higher than the number of visible unemployed estimated for 1970. Unfavourable developments in world trade relationships during that period would thus account for a substantial part in the deteriorating employment conditions of developing countries.

123. Employment, which is one of the objectives of development, is at the same time a tool for development in that, by providing remunerative jobs, it increases the absorptive capacity of the market and helps to reduce, where it matters most, severe inequalities in income distribution, which are one of the main characteristics of under-development. It must be stressed that indicators of economic growth, such as the gross domestic product, are not a measure of welfare. Nor is it sufficient to supplement such indicators by some social indices to show the state of welfare, for instance, in terms of nutrition, health or education. The problem is that growth of the national product as conventionally measured is not neutral in respect of income distribution. On the contrary, it accepts and underwrites the present income distribution. If the richest 20 per cent of the population obtain 75 per cent of GNP - this would be typical of many developing countries - the growth rate of GNP measures essentially - to the extent of 75 per cent - the growth rate of the incomes of the richest 20 per cent. The increase in the income of the poorest 20 per cent is given practically no weight at all. Yet, in welfare terms, at the very least one would ask for the income of the poorest 20 per cent to have equal weight with that of the richest 20 per cent. In reality, in social welfare terms, the situation should be reversed and the income growth of the poorest 20 per cent should be more heavily weighted than that of the richest 20 per cent, not less.

124. Hence, if GNP growth is retained at all as a development target, it should be either a rate socially weighted to give a weight to poorer people at least equal to that of richer people. Preferably, the over-all growth target should be replaced by a target for the rate of growth in the income of the poorest 20, 30 or 40 per cent of the population.

125. An alternative or supplementary target to a socially-weighted GNP growth rate might be a target to reduce or eliminate poverty by certain agreed percentages. Such a target should be in two sections: (a) an internationally uniform datum line

/...

of absolute poverty with a target that such absolute poverty should be eliminated by national and international action by 1980; and (b) a corresponding national target in which each country determines a poverty line and a target of reducing the incidence of such poverty by specified percentages year by year (for example, from 40 per cent of the total population in 1975 to 30 per cent of the population in 1980, 25 per cent in 1985, etc.).

126. The World Employment Programme, launched in 1969, will continue to provide the main tool for ILO action for employment creation at the national level, and the associated improvement of income distribution. It is expected that the proposed Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour will help to elucidate further those problems, particularly as regards the international aspects of the employment problem which hamper national efforts, and give fresh impetus to the solution of the problems. However, as already pointed out, poverty and under-development call for a global approach covering all their aspects, including patterns of international trade and the inadequacy of the educational systems, to mention only two particularly significant and relevant constraints. It is therefore hoped that the foregoing views and information will be of assistance to the seventh special session of the General Assembly in framing a global strategy for development and international economic co-operation.

XI. FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

127. The world economic situation appears to be undergoing an irreversible change from the pattern of relative stability experienced since the Second World War. The crisis of the past two years has brought together, in an unprecedented coincidence, problems of lagging food production combined with inequitable distribution, shortages of fertilizers and some raw materials, sharp imbalances in trade, decline in real terms in development assistance, uncontrolled inflation and exchange rate instability, and important changes in the relative economic strength of nations. New tensions are developing in the economic and social field, at both national and international levels, carrying the seeds of conflict. While some of the elements precipitating the current crisis may be brought under control over the next few years, it is most unlikely that international economic relations in the fourth quarter of the century will return to those experienced hitherto. The dimensions of the problem and its sensitivity affect the rich and poorer nations alike, but in a different degree and magnitude. The richer countries face a crisis to maintain their growth in relative affluence while the poorer countries face a crisis of sheer survival; over a billion people in more than thirty countries constitute the most seriously affected part of the world.

128. Food and agriculture has become one of the most critical sectors in this over-all picture and promises to remain so even after the present crisis is tided over. The shortfalls in food production in 1972 and again in 1974, shortages of fertilizers and pesticides and attendant high prices have inflated the import bill of the developing countries, and domestic, as well as internationally transmitted inflation, is adding to this bill a heavy burden, now that terms of trade are again turning against agricultural products. Malnutrition, if not starvation in the low income groups, is becoming a graver and more extensive problem. The cumulative effect of all these is towards accentuation of disparity in incomes and living standards among and within nations. Economic and social development seems to be the immediate casualty, as developed nations in their attempt to manage their payments situation economize on development assistance; the poorer developing countries try to adjust to soaring prices of their essential imports by curbing investments for development in their economy, and systematic arrangements for transfer of resources from the newly rich developing countries are still to be worked out. On balance, the resources left for development do not appear sufficient to maintain even the inadequate agricultural growth rates of the recent past.

129. The most urgent problem relates to management of the immediate crisis, particularly in respect of food and fertilizers and other key inputs for increasing agricultural production. This must be the first line of defence in any global management strategy, if developing countries are not to end this decade in a poorer position than they were at the beginning. New approaches and initiatives to international co-operation are needed, for shortages of food and fertilizers are affecting both developed and developing countries and thus require, for their management, sharing of inadequate supplies as well as arrangements for financing of imports. The need for global consultations is urgent, if supplies

are to be adequately earmarked to the needy countries, since the market mechanism for distribution is unlikely to achieve this. For example, the Cereals Consultations, initiated under FAO auspices in November 1974, estimated the uncovered cereal import needs of the most seriously affected countries in 1974/75 and thus provided a basis for food-exporting countries and donor countries to ensure the availability of supplies and to adjust their food aid programmes and international credits having regard to the deficit.

130. International development strategy, as formulated in the past, has not included policies and actions for meeting such short-term emergencies. Indeed, the Special Programme launched by the United Nations General Assembly for emergency assistance to the most seriously affected countries is, perhaps, the first concerted effort in that direction, barring relief efforts for post-war emergencies and natural disasters. However, even the United Nations Emergency Operation has suffered from inadequate support, both on bilateral and multilateral account. FAO, and indeed all specialized agencies, have also a very important and useful role to play in meeting such emergencies. The International Fertilizer Supply Scheme and the FAO urgent Consultations on Cereals are measures promoted to resolve some of the critical problems of the global management of scarce supplies. The efforts of FAO and the United Nations are complementary in the field as, indeed, they are in fields like commodities where intergovernmental bodies of FAO provide the technical and economic analysis of situations and policy options which are complementary to the general policy debates of UNITAR and, in other ways, of the General Assembly. Indeed, for the future of the world it is important to envisage a co-operative framework for policy decisions in the whole United Nations system, involving complementary roles of the United Nations and of the agencies.

131. The strategy for development and international co-operation has of course to go much further than emergency assistance to save the present. Out of 97 developing countries, 61 have a deficit in food energy supplies. While the threat of traditional famine persists in certain areas plagued by endemic drought such as Sahel and by the vagaries of weather, the less visible crisis of hunger and malnutrition among the world's lowest income groups is emerging into international attention. Altogether in the developing world, malnutrition is estimated to affect some 460 million people and their number is increasing. The future security of the world rests largely on the ability of developing countries, appropriately and adequately assisted by developed countries and international organizations, to increase the rate of growth of their food production from around 2.7 per cent in the recent past to at least 3.7 per cent per year just to match the growth in demand. The performance will have to be even higher if malnutrition levels are to be substantially reduced and the broader social objectives are to be achieved. This will require massive efforts on the part of Governments in developing countries to change economic and social structures in their countries. It will also require increased technical assistance and improvements in planning, programming and project formulation, directed towards increased investment for development programmes and projects. The transfer of resources to agriculture in developing countries will need to increase nearly four-fold within the next five years if such production

and distribution objectives are to be achieved. Development assistance of this order will require additional arrangements for international economic co-operation involving both larger participation by the established and potential new donors and innovative approaches to technical assistance and transfer of technology. The future development of international co-operation must include new types of triangular arrangements, which appear to be implicit in the outlines of the New International Economic Order.

132. The recent evolution of the world food situation has shown, more than ever before, the vital need for security in the world's food supplies built around a co-ordinated system of national reserve stocks of cereals in both developed and developing countries, international agricultural adjustment, including a massive increase of production in developing countries, improved measures for food aid and a new balance of world trade in agriculture.

133. Various initiatives of FAO on those issues designed to build up a world food policy have been reviewed, and generally endorsed, by the World Food Conference. The Conference has lent support to a number of proposals, notably for World Food Security, a global food information system and for international agricultural adjustment. The Declaration of the World Food Conference on the Eradication of Hunger and Malnutrition and the accompanying resolutions, now accepted by the General Assembly, on a series of interrelated subjects, help to integrate various elements into a global food policy with expanded programmes for food production, consumption, security, trade and aid. The Conference has thus given political support to many action programmes which have originated from FAO, as well as other organizations in the system.

134. The Conference also recommended a number of institutional innovations, including the establishment of a World Food Council, the expansion and transformation of the Intergovernmental Committee of the World Food Programme into a Committee on Food Aid Policies and Programmes, the appointment of a Consultative Group on Food Production and Investment in developing countries and the establishment of an International Fund for Agricultural Development. Action taken by FAO in co-operation with other concerned members of the United Nations system to implement the recommendations of the Conference will constitute its main contribution to the establishment of the New International Economic Order. As the special session of the General Assembly considers the challenges brought by the changing world economic order, appropriate attention will no doubt be given to the dimensions and urgency of the new measures required to deal with the world food problem.

135. Short supplies of food and energy dramatize the extent of global interdependence. No country is entirely insulated from the effects of those scarcities or from the trade and monetary repercussions. If national policies are designed without due regard to their repercussions on other countries, the results aggravate the problems of all. Economic interdependence of countries requires that, more than ever before, national policies make a positive contribution towards global solutions. The global interdependence of peoples and the complex interrelationships between political, economic, social, ecological and

human factors make it increasingly difficult to confront major world issues except against a background of commonly agreed goals, established by the world community working together.

136. It is in this framework that the new international order rightly stresses the interdependence and common interests of all States in order to guarantee equitable and stable socio-economic development to present and future generations.

137. The United Nations system is the only focal point with a universality of membership and cross-sectoral competence that is available in these circumstances to promote the much needed new system of international co-operation and new initiatives to deal with the major development problems of the present and the future. The United Nations machinery which has evolved over the years was based on a recognition of deep-rooted imbalances between and within nations but, at the same time, on an assumption of relative stability or, at least, the absence of acute global economic and social crises, such as those which are emerging at present. It became oriented mostly to help the newly independent countries establish the necessary infrastructure for development, provide technical assistance and generally deal with long-term development problems. The present situation undoubtedly calls for new and additional measures to tackle the grave problems of immediate importance as well as those of long-term development.

138. The United Nations system should be geared to recognize danger signals at an early stage so that problems do not develop crisis proportions or, when they do arise, it should be more effective in dealing with them.

139. Both intergovernmental organizations and their secretariats have demonstrated their ability to adapt themselves to new situations on which the General Assembly has sought to formulate policy and initiate action. The World Food Conference, emergency assistance to developing countries to overcome fertilizer and pesticide shortage, the United Nations Emergency Operation to alleviate balance of payments difficulties, are some of the initiatives taken to respond to new problems within the framework of the New International Economic Order. However, it is important that there should be scope for a more systematic consideration by the General Assembly of issues requiring policy orientations or decisions based on political commitments by Governments.

140. However, meaningful political decisions on economic and social matters cannot be taken without proper study of all technical issues involved. While the United Nations provides the political framework for such decisions, it should be supported actively by the experience and expertise of the specialized agencies, and their capability to take new initiatives. That approach would have the merit of utilizing fully the capacity of the system.

141. It would seem appropriate that from time to time the General Assembly should identify those areas calling for special action and then mobilize the existing agencies' full support by appropriate arrangements. The General Assembly would thus address itself to identifying and resolving by consensus among Governments

/...

the major policy issues on which solutions of specific problems depended and the supporting agencies would provide specialized expertise, analytical input and the instruments for implementation.

142. There are successful examples of such a course. Working arrangements have been established by the organizations concerned following the Economic and Social Council and General Assembly decisions as in the Sahel Drought Relief Operation. The United Nations agreed with FAO that the latter act as a lead agency to co-ordinate the relief operations of the whole United Nations system based on the principle that the major thrust of the operations was in the field of food and agriculture. Such an arrangement not only ensured that relief operations were carried out with speed and efficiency but also helped effectively to harmonize the bilateral and multilateral efforts.

143. As is evident, the rapidly changing world economic and social situation has diverted the General Assembly's attention increasingly to economic and social development matters. However, the standing servicing arrangements of the General Assembly have not been adjusted in the economic and social development field, notably with regard to the expertise that the specialized agencies are in a position to provide. This needs to be remedied and it is essential that the General Assembly provide itself with a better framework for the consideration of economic and social questions.

144. For any selected key issue on which the expertise is to be found among the specialized agencies, the General Assembly could designate the agency most concerned as "lead agency" and use it as the main instrument for servicing its needs. In such a case, the executive head of the "lead agency" should, with the cognizance of his own governing body, have access to the General Assembly in his area of competence and authority. For efficient performance of his function, the executive head concerned would need to appear before the General Assembly to present an analysis of the problem as a basis for policy discussions and recommendations to the organizations concerned. Guidelines would need to be established to harmonize the Secretary-General's responsibilities to the General Assembly with the role which the executive heads may be expected to play under the new arrangement.

145. As the new arrangement proposed is to deal with selected key global issues, on a problem oriented basis, which need urgent and concerted action at a given time, it will not affect the role and authority of the Economic and Social Council for normal system-wide co-ordination under the Charter. Responsibility for the monitoring of implementation of decisions taken by the General Assembly through a "lead agency" could be given also to the Council. As the Council is revising its working procedures to hold sessions whenever required throughout the year, it could become an effective instrument of the General Assembly not only as the governing organ for reviewing the programme of work of the United Nations but also to undertake any special task given to it from time to time by the General Assembly. In the altered circumstances, more flexible arrangements would have to be adopted by the ACC to permit concerned executive heads to co-operate on a problem oriented basis to provide effective help to the General Assembly and the Council.

146. A system-wide management of selected economic and social problems would also call for new secretariat arrangements which would give prominence to and promote the new form of co-operation envisaged. An interagency secretariat with staff resources jointly provided by the organizations concerned, could be established to service the General Assembly and the Council in these matters, with appropriate modification of the existing arrangements. The new interagency secretariat should, of course, be established within the framework of the United Nations, under the authority of the Secretary-General. However, it should function as a joint service of the participating organizations. The head of this interagency secretariat should be at a high level and be in constant touch with the executive heads concerned and thus be in a position to facilitate their dialogue with the General Assembly and the Council. The existing ACC secretariat could be the nucleus around which a strengthened interagency secretariat could be built to discharge the new functions. This approach would call for appropriate revision of existing procedures and relationship agreements between the United Nations and the specialized agencies.

147. Such an approach would help to strengthen the relationship between the various members of the United Nations system and the highest level political body. It could eventually reduce the multiplication of new bodies both at the intergovernmental and intersecretariat levels. By apportioning responsibilities for intersectoral policy, for implementation and for monitoring and evaluation on clear lines, it could make the whole United Nations system more effective and compact.

XII. UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND
CULTURAL ORGANIZATION (UNESCO)

148. As soon as the results of the sixth special session of the United Nations General Assembly on raw materials and development were known, the legislative organs of UNESCO took the necessary steps to ensure that the organization played its full role, in the areas within its competence, in the establishment of a New International Economic Order

A. Decisions of the General Conference (eighteenth session,
17 October-23 November 1974)

149. Both the programme adopted by the General Conference at its eighteenth session and the guidelines given by it to the secretariat for the preparation of the organization's programme for 1977-1978 and for the formulation of a medium-term plan for 1977-1982 reflect a desire to orient the organization's activities in the direction desired by the authors of the Declaration and Programme of Action. Resolution 18 C/12.1, which was adopted following a debate based on a report submitted by the Director-General (18 C/103), emphasized the importance of the Declaration and Programme of Action for UNESCO and declared that the establishment of a New International Economic Order depended not only on political and economic factors, but also on socio-cultural factors, which are crucial in the struggle of peoples against all forms of domination and which any development programme must take into account.

150. This resolution also stresses the need for a reorientation and strengthening of UNESCO programmes, particularly in the following fields:

(a) Promotion of human rights, strengthening of peace, respect for and development of the cultural identity of every people, so that culture may be a dynamic factor in development;

(b) Development of science policy, organization of research, science and education and technological training, taking into account the role of science and technology in economic development and identification of the obstacles hindering development;

(c) Rural development in UNESCO's fields of competence;

and emphasizes the organization's role in the "study of problems, promotion of reflection and general dissemination of knowledge and ideas concerning the concept of a new international economic order established on a more equitable and more human basis".

151. The programme adopted for 1975 and 1976, although mainly prepared before the results of the sixth special session were known, nevertheless includes many activities which could play a role in the establishment of a New International

Economic Order, given the socio-cultural factors which any international action must take into account. These activities are the ones relating to:

(a) The development of national infrastructures in the fields of education, science, technology, culture and communication, based in particular on the planning of these sectoral activities within the framework of the national plans of member States;

(b) The development of human resources through the expansion, renewal and reorientation of education and the training of supervisory staff and specialists at all levels, and through the literacy campaign;

(c) The evaluation of needs, the inventory, rational use and conservation of natural resources, energy, and the development of pure and applied research in these areas;

(d) The study of the cultural problems related to development; continued action to improve the dissemination of information, whether it be specialized information (particularly in science and technology) or information for consumption by the general public.

152. In resolution 18 C/3.232, the General Conference also invited the Director-General to report to it at its next session on the impact of transnational corporations in the fields of education, science, culture, communications, environment and development.

153. Although it wished to do so, the General Conference was nevertheless unable to study the impact of the Charter of Economic Rights and Duties of States on the Organization's programme, as the decisions of the General Assembly on this question were taken after the closure of the session.

154. Finally, the guidelines contained in resolution 18 C/10.1 concerning the form and character of the Medium-Term Outline Plan for 1977-1982 stipulate that, in activities which fall within its fields of competence, UNESCO should:

(a) Redress inequalities of development and narrow the gap between developed and developing countries;

(b) Stress programmes designed specifically for the purpose of benefiting the 25 least developed countries as defined by the United Nations:

(c) Contribute to the establishment of a new international economic order as foreseen in resolutions 3201 (S-VI) and 3202 (S-VI);

(d) Accord particular attention to UNESCO's contribution to integrated rural development. 5/

5/ A detailed analysis of the decisions taken by the Executive Board and the General Conference in the light of the decisions of the sixth special session of the General Assembly is being submitted to the Economic and Social Council at its fifty-ninth session (E/5629).

155. The secretariat's work of reflection has since been directed to the basic guidelines proposed in the International Development Strategy and the Declaration and international plan of action and to fields in which UNESCO must be prepared to play a special role since they fall within its competence. The over-all data must provide the background for deeper sectoral reflection, if such reflection is to move in the general direction indicated by the over-all decisions, and if it is to lead to concerted action.

B. Basic guidelines

156. From the analyses and evaluations of the results of the First Development Decade and the opening years of the Second Decade, a number of conclusions can be drawn:

(a) In spite of their efforts and the substantial results achieved, the developing countries have seen a widening of the gap separating them from the industrialized countries and, in many cases, an increase also in inequalities at the national level;

(b) The enormous assets of the rich countries - both capital and highly skilled personnel - which enable them to exploit the natural resources of the entire world, to import raw materials and export manufactures, and give them a lead in such fields as transport, insurance and technology, permit them to derive a continuous income from world economic activity, an income obviously produced in part by the economic activities of the poor countries;

(c) The efforts of the developing countries to secure some change in economic relationships "out of court", so to speak, have been met with indifference by at least some of the affluent countries;

(d) Experience has shown that development by "transfer" of know-how, technology and models is not only impracticable but is in fact contrary to the interests of the developing countries, which are now concerned with developing national infrastructures intended to serve endogenous progress determined by themselves and taking full account of their resources, their cultures and their aspirations;

(e) In order to respond effectively to needs, the United Nations system must be able to take concerted, large-scale action quickly. The financial institutions within the system must provide effective support for such action; and the poor countries must be provided with the means necessary to enable them to participate in planning it.

157. From these observations, it can be seen that the establishment of a new international economic order must be conceived as a total undertaking. It means that the following problems and their interaction must be dealt with together: population, food, natural resources, environment, communications, monetary and trade problems, cultural progress and evolution, human rights and others; it means

that, at both the theoretical and practical levels, account must be taken of the relationships between these problems in a global context, of their special characteristics within each national community and of the resulting interaction, so that the principles of equity and mutual respect which form the basis of this new order can be fully implemented. Moreover, since any fundamental modification of international economic relations entails significant changes in the living standards and way of life of the peoples involved, such modifications should not be imposed but should be the result of revised conduct by and between nations, groups and individuals. Each nation must also acquire a clearer sense of its identity and its role, as seen in a global context. The identity of nations, which forms the basis of their sovereignty and is one of the conditions of dialogue between them, draws its strength from the intensity and authenticity of their cultural life.

158. The reform of international relations envisaged in the Declaration and the Programme of Action is based on the principle of justice. However, justice is indivisible. To limit its application to only one particular level of human relations is to curtail its scope at that very level. The reform of international relations therefore calls for the promotion of equity within national communities and the participation of all in decision-making.

C. The tasks of the United Nations system

159. The UNESCO secretariat, like the secretariats of all the organizations which make up the United Nations system, is gratified that States have thus far entrusted to this system the task of implementing the complex measures which will permit the establishment of a new international economic order. They regard this trust as a call to do everything possible, not only at the conceptual and practical levels but also at the structural level, to ensure that the system responds fully to the needs involved in the historic task entrusted to it.

(1) Poverty

160. The first challenge to be met is that of poverty. In this area, special attention must be given to the problem of rural poverty, the economic manifestations of which - low productivity of farmers and extreme sensitivity to agricultural set-backs - are a serious impediment to over-all development in particular, while at the same time exacerbating urban poverty through the effects of the rural exodus. The rural areas must therefore receive, on a priority basis, much larger investments, not only in the areas of production facilities and infrastructure, but also in the equally crucial social areas in the form of schools, health facilities and communications; Governments must also take account of the need to improve the terms of trade between rural and urban areas, in favour of the former. Finally, certain industrial bases needed for the transformation of agriculture (fertilizers, irrigation systems, farm chemicals) must be developed.

(2) Energy

161. The second challenge is that of energy. The current energy crisis suggests that diversification of sources of energy, their complementary use and the fight to prevent wastage of the most valuable sources have become matters of necessity. We must therefore lay the foundations both for increased use of existing energy resources, the techniques for the exploitation of which are already known, and over the longer term for research into new technological and economic solutions which will enable every developing country to formulate its own energy policy resorting, if necessary, to the use of non-conventional energy resources (solar, wind, certain forms of water-generated energy, agricultural by-products or waste). The procedures governing the use of such methods in specific environments must be defined and the necessary investments made to enable them to meet the energy needs of large populations. Action should be focused on the inventory of energy resources, their potential, their use in certain industries, their relationship with the habitat, communications and other subjects so as to bring the resources of science and technology to bear on the situations in the poor countries through large-scale inputs. This need could be met by an intergovernmental energy programme.

(3) The international division of labour and scientific and technological development

162. Of a different type to the above challenges, but equally urgent, are the problems presented by the international division of labour. The present international division of labour tends to keep the poor countries in the position of suppliers of raw materials to the rich countries which have the advanced facilities and technology that constitute the basis for productive employment and improved living standards in the modern world. The Programme of Action stresses the economic aspects of this situation: international trade, trade in raw materials and manufactures, and the monetary system. It also refers to the transfer of technology, as seen mainly from a financial point of view. It is unnecessary, therefore, to reiterate what has been very clearly stated on this subject in the Declaration and Programme of Action, or in the Charter of Economic Rights and Duties of States.

163. It should be noted, however, that article 13 of that Charter rightly stresses the interdependence of three concepts: the right to benefit from the advances and developments in science and technology, international scientific and technological co-operation, and the transfer of technology. Indeed, the general concept of "the application of science and technology to development" is inseparable from the concepts of "the transfer of technology" and "the creation of indigenous technology for the benefit of the developing countries"; indeed, it is only when the developing countries have their own infrastructure, enabling them to innovate in the fields of science and technology, that they will be in a position to select and adapt the technology to be transferred. In the long term, the goal must be to enable the less developed countries to play a much more significant role in the world-wide search for usable scientific data.

164. However, scientific and technological innovation is particularly costly, since a substantial proportion of research is concerned with areas in which the results are not immediately usable. This explains the importance of the role played in the transfer of technology by the large transnational corporations, which have enormous capital resources, but whose role in extending technological progress is dependent upon their commercial interests.

165. The international co-operation and financing effort could play a vital role in increasing national research and development potential, in expanding scientific and technological information, in regulating the transfer of technology and in developing technologies suited to the specific needs of the developing countries. The enormous expenditure needed would be justified by the results, which, when achieved, could be of cardinal importance to millions of human beings.

(4) Communication, international understanding and participation

166. The substitution of co-operation for confrontation means, among other things, that communications systems must permit all parties to express themselves and must avoid favouring certain groups of countries or peoples. Consequently, if there are to be balanced flows of communication at the world level, methods of communicating and exchanging information between nations must be reviewed and, within each country, it should be made possible for Governments to associate all communities with the development effort and to involve them in that effort by enabling them to express themselves. This calls for a series of normative measures including professional ethical standards and technical norms or standards which, in the short term, could reduce the disadvantages of existing structures; however, in the medium and long terms, it is essential to restructure the world communication system by improving the geographical distribution of communication centres so that the developing countries no longer find themselves at a disadvantage. Since any national information policy must, for technical, institutional and political reasons, be co-ordinated with a regional or world environment, the United Nations system appears better placed than any other organization to assist in establishing such national policies. Finally, the United Nations system must strengthen and improve its own programmes for gathering basic data and for the exchange of information by using the most powerful media for the collection, processing and redistribution of the information which it has at its disposal.

D. The role of UNESCO

167. The role of UNESCO would be only a marginal one if a new economic order could be established simply by transforming the practices currently governing economic relations between under-developed and advanced countries. However, such transformations, although imperative, can fulfil all expectations only if they are complemented and backed up by other measures designed to change the cultural and social aspects of under-development. On the other hand, the resources which the less developed countries will be able to command as a result of the transformation of economic relations will enable them to speed up social development, by providing additional means to combat poverty and the shortage of skilled manpower, and to

/...

reduce the inequities both within each country and between countries in essential fields such as scientific and technological research or communications.

168. The role of UNESCO therefore fits into the general framework of the over-all undertaking described above and its work can be defined as follows:

- (1) Building the foundations for scientific and technological autonomy in each country;
- (2) Helping to ensure that development is carried out by and for man;
- (3) Stimulating new multidirectional exchange networks.

(1) Building the foundations for scientific and technological autonomy

169. The utilization of natural resources as fundamental elements in the development of energy, industry and agriculture, where any permanent damage to the environment must be avoided, is based on the development of ecological sciences, earth sciences, hydrology and marine sciences as much as on the importation or development of new technologies. For each group of disciplines, these activities are based, on the one hand, on international co-operation for the general development of know-how organized within the framework of UNESCO in the form of intergovernmental research programmes and, on the other hand, on action enabling States better to identify their own problems and deal with them themselves. In this second area, institutions designed for one country or for groups of countries must be developed with a view to optimum utilization of their natural resources. Furthermore, the relationship between such institutions and regional and international research, on the one hand, and national technological research, on the other, should enable them to serve as a pivot for the transfer of foreign technology or the elaboration of appropriate technologies for the study, transformation or utilization of natural resources.

170. An infrastructure for intermediate and advanced technical education and applied research is essential for autonomous scientific and technological development. The arrangements to be evolved for advanced technical education should not only train engineers and experts but should also encourage their creativity and guide them towards applying their work taking into account both basic research and the needs of national industrial and agricultural production.

171. The problem of scientific and technical information arises where the problems of science and technology and the problems of information converge. The development of a world-wide system of scientific and technological information based on regional subsystems and national centres that are compatible with parallel systems developed in closely related areas is already one of the priority tasks of the Organization under the UNISIST programme.

172. In the long term, scientific and technological autonomy should enable each State:

- (a) To participate in the general progress of knowledge;

/...

(b) To identify the scientific and technological problems hampering its development or the areas where science and technology would make substantial progress possible;

(c) To elaborate technologies suited to its own conditions and resources;

(d) To select and adapt know-how and procedures when national scientific and technological policy appears to justify their acquisition by transfer;

(e) To develop national machinery to stimulate the circulation of scientific and technological information and the transfer of know-how and link the national machinery to corresponding regional and international machinery.

173. A favourable climate would be created by the development of national scientific communities. On that subject, the sixteenth session of the General Conference of UNESCO (October-November 1970) indicated that, in view of the prevailing world situation, the targets for the number of scientists assigned to research and development activities by 1980 should be in the order of:

Africa: 200 per million inhabitants

Latin America: 400 per million inhabitants

Asia: 380 per million inhabitants

(2) Development by and for man

174. If population and school attendance figures follow the same trend during the current decade (1970-1980) as during the previous decade, it is estimated that in 1980 240 million children between 5 and 14 years of age will not be attending school and that there will be 820 million illiterate adults, the majority of whom will be living in developing countries. This waste of potential human resources will place a heavy burden on the economies of those countries.

175. In the rural areas, education, together with the solution of agrarian problems and rural income structures, is one of the essential and critical ways of improving technologies and renewing methodologies. In the urban areas, educational policy is one of the vital aspects of employment policy. On a world-wide scale, it would seem that the imbalance between countries with a very high educational level and countries with a low educational level must be corrected if the international distribution of labour is to be changed.

176. However, the problem of education cannot be considered from the human resources viewpoint alone. A means of training experts, an instrument for the transfer of know-how, but also a means for the development of culture in a given cultural context, education always has a twofold objective as an instrument for economic and social development and a basic human right. Free access for all to an education which will enable each person fully to develop his or her personality is, in all countries, an essential and legitimate demand. Account should also be taken of the role of the educational process in blending modern conquests of

/...

knowledge with the living contribution of the social and cultural traditions of each people. Thus, both an elitist concept of education and policies of granting only minimum instruction to certain sectors of the population should be avoided. The educational process should not be restricted to the school-age population, or to the conventional domain of education; it must deliberately use traditional and modern means of disseminating information and know-how and make itself felt in all the various aspects of social life. The ultimate aim of education, as so conceived, should be the conscious involvement of all people in the objectives of progress. Educational reform, including the transformation of existing systems, taking into account the opportunities offered by the development of educational technologies, should be an integral part of any development programme. Education for rural development, although only one of the many material and technical factors and only part of the practical work and extension work needed for integrated rural development, should serve to mobilize and develop the potential existing in the communities themselves for their self-instruction.

177. Awareness of cultural identity, together with maximum social mobilization, is a factor conducive to independence and national development. The social and humanist orientation of the development effort should therefore be strengthened and, to that end, cultures must be individualized. Without any idea of nationalism, dialogue among all cultures must be promoted in an atmosphere of respect and mutual appreciation, and knowledge of national and regional cultures in all their diversity must be deepened, indicating their original values, with their characteristic humanist content, so as to safeguard their authenticity against uprooting or standardization and encourage an awareness of cultural identity in the newly independent countries, enabling them to strengthen their national independence, better resist all forms of colonialism, racial discrimination or economic coercion, and participate with equal rights and dignity in the work of international co-operation. The search for cultural identity presupposes the preservation and development of the cultural heritage.

178. The economic and social evolution of a country in the world today is therefore inextricably linked with the cultural development opportunities offered by its traditional cultural structures, and cultural action is an instrument for social change.

179. Scientific and technological development has for a long time seemed to take place apart from culture. On the contrary, it must be shown that science and technology are vehicles of humanism and that humanism is involved in their histories. Science and technology therefore belong to culture, which must re-assimilate them if the society concerned wishes to avoid the alienation attributable to the instruments of growth which they represent or, alternatively, to make them a source of renewal of humanism.

180. Social sciences are required to perform two different functions: integrational and exploratory.

181. The exploratory functions consist in identifying and studying the data and major problems of social development, so as to enable Governments to take them into

/...

account when drawing up their development plans. Planned studies carried out at the international, national or regional level, applied to the problems arising from the establishment of a new economic order in the countries under consideration, should make it possible either to identify and analyse the causes of the difficulties or obstacles or to explore opportunities for new arrangements.

182. The integrational functions consist in ensuring that ethical reflection and the objective analysis of interrelationships and real possibilities converge. This second function also involves the objective study of the general context of development co-operation (role of transnational corporations, problems concerning the rights and duties of States), study of the effect of such co-operation on the personality of each country, search for the conditions for an assertion of autonomy, and the elaboration of an over-all picture of the major problems of growth and development seen within the complex systematic context of interactions between nations and regions. Development, at the national level, of a national infrastructure of institutions carrying out training and research in social sciences should therefore be encouraged.

183. The programmes relating to human rights and peace implemented by UNESCO also help to define certain development objectives: self-fulfilment of the individual within an independent national community that is culturally dynamic and assured of being responsible for its own destiny.

(3) Multidirectional exchanges

184. Scientific information and the role of traditional and modern means of dissemination of information and know-how in the educational process, and as buttresses of cultural expression, are further examples of aspects of communication referred to above or familiar to all. However, it should be noted that in these areas, as much as if not more than in the field of science and technology, there is a deep-seated imbalance between the opportunities open to developing and developed countries for the expression of ideas, the dissemination of data and facts and cultural manifestations. The first condition for restoring the balance is the development of the infrastructure required for modern means of communication, including the training of sufficient experts and technicians and the development of national and regional information networks of a general or specialized nature within the framework of specific policies in national plans. But normative measures are also necessary, as has been seen. It was in that spirit that the seventeenth session of the General Conference of UNESCO (October-November 1972) adopted the "Declaration of guiding principles on the use of satellite broadcasting for the free flow of information, the spread of education and greater cultural exchange", and is endeavouring to enhance the role of the Universal Copyright Convention with regard both to protecting works and facilitating access to protected works.

E. Structures of the United Nations system

185. Since the preparatory work for the seventh special session of the General Assembly is still far from completion, it is difficult for the Director-General

to express an opinion on possible changes in the structures of the United Nations system. He will therefore reserve his position on that question until he submits the annual report of UNESCO to the fifty-ninth session of the Economic and Social Council. However, at the current stage some remarks might usefully be made.

186. The ever-present problem of co-ordination must be reconsidered. The outworn notion of watertight compartmentalization of areas of competence must be replaced by the idea of multidisciplinary and interagency activities converging towards objectives defined jointly either by the system as a whole (development strategy, new international economic order) or by groups of agencies particularly concerned (world employment programme, strategy for science and technology).

187. Any arrangement for achieving that goal should give the central decision-making and co-ordinating organs at the intergovernmental level (United Nations General Assembly, Economic and Social Council) the means of forecasting and evaluation necessary for elaborating and implementating the general line of action and should also allow the agencies the independence which they require for the thorough study of their own share of the joint effort. Consistency and flexibility would thus be maintained.

188. Whatever structures the General Assembly may define to achieve that end, they should be based on the development and improvement of certain techniques, already used experimentally, all of which hinge upon the concept of medium-term programming. There again, a wide variety of methods are available, depending on whether it is intended to define the intermediate aims and objectives of vast areas of activities grouped, for example, in problem zones, or to draw up joint programmes with more closely defined objectives whether they concern research sectors (for example hydrology) or geographical zones (for example coastal zones).

189. Lastly, there should be an improvement in the concentration and co-ordination of the system's financial resources when it intervenes, at the request of a Government, to assist in the implementation of the development plans established by that Government. The various sources (UNDP, UNICEF, WFP, banks, etc.) should ideally constitute a pool of manpower capable not only of playing a catalytic role but also of stimulating and guiding bilateral aid and investment. One of the effects of such a policy could be to achieve a relative depoliticization of bilateral aid without any drastic change in its volume as compared with the volume of aid granted by the system.

/...

XIII. WORLD HEALTH ORGANIZATION (WHO)

Text of letter dated 30 April 1975 from the Director-General
of the WHO to the Secretary-General

190. I have the honour to address you regarding the preparations for the seventh special session of the United Nations General Assembly and with respect to the special session's theme of development and international economic co-operation. In view of the rapidly changing world situation, the new aspirations of Member States and the growing needs and expectations of populations, it would seem evident to all those involved in the development process that there are implications for the organizations and institutions which comprise the United Nations system. In light of this, I am pleased to share my views with you at a time when change and adaptation are necessary to enable us to meet the challenge offered by the General Assembly.

191. The Declaration and Programme of Action for the Establishment of a New International Economic Order have underscored some of the key areas essential for development, although we naturally would have hoped for a greater emphasis in the Programme of Action on social poverty and the related consequence of potentially overlooking man's energy as the most important input to socio-economic development. However, the International Development Strategy for the Second United Nations Development Decade complements the Programme of Action by delineating such important sectors as food, education, and health, which are designed to improve the quality of life. The sine qua non for the establishment of a new international economic order is not, however, just a merging of social factors with economic factors, but is, rather, the recognition of the interrelationship which exists between the complex problems confronting mankind in regard to maldistribution of financial and technological wealth, unemployment and underemployment, illiteracy, inadequate housing, ill-health, hunger and malnutrition.

192. In order to attain a common understanding of how individual problems are interrelated and to design and implement policies for solving those problems, the organizations of the United Nations system must link the entire development effort to the needs of Governments and their peoples. To do this, the organizations of the United Nations system should dare to identify themselves with national priority development programmes, which thereby would increasingly form a genuine basis for the efforts of the whole United Nations system. For their part, Member States must develop the necessary political will to work with and through their organizations, and in so doing continuously reforming them, rather than treating them as marginal partners only.

193. Due in part to the World Population Conference, the World Food Conference, plus a number of other collective undertakings within the United Nations system which have either taken place or are in the process of preparation, the United Nations system has indeed begun to link the responsibilities of Member States with its own as far as national programmes and development objectives are concerned. One of the main lessons which has been learned over more than two and a half

decades of experience is that the primacy of developmental activities within countries is unequivocal, with no organization having a set of priorities different from those of its Member States. Greater coherence between the programmes of Member States and the technical capacity of the United Nations system cannot but help to revitalize confidence in the system and to stimulate new efforts by the system and Member States alike.

194. During our mid-term review and appraisal of the health sector as part of the International Development Strategy, a number of factors of concern to health and health care came into focus. It became abundantly clear that the traditional approaches to health care in meeting the needs of large segments of populations, particularly in rural areas, have failed. One major reason for this is that health services more often than not have been isolated from other development activities. The developing countries, in particular, are faced with the maintenance of costly hospital services catering for a small proportion of their total populations. Therefore the inclusion of comprehensive preventive and curative health care as an integral part of over-all economic and social development is a matter of urgency. Although Governments tend to look increasingly at health care as being indispensable for sound and harmonious economic development, health services and related programmes are usually given a share of the available resources that at best maintains existing standards, generally inadequate, and does not allow for an expansion or improvement of health services. The World Health Organization is therefore exploring new possibilities to meet this alarming situation. Top priority is being given to the promotion of and assistance to major national efforts to develop primary health care services with a much higher degree of community participation than has been the case up to now in most countries. In the same spirit, it is intended to mobilize all local scientific resources to find new solutions for the attack on ill-health which impedes development. In order to succeed, such primary health care must, however, be fully integrated with other community development efforts such as education, agriculture, water supply, sanitation, public works, housing, and communications.

195. Traditional health planning concepts have been inadequate for the complex task of reconciling escalating demands, spiralling costs, and severely constrained resources. However, new systems approaches to country health programming promoted by WHO should facilitate the identification of priority health and health-related problems; the specification of relevant intervention programmes; and the mobilization and co-ordination of national, bilateral and multilateral resources.

196. By thus adapting its co-ordinating role in the health sector, WHO hopes to deepen and extend its technical capacity and find forms of collaboration with its member States to meet new and emerging needs. All proposals for change must relate directly or indirectly to the wider aims of countries, and they can only be effective if they are considered outside of the normal boundaries of the health sector. The main responsibility for countries in this connexion lies in their obtaining a wide national consensus at the highest political level, which in turn should give rise to proposals and expressions of change at the international level. This, however, implies greater efforts by all agencies acting together, and without counterproductive competition, to respond to national needs in an integrated way.

197. In my opinion, the United Nations system is willing and can respond more effectively to the establishment of a new international economic order through greater in-depth technical and other co-operative efforts and well-planned multisectoral activities which would involve all major programme areas. Such an approach would ensure both a halt to a fragmented approach to development, as well as the beginning for the provision of a new basis for Member States and international organizations devoted to development to acquire an overview of the total development process. The World Health Organization has realized that no single element or component pertinent to development can alone create those conditions fundamental to man's well-being, and I remain firmly convinced that the flexible instrument of the United Nations system which has been created by Governments to serve Governments can be properly adapted to meet national aspirations.

198. I wish to conclude by assuring you that I am prepared to make every effort to assist you and my other colleagues in the Administrative Committee on Co-ordination in formulating new methods to become a more useful tool in the hands of Governments for achieving economic and social progress in accordance with the dignity of man.

XIV. WORLD BANK

Text of letter dated 20 December 1974 from the President of the
World Bank to the Secretary-General of the United Nations

199. I would urge you to propose that the special session direct its attention to five issues in particular, in terms of their relationship to economic and social development: food; rural poverty; education; health and nutrition; and the transfer of real resources. Underlying all of these influences on economic development and interacting with them is, of course, the population problem. Rapid population growth perpetuates rural poverty and malnutrition in many countries; it is making it harder to reach social targets, such as universal literacy and more equitable income distribution; it is reducing opportunities for education and for productive employment. But notwithstanding the intimate relationship between population growth and the quality of development - the numbers of persons who are adequately fed, literate, who share equitably in income growth, and who are productively employed - the dimensions of the problem and its sensitivity lead me to conclude that it could not be effectively dealt with at the special session as a specific agenda item. The subject is bound to be raised in connexion with, for example, food, and I am inclined to believe that this may lead to more realistic discussion in the General Assembly than would take place if this always divisive issue were to be taken up separately.

200. Let me now briefly sketch the considerations which have led me to choose the five issues I have identified as urgently calling for attention.

201. First, food. The current food crisis is a result not only of temporary difficulties but also of long-term trends which have moved several countries close to the margin of subsistence. In the past two decades, food production has barely kept pace with population growth and the dependence of the developing countries on imports of cereal from North America has increased. Although the arable area in the developing countries expanded by 0.7 per cent annually, productivity lagged far behind what appeared feasible. In the years 1969-1971, there were food deficits in 56 out of 96 developing countries; in 24 of the 56, supply fell short of meeting demand by more than 10 per cent. Over half of the developing countries are periodically confronted with food problems. At least 460 million people in the third world suffer from inadequate nutrition, or are victims of periodic famine conditions.

202. Unless vigorous measures are taken very soon, the food problem of the developing world is likely to worsen. The World Bank staff has estimated that food demand will rise by 3.6 per cent per annum; on the basis of current trends, the annual growth in production can be expected to be only 2.6 per cent. A major effort by both food-deficit and food-surplus countries is therefore required.

203. Second, rural poverty. The locus of the world food problem coincides to a large extent with that of the general problems of poverty and under-development. About 85 per cent of the total food deficit occurs in countries of South Asia and Sahelian Africa (plus Ethiopia), which contain nearly 60 per cent of the developing world's rural poor. The low output per acre in those countries is the major cause

/...

of both the world food problem and the most dire poverty. Even if the food-surplus countries produced enough to feed the growing world population, the poor and hungry nations would still lack purchasing power, and the problem of distributing, to and within those countries, food in the amounts required even to maintain the present low standard of consumption would be insoluble. National efforts, as well as international assistance, must therefore concentrate on improving the productivity of the small subsistence farmer in the food-deficit countries themselves.

204. The attack on low productivity must be supplemented by measures designed to facilitate better management, national and international, of the food supply, including a global stockpiling and emergency food supply system. Some increase in food aid is likewise essential, although too great a reliance by the developing countries on food aid and imports will in the long run only aggravate the problem. Few developing nations now have a coherent food production policy or an effective rural development strategy. A review of national food production policies adding up to a reasonable global strategy is imperative.

205. As to education, over the past few decades most developing countries have emphasized investment in this sector. During the years 1950-1970, enrolment at the primary, secondary and higher levels grew by 5 to 12 per cent a year. Illiteracy was reduced from 59 per cent in 1960 to 50 per cent in 1970.

206. However, there are growing indications that this effort is losing impetus. The number of illiterates in developing countries is expected to increase. The problem is aggravated by the fact that much investment in education has been misdirected. There has been undue emphasis on higher education and on high-cost investment in the formal education structure, with the adoption of standards wholly inappropriate for inculcating the basic skills by means of which the mass of the population might participate in the development process. In many countries, more than 50 per cent of the resources available for education has been devoted to secondary and higher education, although the number of students at those levels has been less than 20 per cent of total enrolment. Moreover, in many cases the kind of education being provided does not facilitate achievement of the development objectives of the country concerned.

207. There are three main tasks for the developing countries in the years ahead. First, education should be made more relevant, to develop the kinds of skills responsive to country needs: functional education for the rural sector, for example. Second, some form of low-cost mass education is required if the mass of the population is to participate effectively in the development process. The quality and efficiency of primary school education should be raised and programmes designed for out-of-school youths and adults should be adopted. In the poorest countries, where primary school enrolment is low, non-formal basic education will be an important supplement to the formal education system. Basic education aims at special groups with minimum learning needs, and reaches its targets through restructured primary schools or non-formal programmes. Third, measures should be taken to counteract, as far as possible, the bias of most education systems in favour of urban and higher income groups. Appropriate recruitment, selection, promotion and financial support policies should be developed, supported by general education policies designed to equalize educational opportunity.

/...

208. Unless developing countries act now, with the support of the international community, to increase and redirect their educational activities in the light of development needs, they will enter the twenty-first century with their potentially most productive resource, their people, badly prepared and doomed to live in ignorance and poverty.

209. The fourth issue on which I would hope the special session might focus is health and nutrition. Although developing countries have made progress in disease control and in combating malnutrition over the last two decades, ill health and malnutrition are still the principal factors governing the condition of the poorest segments of the developing countries' population. A core disease pattern dominated by faecally-transmitted and airborne disease afflicts particularly those whose water and sanitation facilities are inadequate and whose housing is unsuitable and overcrowded. The effects are compounded by inadequate protein and caloric intake, iron deficiency anaemia, and lack of vitamins. Disease, inadequate nutrition, poverty and a high birth rate are mutually reinforcing: those who are poorly fed are most vulnerable to disease, and high child mortality encourages high rates of procreation. Life expectancy at birth exceeds 70 years in most developed countries; in Asia it is 49 years, in Africa, only 43. The incidence of communicable and nutritional diseases is higher among children. About 30 per cent of the pre-school age population in developing countries is more than 25 per cent below standard weight. In many of those countries, more than two thirds of the children suffer from iron deficiency anaemia, while as many as half are afflicted by deficiency of vitamin A.

210. The economic costs of ill health and inadequate nutrition are only just beginning to be realized. Malnourished babies have smaller brains, which may impair their learning ability. Morbidity and mortality reduce the labour force, and weakness impairs labour productivity. Disease also causes wastage of natural resources through underexploitation of their potential, as in areas infested by the tsetse fly.

211. Reduction of the economic costs of malnutrition and ill health is more a matter of the design of nutrition programmes and health promotion services than of cost, even for the poorest developing countries. It costs only \$20 a year to supplement a child's daily intake by 600 calories and 20 grams of protein. A \$500 million programme spread over 10 years would eliminate most deficiencies of vitamins and other nutrients. But despite low costs and high benefits, nutrition projects are not directed towards the most vulnerable groups, and insufficient use has been made of mass techniques. Health services likewise require redesign. They benefit relatively small segments of the urban population, and need to be reoriented from their emphasis on curative to an emphasis on preventive and environmental measures, available at low cost to the mass of the population. Community-based programmes and greater use of auxiliary personnel are among the reforms needed.

212. The fifth issue on which the special session might focus is the transfer of real resources. The development assistance targets for the Second Development Decade, which were unanimously adopted by the General Assembly in 1970, called for the economically advanced countries to provide annually, beginning in 1972, minimum net financial resource transfers equivalent to 1 per cent of their GNP; those

/...

countries unable to achieve the target by 1972 would undertake to do so before 1976. The economically advanced countries were, in addition, called upon to increase progressively their official development assistance (ODA), to reach a minimum of 0.7 per cent of GNP by the middle of the decade. Those targets were generally accepted by the industrialized countries, members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

213. However, the ODA of the 17 members of DAC in fact fell from 0.34 per cent of GNP in 1970 to 0.31 per cent in 1973. Only five countries have reached or passed the 1 per cent target. Only one is expected to reach the ODA 0.7 per cent target by 1975. For DAC members as a group, the prospects are for a further erosion of assistance through inflation.

214. The need for the development assistance effort to regain momentum could not be more pressing, particularly for those recipient countries most severely affected by inflation, rising energy costs, and shortages of food and fertilizer. About 800 million persons in countries with a per capita income of less than \$200 are likely to suffer serious economic hardship and will realize only negligible income growth during the rest of the decade. The World Bank staff estimates that a reversal of this trend will require an increase in concessional assistance from \$12 billion in 1973 to \$30 billion in 1980 (in current dollars).

215. The members of DAC have now been joined by net oil-exporting countries as contributors of development assistance. Nevertheless, the current aid flows from both groups together are inadequate. The economically advanced countries of the OECD and Eastern Europe and the net oil-exporting countries should forge a new consensus on resource transfer goals and how the burden should be shared among them, and I think the special session could usefully address itself to that objective.

216. Redefining assistance targets will not be easy. The focus must be on the volume of assistance, particularly for the poorest countries. Aid pledges will remain empty of meaning unless they are accompanied by indication of how they are to be implemented, that is, by specifying the practical steps to be taken by individual donors in making annual or multiyear budget commitments and the ways by which access to their capital markets may be increased. Recipient countries, for their part, could help to crystallize a new approach to development co-operation goals by pledging sufficient self-help targets to maximize domestic resource utilization, attract private capital, and use foreign aid most efficiently.

XV. INTERNATIONAL MONETARY FUND (IMF)

217. Since the adoption of the International Development Strategy for the Second Development Decade, there have been profound developments in the world economy that call for a basic re-examination of the policies and goals specified in the Strategy. Those developments have highlighted the need for giving much closer attention than has been done before to certain basic issues in the developing countries. Mr. McNamara in his communication of 20 December 1974 to the Secretary-General has identified a number of these issues, such as the world food crisis, rural poverty, the need for improvements in education, health and nutrition, and the need for an increased flow of development assistance. 6/

218. While such issues should receive intensive examination at the special session, there are also problems of an immediate nature which deserve close attention because of their implications for the attainment of economic growth targets in developing countries. There are three aspects of those problems which, it is suggested, might be discussed at the special session: financing of the large balance-of-payments deficits of non-oil-exporting developing countries, pursuit of appropriate adjustment policies by those countries, and the need for the policies of developed countries to take account of the interests of developing countries. The following paragraphs elaborate on the questions, indicating briefly the current activities of the Fund in dealing with them.

219. For the non-oil-exporting developing countries, the general prospect is that their external payments position in 1975 will be even more difficult than in 1974. The near-term outlook for the great majority of them appears to include lower prices for many of their exports in world commodity markets, continuing price increases for goods imported from the industrial countries, downward pressure on export volume because of slowing activity in the industrial countries and mounting external indebtedness. On present trends, the aggregate current account deficit of the non-oil-developing countries in 1975 is forecast at about \$30 billion (more than triple the 1973 deficit).

220. An important source of financing for those deficits in 1975 will be the Fund's oil facility. The Interim Committee of the Board of Governors of the Fund, at its recent meeting, agreed to a figure of SDR \$5 billion as the total of loans to be sought for financing the facility; any unused portion of the loans obtained for financing the facility in 1974 will also be available. It was also agreed that arrangements should be made to reduce the burden of interest for drawings on the facility by the most seriously affected countries. Moreover, consideration will be given by the Executive Directors of the World Bank and the Fund to the desirability of creating a special trust fund to provide additional highly concessional resources to the most seriously affected developing countries. The special session may explore other possible sources of official financing.

221. For many developing countries private international financial markets will continue to be a major source of financing. Steps taken towards improving the

6/ See chap. XIV above.

access of developing countries to those markets would be highly desirable. On the side of the lending countries, such access may require a review of legal, institutional, and other conditions. For developing countries, an important condition for improved access is sound debt management on their part and the avoidance of policies which would discourage the flow of private capital. At its recent meeting, the Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries) instructed its secretariat to propose such measures as might be considered for early implementation.

222. In many cases, balance-of-payments difficulties faced by the developing countries are at least partly attributable to inadequacies in their exchange rate, trade, and domestic financial policies. It is imperative in such cases, if the momentum of development is to be maintained, that comprehensive policy actions be taken as soon as feasible. The Fund is prepared to assist countries in formulating adequate programmes of adjustment and to provide its resources in support of such programmes. The increase in the total of Fund quotas, which was agreed at the meeting of the Interim Committee, will enlarge both the resources available for financing deficits and the access of individual countries to the Fund. The Fund's Extended Facility which was established in September 1974 to provide assistance to members for longer periods and in larger amounts than under present practices would be particularly beneficial for developing countries which undertake comprehensive programmes of economic adjustment.

223. At the present time developed countries find themselves caught between inflation and economic slowdown, while at the same time many are experiencing difficult balance-of-payments problems. The current recessionary conditions are in sharp contrast to the underlying premise in the International Development Strategy that the vigorous expansion that occurred in the economies of the developed countries in the 1960s would be maintained in the 1970s. In present circumstances, there is a clear need for economic policies in developed countries to be addressed to combating recession, while strengthening control over inflation. In particular, countries in a relatively strong balance-of-payments position can and should take the leadership in steering the world economy on an expanding course. For the longer run, it is important that the developed countries maintain a steady rate of economic growth to ensure a high level of demand for the exports of the developing countries.

224. Nevertheless, fluctuations in receipts from exports of primary commodities will inevitably occur. The Fund is currently considering possible improvements in its facility on the compensatory financing of export fluctuations. Beyond smoothing short-term fluctuations, there is the question of the longer term trend in commodity prices. In this connexion, the Interim Committee at its recent meeting has asked the Fund's Executive Directors not only to consider possible improvements in the Fund's buffer stock financing facility but also to study the possibility of an amendment of the Fund's Articles of Agreement that would permit it to provide assistance directly to international buffer stocks of primary products.

225. As they make the adjustments necessary to solve their various problems, developed countries should keep in mind the impact such measures can have on the

developing world. Reduction in aid flows or restrictions on imports should not be viewed as acceptable methods of balance-of-payments adjustment, nor should barriers be placed to the flow of private capital to developing countries. The Fund has recently intensified its consultations with developed countries and other members in order to ensure that national policies give due regard to their repercussions on other countries. A number of improvements in the operation of the international monetary system and steps towards its reform have also been taken recently, such as the agreement on guidelines for the management of floating exchange rates. The recent meeting of the Interim Committee has identified a number of other improvements which are now being studied. Those measures will benefit the developing countries by promoting stable conditions for the growth of the international economy, thereby improving their access to trade and capital markets and the climate for increased resource transfers to them.

The role of the International Monetary Fund in relation to
the Programme of Action

226. Since the adoption by the General Assembly of resolution 3202 (VI), Programme of Action on the Establishment of a New International Economic Order, the Fund has taken a number of measures in its area of responsibility which have been directed towards easing the present international economic crisis and assisting countries in maintaining the pace of economic growth. A number of steps have also been taken towards a reform of the international monetary system with a view to establishing conditions for a balanced and sustained development of the world economy.

227. In view of the very difficult problems of inflation, recession and balance-of-payments disequilibrium that members have faced, the Fund has intensified its efforts, through its machinery of close consultation with members and through the provision of balance-of-payments financing, to promote national policies that are conducive to a solution of the problems. In this task, the Fund has been greatly strengthened by the establishment of two new committees both of which met recently in Washington, D.C., the Interim Committee of the Fund's Board of Governors on the International Monetary System and the Joint Ministerial Committee of the Boards of Governors of the Fund and the Bank on the Transfer of Real Resources to Developing Countries, known more briefly as the Development Committee. The Interim Committee, which is intended to become a permanent Council of the Fund by amendment of its articles, has the task of reporting to and advising the Board of Governors in connexion with the management and adaptation of the international monetary system and the effective operation of the adjustment process. A very important feature of the composition of both the committees is that it has been based on the constituencies of member countries that appoint or elect executive directors, so that all member countries, developed and developing, are represented.

228. The Fund's consultative and financing roles have been directed towards helping countries pursue appropriate policies of adjustment to the current situation, avoiding in particular such policies as undue deflation, competitive exchange rate action and escalation of restrictions on external payments and transactions, which would only shift the payments problems from one country to another and would

damage world trade and economic activity. The balance-of-payments position of many developing countries was seriously affected not only by the generally much higher level of import prices, particularly of petroleum, food and fertilizers, but also by the need to import large amounts of foodgrains. As a result, many more developing countries made use of the Fund's regular facilities in 1974 than in previous years and their total drawings under the regular facilities in 1974 amounted to SDR 936 million (\$1,146 million) which compares with SDR 315 million (\$386 million) in 1973. Of the amount purchased in 1974, SDR 107 million (\$131 million) was under the Fund's facility for compensatory financing of export shortfalls. At the end of the year, moreover, there was SDR 133 million (\$163 million) still available under stand-by arrangements which had been approved during the year.

229. Use of the Fund's regular facilities has ameliorated the adjustment problem to some extent, but early in 1974 it was clear that many countries would have to resort to severely restrictive domestic or external policies to redress their imbalances unless special means of official financing could be found. The Fund therefore developed a temporary oil facility to provide some of the needed financing. The oil facility was established on 13 June 1974, to assist member countries to meet the impact on their payments balances of increases in the costs of petroleum. The Fund obtained the full co-operation of the oil-exporting countries and arranged to borrow approximately SDR 3 billion (\$3.7 billion) from them and also from two other countries. It is expected that most of the amount will have been drawn under the 1974 facility by its closing date, 28 February 1975. For many developing countries, the facility has been a major factor, especially in the latter half of 1974, in helping to avoid unduly abrupt adjustment.

230. For 1975 the Interim Committee of the Fund's Board of Governors has agreed to a figure of SDR 5 billion as the total of loans to be sought for financing the facility; the unused portion of the loans obtained for the 1974 facility will also be available. It is expected that a large proportion of the facility's resources in 1975 will again be made available to developing countries. Those countries are also likely to make continued large use of the Fund's ordinary resources. The total current account deficits for non-oil-producing developing countries in 1975 is on present indications, likely to be of the order of SDR 25 billion (\$30 billion). In addition to financing from the Fund, the developing countries will therefore need large-scale assistance from the developed and oil-producing countries, as well as access, on a substantial scale, to private financial markets.

231. The rate of charge on the use of the oil facility in 1974 was closely related to the interest rate paid by the Fund on borrowings for the facility which was 7 per cent. That rate of interest was well below commercial interest rates; nevertheless it is proposed that the facility in 1975 will include arrangements for an interest subsidy for the most seriously affected developing countries.

232. The Fund has also been closely associated with the work of the United Nations Emergency Operation, which was established as part of the Special Programme. It has seconded staff to the Operation, participated in the Interagency meetings, and provided technical assistance in the preparation of the balance-of-payments projections.

233. There are a number of areas for improvement of the Fund's facilities in which fresh progress has been made or in which work is under way. In September 1974 the Fund took an important step in setting up an Extended Fund Facility, under which the Fund in certain circumstances will be prepared to give special assistance to members to meet their balance-of-payments deficits for longer periods and in amounts larger, in relation to quotas, than has been the practice hitherto. The facility is likely to be beneficial for developing countries in particular in certain situations. For example, a country in which the economy has been suffering serious payments imbalance relating to structural maladjustments in production, trade, and prices, would receive assistance in support of a comprehensive programme of action, covering a period of two or three years, that included policies of the scope and character required to correct the imbalances. Alternatively, an appropriate situation for use of the facility might be that of an economy suffering from slow growth and an inherently weak balance of payments position which prevented pursuit of an active development policy. That type of situation might be associated, for example, with dependence on one or two export commodities and inadequacy of monetary and fiscal institutions to mobilize domestic savings, a situation not uncommon in many least-developed countries.

234. At its recent meeting the Interim Committee of the Fund considered questions relating to the sixth general review of the quotas of members, which is now under way, and agreed, subject to satisfactory amendment of the articles, that the total of present quotas should be increased by 32.5 per cent and rounded up to SDR 39 billion. It was understood that the period for the next general review of quotas would be reduced from five years to three years. The Committee also agreed that the developing countries' share in the total, and consequently, their voting strength in the Fund should be substantially increased. That would be accomplished by doubling the share of the major oil exporters as a group in the enlarged Fund, while maintaining the collective share of all other developing countries at its present level. There was a consensus that because an important purpose of increases in quotas was strengthening the Fund's liquidity, arrangements should be made under which all the Fund's holdings of currency would be usable in accordance with its policies. The Committee invited the Fund's Executive Directors to examine quotas on the basis of those understandings. The proposed increase in the size of the Fund would greatly strengthen the Fund's ability to achieve a smooth adjustment of international payments.

235. The Committee also agreed that consideration should be given to possible improvements in the Fund's facilities on the compensatory financing of export fluctuations and the stabilization of prices of primary products, and that the possibility of an amendment of the Articles of Agreement that would permit the Fund to provide assistance directly to international buffer stocks of primary products should be studied.

236. On the question of a link between allocation of SDR's and development finance, the Committee agreed to keep the matter under active study, but at the same time to consider other ways for increasing the transfer of real resources to developing countries. In that connexion, the recent meeting of the Development Committee has asked the Executive Directors of the World Bank and the Fund to

/...

study the desirability of creating a special trust fund that would provide, for the period immediately ahead, additional highly concessional resources to meet the requirements of the most seriously affected countries, and the possible modalities of such a fund.

237. A number of improvements in the operation of the international monetary system and steps toward its reform have been taken during the last year or are under consideration at the present time. Those measures will benefit developing countries by improving international economic stability and the process of adjustment of payments imbalances. In June, guidelines for the management of floating exchange rates were introduced. At the same time a method of valuation of the SDR based on a basket of currencies was adopted, and the interest rate on SDR holdings was raised. Those steps are designed to further the use of the SDR as an international reserve asset. In the coming months particular attention will be given to amendments to the Articles of Agreement of the Fund with a view to improving the policies of the Fund on the use of its resources, further promoting the features of the SDR as a reserve asset, and providing for appropriate rules on exchange rate policy.

XVI. INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

238. The International Civil Aviation Organization has a sphere of action limited to a form of transport that, by its nature, requires international co-ordination of a highly technical nature. Consequently, ICAO is not in a position, since it is not its calling, to contribute any wide-ranging analysis of economic aggregates or suggest the ways in which the organizations of the United Nations system might contribute to the broad and fundamental task that the General Assembly has set itself in its special session. Nevertheless, transport is a significant factor in economic progress and civil aviation, by its nature, of growing importance within the transport sector. It has become the principal mover of international passengers and also of domestic passengers in some countries, and is playing a rapidly increasing role in the transport of freight. Consequently, the following observations on recent world-wide issues affecting civil aviation in the economic field are submitted so that they may be taken into account as may be considered appropriate in relation to the 1975 special session of the General Assembly.

239. The main emphasis of the ICAO regular programme is on co-ordination and regulation rather than (except through participation in UNDP) on direct economic development as such. Nevertheless, world-wide economic development without an effective, safe and efficient international civil aviation network is inconceivable under modern conditions. Consequently, despite the essentially regulatory and co-ordinative aspect of ICAO's work, its activities foster economic development. One specific example of this multifaced developmental impact is the impulse that the extraordinary growth of aviation has given to the tourist industry, a significant factor in the economic progress of many countries.

240. Recognizing the above, the ICAO Council affirmed, in January 1971, its intention of taking into account the goals and objectives of the International Development Strategy for the Second United Nations Development Decade. The Council considered that the ICAO Statistical Programme provided adequate means of measuring progress in the development of civil aviation in relation to the goals of the Strategy.

241. During the period 1963-1973, including the first three years of the Second Development Decade, the number of tonne kilometres flown on international scheduled services increased at an average annual rate of 16 per cent. During the first three years of the Second Development Decade, the average annual rate of growth was about 13 per cent but still exceeded by far that of the world economy in general. While these figures are global, the 1963-1973 growth figures for the African, Middle East, Asia and Pacific and Latin American and Caribbean regions are, respectively, 125 per cent, 20 per cent, 21 per cent and 16 per cent which compare favourably with the International Development Strategy targets of 6 per cent annual rate of growth in gross product and of 8 per cent in manufacturing output.

242. Precise figures are not yet available for 1974 but apparently the over-all annual rate of growth of international civil aviation during 1974 has been reduced to a figure of the order of about 7 per cent. Various causes have contributed to

that decrease which reflects a similar drop in international tourism by air, but the two most significant, which are also interrelated, are the increased inflation rate and fuel prices on the cost side and a decline in demand growth, resulting from changes in the world monetary situation and general inflationary trends that led to a cut-back in pleasure travel, on the demand side of the equation.

243. The twenty-first session of the ICAO Assembly met in September-October 1974. Though no firm statistical indices were then available, the various developments threatening to retard the hitherto high and steady growth of world aviation were well known and inspired a series of significant measures in the organization's work programme for the coming three years which are consonant with the objectives of resolutions 3201 (S-VI) and 3202 (S-VI).

244. The Assembly directed the ICAO Council to establish, as a matter of urgency, a descriptive list of major economic problems confronting international air transport - not already being dealt with the existing ICAO machinery on a world-wide basis; the list to be sent to Contracting States and appropriate organizations for their consideration and suggestions for remedial action. On the basis of responses, the Council is to prepare a plan for consideration of those major problems on the global level by either a special Air Transport Conference, an Extraordinary Session of the Assembly or the next regular session of the Assembly.

245. Reflecting the widespread concern on the level and structure of international air fares, the Assembly also directed the Council to: issue annual surveys of fares and rates, undertake analyses of regional differences in fares in relation to corresponding differences in operating costs, establish an expert panel to examine the existing machinery for the establishment of international fares and rates and, on the basis of the panel's findings, make recommendations to the Assembly on possible improvements of the machinery. The Council was further directed to supplement the foregoing activities with other factual studies, as might be appropriate, dealing with the principles on which fares and rates are based including the impact on them of such key cost factors as fuel, wages and salaries, environmental factors, charges for airport and en route facilities, etc.

246. The above decisions, which are the most significant of those taken by the Assembly, introduce a substantial new activity in the organization's normal work programme.

247. None of these measures was considered by the Assembly to require, per se, any changes to the organization, which has been adapting its structure and working methods progressively to changing requirements.

248. The world economic situation is having a serious impact on international civil aviation and on its ability to contribute to economic development at an increasing rate. While ICAO is taking such measures as are within its means and competence to ensure that pricing policies are such as are best adapted to the changing world situation and do not have a restrictive impact on continued aviation growth, it is clear that the basic world-wide developments that have so substantially affected civil aviation arise from causes which lie outside ICAO's terms of reference. ICAO hopes that the initiatives the special session of the United Nations General Assembly may take to find solutions to those problems will enable international civil aviation to continue to develop its capacity to foster economic development and ICAO will assist, to the extent of its capacity, in making such initiatives successful.

/...

XVII. UNIVERSAL POSTAL UNION

Text of letter dated 20 January 1975 from the Director-General of
UPU to the Secretary-General of the United Nations

249. As you know, the activities of UPU are highly specialized. Moreover, we would not want to claim that postal problems, which call for a solution at the international level, merit the attention of the special session. Nevertheless, the post plays an important role in most of man's main activities, including the sphere of economic development.

250. Consequently, although the special session will understandably want to consider more important and more specific problems, I would suggest that it not forget the vital need for an effective infrastructure at both the international and the national level as a solid basis for development.

251. An efficient communications system, including an adequate postal service, will always be one of the indispensable elements of such an infrastructure.

252. I cannot make any other suggestions without infringing upon the spheres of competence of our colleagues. Nevertheless, while realizing that those concerned will probably make the same suggestions, I should like to mention some of the principal international questions which the special session might consider.

Food

253. In view of the population increase, the problem of producing food-stuffs in sufficient quantities, the problem of imbalances and the consequent problem of equitable distribution are growing steadily. It is imperative to elaborate and implement a world-wide policy as soon as possible in order to avoid still graver crises than those which have occurred in the past.

Rural development

254. The problem of producing food-stuffs in sufficient quantities is caused in part by the disappearance of rural life. People living in the country are induced by their concept of urban life to move to the cities; that is particularly true of young people. This often leads to an increase in urban and even rural problems with unfortunate repercussions for the economy as a whole.

Family planning

255. Nutrition and health problems, in particular, could be reduced appreciably by a family planning policy and other spheres would, in turn, benefit.

Education

256. A world-wide programme to promote literacy and other such goals would lead to

/...

more effective utilization of manpower; that would result in enormous benefits not only for individuals but also, once again, for the economy as a whole.

Productivity

257. The wide variations in productivity per man hour among different countries and regions of the world suggest that it might be possible to increase efficiency significantly; that might be the greatest contribution to improving the economic situation.

258. I have not mentioned technical assistance and economic problems, not because I do not judge them to be of great importance but, on the contrary, because they are the vital issues at stake.

259. Finally, I wish to point out that I have limited myself in this reply to questions other than those which will be dealt with by the Secretary-General in accordance with paragraph 4 of General Assembly resolution 3343 (XXIX).

XVIII. INTERNATIONAL TELECOMMUNICATION UNION (ITU)

260. In resolution 3343 (XXIX), the General Assembly of the United Nations has detailed the main issues which will be addressed by the seventh special session devoted to development and international economic co-operation. Among those issues are the transfer and development of technologies and technical assistance.

261. Throughout its history the activities of the International Telecommunication Union have been dedicated to the development of telecommunications technology and the Union has provided an effective forum for the transfer of this technology between the nations of the world. Technical assistance has been provided to members of the Union for the improvement and rational use of telecommunications of all kinds.

262. A primary function of the Union, which is assuming ever greater significance, is its role in the development and optimum exploitation of telecommunications services. The Union accumulates, analyses and disseminates information of basic importance to member administrations and is a focal point for the planning of the future growth of services and facilities and provides for the reciprocal exchange of information necessary for the day-to-day co-operation between members in the operation of telecommunications. Future planning includes the exchange of information of importance for network interconnexion and the phased implementation of new technologies in such a way as to assure the maintenance of effective communications between communities of different levels of technological achievement and investment. Other specialized tasks relate to the co-ordination necessary for the use of the radio-frequency spectrum, including space applications.

263. An essential prerequisite for the rational development of telecommunications is a regulatory structure within which technical facilities and systems may be designed and exploited. Telecommunications development is also conditioned to the creation and adoption of acceptable technical standards throughout the world. The role of the International Telecommunication Union in the regulation and standardization of telecommunications is of prime importance for future development in this domain.

264. The International Telecommunication Convention recognizes the need of the developing countries for technical assistance in the field of telecommunication. Such assistance has been provided by the Union in close co-operation with the United Nations, in particular through the participation of the Union in the United Nations Development Programme (UNDP). The Union recognizes the sovereign right of all countries to establish their development priorities, within the limits of funds available for this purpose, and stands ready to provide assistance in the field of telecommunications when such assistance is required. However, an important aspect of the provision of technical assistance, receiving increasing attention within the United Nations system, is the determination of precisely what assistance is required in a given country, or region, and when such assistance should be delivered.

/...

265. The Union has participated, within the limits of its resources, in the UNDP country planning exercises and in United Nations system-wide activities designed to co-ordinate and harmonize the development effort of the system. As one of the smaller specialized agencies in the system, with no institutionalized regional structure and no permanent development assistance programme supported by a regular budget, the Union faces considerable difficulties in assisting all the Governments of the developing countries in detailing the role of telecommunications in their future development plans and in responding to the United Nations system requirement to identify the telecommunications content in joint development planning efforts. There is a limit to the extent to which existing resources can be stretched to cover additional responsibilities and activities. The more effective participation of the Union in such areas as joint planning of development programmes can be assured by the allocation of additional resources for this specific purpose.

266. The Union has always recognized that the acquisition and dissemination of adequate accurate information is essential to the preparation, implementation and management of development programmes. The current efforts of the United Nations system to create joint information systems should assist all elements of the system to increase the efficiency of the development effort by the rational use of the immense amount of information available to the system. The systematic acquisition and treatment of information relating to development will facilitate the identification of priority areas for action, provide an indication of the efficacy of current development activities and point the way for future action.

267. In reviewing the state of current world-wide economic co-operation and assessing the ability of the United Nations system to respond to challenges inherent in the implementation of the Programme of Action and the International Development Strategy, the special session of the General Assembly will consider the present functionally decentralized pattern of the system which has evolved as a collection of specialized units set up by Governments to meet specific requirements. The collective competence of the system is impressive and should enable it to cope with the new problems and responsibilities which lie ahead. In focusing on the new problems and responsibilities, a clear appreciation must be retained of the functions and responsibilities of the specialized agencies, including the International Telecommunication Union, which are of a continuing nature and without which further development in their field of competence will not be possible. It is essential that traditional functions be retained and strengthened and that the system be provided with guidance and resources necessary to undertake development activities in accordance with the expectations of Governments.

XIX. WORLD METEOROLOGICAL ORGANIZATION (WMO)

268. It is difficult to envisage any international economic order which does not take into account the subjects with which the World Meteorological Organization (WMO) is concerned, namely, weather, climate, water resources, the oceans, and many other environmental factors. It is however particularly important at the present stage of economic development of all countries, developing and developed, that the knowledge, skills and techniques relating to these subjects be applied to the fullest possible extent. One has only to recall some of the main problems which the world now faces to recognize this; problems such as world food production; disasters due to droughts on the one hand and floods on the other; the terrible toll of life and property which tropical cyclones take each year amounting in some developing countries to 1 per cent of the annual GNP; the many environmental problems related to pollution of the atmosphere and the oceans; the energy problem, with the consequent increased interest in the use of solar and wind energy; the traditional applications of meteorology to aviation and shipping; the needs of the general public; and the not so traditional applications in such fields as urban climatology, etc. One has only to think of the potential benefits of weather modification and the implications of possible climatic change to be even more conscious of the relevance of the work of WMO to the New International Economic Order.

269. Fortunately, scientific and technological developments are providing new means of meeting the new requirements and the WMO programmes already enable such new developments as meteorological satellites, electronic computers, new telecommunications systems, etc., to be used for the benefit of all countries and those programmes will continue. The efforts must, moreover, be used not only for immediate practical benefits but for research purposes also, in order to ensure that improved knowledge and understanding will bring improved benefits to all countries. The Global Atmospheric Research Programme has therefore been launched and has had a most promising beginning.

270. The benefits already derived and those still to come will, however, only become available to the developing countries if the specialist staff available in each country is adequate in numbers and in training and experience. WMO has therefore given great attention to training activities in the developing countries and will continue to do so. In this and in other fields, the promotion of co-operation among developing countries has been given particular attention.

271. It may be noted from the preceding remarks that WMO will have a role to play in sections I, IV, VII and IX of the Programme of Action of the New International Economic Order.

272. It is with those thoughts in mind that the Secretary-General of WMO prepared his proposed programme and budget for the four-year period 1976-1979. Those proposals will be considered by the World Meteorological Congress which meets 28 April to 23 May 1975. In addition, however, a special document has been submitted inviting the attention of the Congress to the Programme of Action for the establishment of the New International Economic Order and requesting the Congress to take the Programme of Action fully into account in approving the programme of the organization for the next four-year period. Further information on the decisions of the Congress will be made available as soon as possible.

XX. THE INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION (IMCO)

273. The Inter-Governmental Maritime Consultative Organization (IMCO), as one of the specialized agencies within the United Nations system, is concerned solely with maritime activities. Within the competence of IMCO are technical matters related to international shipping and allied subjects, for example, safety of ships and personnel on board, maritime navigation, maritime administration, prevention of marine pollution from ships, technical aspects of port operations, etc. In so far as maritime activities are concerned, it is the objective of developing countries, as provided for in the International Development Strategy for the Second United Nations Development Decade, and the Declaration and Programme of Action on the Establishment of a New International Economic Order, that developing countries should participate in an increasing measure in international shipping. The attainment of that objective, has, however, been hampered seriously because of the paucity of national maritime expertise, which is the very basis for any sound and viable programme of development in the maritime field. The governing bodies of IMCO have given the highest priority to the provision of technical assistance to developing countries in order to enable them to set up appropriately equipped and staffed training institutions at the national, subregional or regional level, as may be required, so that nationals of developing countries may be trained in the maritime profession and thus become available for manning ships, ports and harbours, ship-repairing and shipbuilding yards, maritime administrations, etc.

274. The programme of technical assistance to developing countries in the field of shipping has recently been further intensified in accordance with the decisions taken by the IMCO Council. In that task the organization is receiving full co-operation and assistance from the United Nations Development Programme. Beginning in 1975, two interregional advisers, one on maritime administration and the other on maritime legislation, will operate in the field with a view to assisting developing countries to modernize their administration and legislation. Furthermore, an IMCO regional adviser will, for the first time, begin to work in the field in Africa, and his main function will be to keep in close touch with the Governments in Africa with a view to helping in the identification of specific maritime problems so that projects may be formulated for their solution. It is expected that IMCO regional advisers for Latin America and Asia will also begin to function during the course of the current year. All those posts will be financed with assistance from the UNDP. The Council of IMCO has decided that adequate support facilities will also be provided at Headquarters. It is envisaged that the Technical Co-operation Division at the headquarters of the organization will be appreciably strengthened, in order to deal quickly and effectively with proposals received from member States and from the regional advisers of IMCO who will be acting in accordance with the priorities and wishes of member States.

275. IMCO efforts in regard to those technical matters are already producing results. Some examples are the national training centre in Brazil, which has recently been opened to nationals of other developing countries; the regional maritime training institute in Egypt, which caters for the needs of 14 Arab countries; and the maritime training project in Algeria.

/...

276. IMCO is also active in the field of ship construction, repair and maintenance and is ready to provide developing countries with the necessary expertise on the establishment, development and maintenance of shipyards, whenever such assistance is requested. IMCO bodies also keep under constant review such subjects as reliable and effective maritime radiocommunications, safe approaches to ports involving efficient and appropriate buoyage and lighthouse systems (usually as part of comprehensive traffic separation schemes) and the operational safety of ships in ports and related technical aspects of port and harbour operation. Recognizing the importance of those matters for the economic operation of shipping, IMCO has at all times been ready to provide information and expert assistance to developing countries that run national or multinational shipping lines.

277. In providing assistance, IMCO places much emphasis on co-operation with other organs or agencies of the United Nations system, with a view to the development of comprehensive approaches and solutions at regional and subregional levels. Thus, a joint IMCO/ITU mission studied the network of coastal radio stations in Africa and follow-up action is now in progress. In a broader context, a joint UNCTAD/ECA/IMCO mission is currently undertaking a detailed study of the situation with regard to maritime transport in Africa.

278. In regard to the prevention and control of marine pollution from ships, IMCO has recently put the services of highly qualified experts at the disposal of a number of developing countries to enable them to deal with emergency situations presenting serious pollution hazards. IMCO is also contributing to the formulation and establishment of regional agreements to combat pollution of the sea.

279. Attention is also drawn to certain important structural changes which are now being made in the organization of IMCO with a view, primarily, to enabling the developing countries to participate more effectively in its work. Such changes follow the recent substantial increase in the membership of IMCO, particularly from amongst the developing countries. At present, about two thirds of the total membership of 89 is made up of developing countries of Africa, Asia and Latin America. The Assembly of the organization has already adopted amendments to the IMCO Convention which will have the effect of increasing the membership of the Council of the organization from 18 to 24. Another important change is that the Maritime Safety Committee of the organization, which deals with all technical matters relating to maritime safety and efficiency of navigation will now become open to all member States of the organization. Until now the Committee has consisted of only 16 members elected by the Assembly.

280. Further amendments have recently been studied by an ad hoc working group set up specially by the Assembly. The results of that study will be considered, with a view to their adoption, by the IMCO Assembly at its ninth regular session in November 1975. Briefly, the new proposed amendments further clarify and regularize the position with regard to the distribution of responsibilities, in the organization's programme of work and its execution, between the Council, the Maritime Safety Committee and the other main organs which will also be formally

/...

institutionalized in the Convention. One of the main aims of those changes is to enable the developing countries to participate more fully and effectively in the technical and other work of the various bodies of IMCO; thus making it possible for them to acquire and increase expertise and information in the important maritime activities with which these bodies concern themselves.

281. As the International Development Strategy and the Programme of Action on the Establishment of a New International Economic Order recognize, developing countries need, and have the right, to participate in a larger measure in international shipping. To enable them to do so effectively there is the indispensable need for trained maritime personnel and well-established maritime programmes and administrative arrangements to run them. The training of such personnel will have to be in national or subregional institutions or schemes. IMCO is continually intensifying its contacts with developing countries individually or through regional and subregional arrangements, in order to ascertain the needs of countries or groups of countries and to work out viable schemes to meet those needs.

/...

XXI. WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Letter dated 28 April 1975 from the Director General of
WIPO to the Secretary-General of the United Nations

282. I am writing to let you have my thoughts for inclusion in the suggestions to be submitted on the question of identification of issues which require international action for their solution, and which could be dealt with by the special session with a view to finding agreed solutions.

283. A number of issues are suggested by the experience of the World Intellectual Property Organization (WIPO) in the fields of intellectual property and in the related areas of the transfer of technology and the dissemination of ideas and information.

284. In the field of industrial property and the related area of transfer of technology, developing countries, taking into consideration the differences which exist in their industrial and commercial development, need an adequate infrastructure and trained manpower if inventiveness is to be enhanced and encouragement is to be given to investments in industrialization, the acquisition of technology, including the selection of appropriate technology, import substitution and the export of manufactured goods. Adequate national legislation and institutions form part of that infrastructure, and developing countries should consider taking full advantage of the opportunity to participate in international systems concerning industrial property and the transfer of technology.

285. The adoption by developing countries of adequate national legislation and the establishment of appropriate institutions for the administration of their industrial property systems and the transfer of technology would, on the one hand, encourage the making of inventions and other creations and provide for a developing country the necessary safeguards against undue foreign influence which may stifle local competition or lead to prolongation of too close dependence on foreign ownership. Efforts by the organizations of the United Nations system to develop adequate model legislation in the fields of industrial property and the transfer of technology, and their adoption by developing countries, should be encouraged.

286. Participation by developing countries in international systems concerning industrial property and the transfer of technology would enable such countries to provide the legal basis and the administrative possibilities for the international protection of industrial property, to improve their access to information about technology so that the appropriate technology may be selected, and to improve their means of acquiring the selected technology under fair conditions. Active involvement by developing countries in the current efforts for the revision of the existing international treaties in the field of industrial property, in the fashioning of international systems for the dissemination of technological information contained in patent documents and related literature and in the seeking of extended and new methods and sources of financing for the creation or strengthening of the necessary infrastructures is indispensable.

/...

287. In the field of copyright, authors in developing countries need encouragement in the creation of works of the mind. Such encouragement can be ensured by national system of copyright. International systems can, on the one hand, provide the basis for an orderly importation of foreign, literary, scientific and artistic works into a developing country under acceptable conditions, which works may constitute an essential contribution to its cultural, scientific and economic development, particularly in the building up of domestic publishing and printing enterprises. On the other hand, international systems also provide the basis by which the literary, scientific and artistic works of such countries would be fully respected in all other countries. The recently revised international treaties concerning literary, scientific and artistic works, grant to developing countries improved special facilities as to the translation of works for the purpose of teaching, scholarship and research, as well as for the reproduction of works for use in connexion with systematic instructional activities. Wider acceptance of such treaties would facilitate a greater dissemination of those works of the human mind and increase international understanding. On the national level, appropriate domestic legislation conforming to the rules of those international treaties is necessary as part of the national infrastructure of the developing country which will ensure respect for the rights of the individual and encourage the development of literature, the sciences and the arts.

288. If the long-term aim of building up the indigenous capacity of the developing countries is to be attained, international action is necessary not only because the solutions to those issues call for co-operation between countries needing information and technology on the one hand and countries where that information and technology exist, but also because the human, technical, and financial resources needed to make such co-operation effective will probably not be available without agreement at the highest political level that these issues must be given priority.

289. The achievement of the long-term aim of the building up of the indigenous capacity of the developing countries will require, additionally, increased efforts and resources to be devoted to international co-operation through the agencies concerned with various aspects of the infrastructure required for development.

290. WIPO has responsibilities in the legal, technical and administrative aspects of that infrastructure, particularly as concerns the promotion of intellectual creativity, investment in production, the dissemination of information and ideas and the establishment of fair trading practices. Action by the special session on the suggested issues would certainly help to strengthen the efforts of WIPO in promoting, in its own area of activities, international co-operation for economic development.

XII. INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

291. In endeavouring to identify issues which could be dealt with by the special session, it is hardly necessary to remind the General Assembly of the energy situation and its political and economic ramifications. However, the attention of the special session might be drawn to the fact that the spread of nuclear power in developing countries, which will be accelerated by the higher price of oil, will pose problems of capital financing, availability of the right-sized plant, staff training for construction and operation and, particularly, for safety and assistance in drawing up the regulatory framework. The International Atomic Energy Agency (IAEA) is doing all within its competence and that its resources permit with regard to encouraging the manufacture of the desired size plant, staff training, regulatory assistance and safety. The provision of adequate capital resources is, however, outside its scope.

292. Perhaps the General Assembly might, therefore, consider how financing of nuclear power in developing countries could be assisted not only from existing investment sources (World Bank Export-Import Bank etc.) but also by whatever machinery is set up. The IAEA Market Survey, 1974 Edition illustrates the magnitude of the capital cost requirements of the developing countries. For instance, it is expected that nuclear plant capitalization in those countries would require approximately \$90 billion from 1981-1990 inclusive (at 1974 \$US prices). The total requirement will no doubt be higher if additional countries are to be included or if the present inflationary trend continues.

293. Most of the world's proved or indicated deposits of uranium ore lie in the industrialized countries. It is reasonable to suppose that more intensive prospecting would disclose large new sources in the developing areas of the world. Very recent experiences in Australia have shown how effective intensive prospecting for uranium can be in revealing hitherto unknown deposits. The IAEA has assisted or is assisting some 36 developing countries in efforts in that direction and its work and competence have been recognized in resolutions of the Economic and Social Council. Intensive prospecting for uranium and development of new sources will require extensive funding and eventually large capital investments in mining and milling operations. This would serve a threefold purpose:

- (a) Assist developing countries towards greater independence in their own energy supplies;
- (b) Assist them in solving balance of payment problems;
- (c) Help all countries to overcome possible shortages of uranium in the late 1980s and early 1990s, when present known or indicated low cost reserves will have been fully used up.

294. The special session of the General Assembly may wish, therefore, to give high priority to programmes of uranium prospecting and extraction and mining in the developing countries and to the financing of this operation. The IAEA will extend all assistance that its resources permit.

/...

XXIII. GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

295. The multilateral trade negotiations launched by the Tokyo Declaration in September 1973 entered their substantive stage in February 1975 when the Trade Negotiations Committee met at Geneva to take note of the initial positions of Governments on the negotiations and, in the light of these, to agree on a list of issues to be taken up in the initial stages of the negotiations and to agree on the procedures for negotiating on those issues. The Committee decided to set up six groups which were entrusted with specific tasks in the fields of tropical products, tariffs, non-tariff measures, agriculture, the sector approach and safeguards. In carrying out its task each group will be taking due account, in the area of the negotiations with which it is concerned, of the suggestions and proposals that have been put forward for securing the practical application of the Tokyo Declaration as it relates to developing countries. In that respect the Tokyo Declaration provides that the negotiations shall aim to "secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs, an improvement in the possibilities for these countries to participate in the expansion of world trade and a better balance as between developed and developing countries in the sharing of the advantages resulting from this expansion through, in the largest possible measure, a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products".

296. Since March 1975, the six groups set up in February have been meeting in rapid succession and taking concrete steps to advance the negotiations. It is expected that the Trade Negotiations Committee will meet again around July 1975 in order to take stock of the progress made by that time in the various groups.

297. Over the past 18 months the international economic system has continued to be under severe pressure. Many countries have seen a sharp deterioration in their balance of payments situations and the problems of recession and unemployment have caused widening concern with the fall in domestic output and in demand abroad, having particularly severe consequences for many developing countries. In such a situation, it is particularly encouraging that Governments have resisted the temptation to retreat into economic isolationism and have instead decided to pursue a policy of expanding markets for all by commencing substantive negotiations and thus resolutely addressing themselves to the attainment of the objectives of the Tokyo Declaration.

298. Some 90 Governments are now participating in those negotiations and other Governments may participate in them, irrespective of whether or not they are contracting parties to GATT.