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ON TRADE AND DEVELOPMENT**

**REPORT
OF THE TRADE
AND DEVELOPMENT BOARD**

**Volume I
(Eleventh special session
and twentieth session)**

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NOTE

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

Symbols

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

First session of the United Nations Conference on Trade and Development	E/CONF.46/-
Subsequent sessions of the United Nations Conference on Trade and Development	TD/-
Trade and Development Board	TD/B/-
Committee on Commodities	TD/B/C.1/-
Committee on Manufactures	TD/B/C.2/-
Committee on Invisibles and Financing related to Trade	TD/B/C.3/-
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Information series of the Board	TD/B/INF.-
Non-governmental organization series of the Board	TD/B/NGO/-

The Proceedings of the United Nations Conference on Trade and Development, Fifth Session, will be issued as follows: volume I, Report and Annexes (United Nations publication, Sales No. E.79.II.D.14) containing, inter alia, the Conference's resolutions and decisions; volume II, Statements by Heads of Delegation (Sales No. E.79.II.D.15); volume III, Basic Documents (Sales No. E.79.II.D.16).

Symbols referring to resolutions and decisions of the sessions of the Conference consist of an arabic numeral followed by "(II)", "(III)", "(IV)", or "(V)" as the case may be, thus 1 (II), 36 (III), 35 (IV), 101 (V), etc.

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

Summary records

The summary records (where such records have been kept) of the debates in the plenary meetings of the Conference and its sessional committees, and of the Board, are referred to by the appropriate symbol of the body in question (see above) followed by the letters "SR". No summary records were provided for the fifth session of the Conference. Since January 1976, a consolidated corrigendum to the "SR" series for each session of the Board has been issued in the volume containing the official records of the session (TD/B/SR.____ and Corrigendum). The same volume also contains a table of contents of the summary records of the session, the agenda of the session as adopted and a check list of documents pertaining to the agenda of the session.

Annexes

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

Supplements

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

<u>Supplement No.</u>	<u>Twentieth session</u>	<u>Document No.</u>
1	Resolutions and decisions	TD/B/799
2	Report of the Working Party on the Medium-Term Plan and the Programme Budget on its first session	TD/B/800

Twenty-first session

/to be listed in volume II/

* In the case of the eleventh special session, no supplement was issued, since no substantive resolutions or decisions were adopted.

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
ABBREVIATIONS		ix
PREFATORY NOTE		x
<u>Chapter</u>		
Part One: <u>Report of the Trade and Development Board on its eleventh special session, held at the Palais des Nations, Geneva, on 14 and 20 March 1980</u>		
Introduction	1 - 6	2
I. Contribution of UNCTAD to the preparation of the new international development strategy for the third United Nations development decade (agenda item 2) . . .	7 - 49	3
II. Organizational and related matters	50 - 64	12
Part Two: <u>Report of the Trade and Development Board on its twentieth session, held at the Palais des Nations, Geneva, from 17 to 26 March 1980</u>		
Introduction	1 - 16	18
I. General statements made on behalf of regional groups and other statements	17 - 55	21
A. General statements made on behalf of regional groups	17 - 54	21
B. Other statements	55	29
II. A. Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a new international development strategy for the third United Nations development decade (agenda item 3)	56 - 60	30

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
B. Assessment of the progress made towards the establishment of the new international economic order (agenda item 4)	61 - 64	30
C. Interdependence of problems of trade, development, finance and the international monetary system (agenda item 5)	67 - 84	31
IV. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fifth session requiring attention or action by the Board at its twentieth session (agenda item 2)	85 - 249	35
A. Conference resolution 102 (V): Development aspects of the reverse transfer of technology . . .	86 - 91	35
B. Conference resolution 103 (V): Restrictive business practices	92 - 94	36
C. Conference resolution 104 (V): Tungsten	95 - 97	37
D. Conference resolution 109 (V): Assistance to national liberation movements recognized by regional intergovernmental organizations	98 - 110	37
E. Conference resolution 112 (V): Strengthening the technological capacity of developing countries, including accelerating their technological transformation	111 - 120	40
F. Conference resolution 114 (V): Institutional issues	121 - 135	41
G. Conference resolution 120 (V): Participation of developing countries in world shipping and the development of their merchant marines	136	45
H. Conference resolution 127 (V): Economic co-operation among developing countries	137 - 152	45
I. Conference resolution 131 (V): Protectionism and structural adjustment	153 - 182	49
J. Conference decision 132 (V): Multilateral trade negotiations	183 - 238	56
K. <i>Matters remitted to the permanent machinery of UNCTAD: draft resolution entitled "Transnational corporations and international commodity trade" (TD/L.195)</i>	239 - 246	69
L. Conference resolution 110 (V): Particular problems facing Zaire with regard to transport, transit and access to foreign markets	247 - 249	71

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
IV. Debt problems of developing countries (agenda items 6 (a) and 6 (b))	250 - 272	73
V. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies (agenda item 7)	273 - 292	77
A. Commodity trade	274 - 281	77
B. Manufactures and semi-manufactures	282 - 288	78
C. Shipping	289 - 291	80
D. Rationalization of the permanent machinery of UNCTAD	292	80
VI. Report of the Working Party on the Medium-Term Plan and the Programme Budget (agenda item 9)	293 - 304	81
VII. Other business (agenda item 10)	305 - 329	83
A. Complementary action by UNCTAD in support of the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development	305 - 307	83
B. Assistance for the reconstruction, rehabilitation and development of Uganda (General Assembly resolution 34/122)	308 - 315	84
C. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations (General Assembly resolution 34/42)	316 - 320	85
VIII. Closing statements	321 - 329	87
IX. Institutional, organizational, administrative and related matters (agenda items 1, 8 and 11)	330 - 365	90
A. Opening of the session	330	90
B. Election of officers	331	90
C. Announcement of changes in the membership of the Board	332	90
D. Treatment of new States members of UNCTAD for purposes of elections	333 - 335	91
E. Adoption of the agenda and organization of work of the session	336 - 345	91
F. Adoption of the report on credentials	346	94

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
G. Membership and attendance	347 ~ 353	94
H. Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure	354	96
I. Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure	355	96
J. Election to membership of main committees	356	96
K. Provisional agenda for the twenty-first regular session of the Board and organization of the work of the session	357 - 360	97
L. Review of the calendar of meetings	361 - 363	97
M. Financial implications of the actions of the Board	364	98
N. Adoption of the report of the Board to the General Assembly	365	98

ANNEXES

I. Resolutions and decisions adopted by the Trade and Development Board at its twentieth session		99
II. Texts remitted for further consideration at the twenty-first session of the Board		112
III. Provisional agenda for the twenty-first session of the Board		128
IV. Financial implications of the actions of the Board		130

ABBREVIATIONS

ACC	Administrative Committee on Co-ordination
CPC	Committee for Programme and Co-ordination
ECA	Economic Commission for Africa
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GNP	Gross national product
GSP	Generalized system of preferences
ILO	International Labour Organisation
IMF	International Monetary Fund
MTN	Multilateral trade negotiations
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum-Exporting Countries
PLO	Palestine Liberation Organization
SWAPO	South West Africa Peoples' Organization
UNCTSD	United Nations Conference on Science and Technology for Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization

PREFATORY NOTE

The sixteenth annual report of the Trade and Development Board 1/ is submitted to the General Assembly in conformity with General Assembly resolution 1995 (XIX) of 30 December 1964. The report 2/ covers the period from 24 November 1979 to .. September 1980 and consists of the reports on the eleventh special session held on 14 and 20 March 1980, 3/ and the twentieth and twenty-first regular sessions, held from 17 to 26 March 1980 and from 15 to 26 September 1980. 4/

1/ The 15 previous annual reports of the Trade and Development Board are contained in Supplements to the Official Records of the General Assembly, as follows:

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

2/ For technical reasons, the report is issued in two volumes - volume I, containing the reports of the Board on its eleventh special session and twentieth session, and volume II containing the report of the Board on its twenty-first session.

3/ Originally issued as TD/B/797.

4/ Originally issued as TD/B/798 and TD/B/... respectively.

In the period preceding the eleventh special session and twentieth regular session of the Board, the following subsidiary body of the Board met; particulars of its session are given below:

<u>Title</u>	<u>Session</u>	<u>Dates</u>	<u>Report in document</u>
Working Party on the Medium-Term Plan and the Programme Budget	First session	3-12 March 1980	TD/B/800

The following subsidiary bodies of the Board are scheduled to meet before the twenty-first regular session of the Board:

Working Party on the Medium-Term Plan and the Programme Budget, second session;
Special Committee on Preferences, ninth session;
Committee on Economic Co-operation among Developing Countries, first special session;
Committee on Invisibles and Financing related to Trade, ninth session, first part;
Committee on Manufactures, ninth session;
Committee on Shipping, ninth session.

Particulars of these sessions will be given in the prefatory note to volume II.

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON
ITS ELEVENTH SPECIAL SESSION

Held at the Palais des Nations, Geneva,
on 14 and 20 March 1980

INTRODUCTION

1. In its resolution 33/193 of 29 January 1979 on preparations for an international development strategy for the third United Nations development decade, the General Assembly set out the procedures for preparations for a new strategy for the 1980s. In section I, paragraph 1, of that resolution, the Assembly affirmed that the new international development strategy should be formulated within the framework of the new international economic order and directed towards the achievement of its objectives. In section II, paragraph 10, the Assembly requested, *inter alia*, the United Nations Conference on Trade and Development (UNCTAD) to contribute effectively to the preparatory work for the new international development strategy by providing inputs, including relevant documentation, in accordance with the objectives set forth in the resolution.
2. At its third session, held from 17 to 21 September 1979, the Preparatory Committee for the New International Development Strategy, established by the General Assembly in its resolution 33/193, invited the Board at its nineteenth session to make the necessary arrangements for the preparation of its contribution to the new international development strategy and to make that contribution available to it at its next session.
3. The Trade and Development Board, in its resolution 189 (XIX) of 20 October 1979 on the contribution of UNCTAD to the preparation of the new international development strategy, requested the Secretary-General of UNCTAD to convene a high-level intergovernmental group, open to the participation of all States members of UNCTAD, to prepare a draft for the contribution of UNCTAD to the formulation of the international development strategy and decided to consider and as appropriate adopt, at its eleventh special session, its contribution. It further decided that UNCTAD's contribution should be formulated within its mandate and the conceptual framework and guidelines of General Assembly resolution 33/193, in particular section I thereof.
4. In its resolution 34/211 of 19 December 1979 on proposals for the new international development strategy, the General Assembly reaffirmed its resolution 33/193 and, in particular, the decision contained in it that the new international development strategy should address itself, among its priority objectives, to increasing substantially the flow of resources in real terms to the developing countries on a predictable, continuous and increasingly assured basis.
5. The High-Level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy, convened pursuant to Board resolution 189 (XIX), held its first session from 28 January to 5 February 1980 and its second session from 10 to 13 March 1980.
6. The eleventh special session of the Trade and Development Board was opened on 14 March 1980 by Mr. E. Farnon (New Zealand), President of the Board at its nineteenth session. The subsequent meeting of the eleventh special session, held on 20 March 1980, was presided by Mr. J. Nyerges (Hungary), who had been elected President of the Board at its twentieth regular session.

CHAPTER I

CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE

(Agenda item 2)

7. The President, in his opening remarks, pointed out that the current special session of the Board had been convened for the sole purpose of considering UNCTAD's contribution to the new international development strategy in accordance with General Assembly resolution 33/193.

8. The Chairman of the High-level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy introduced the report of the Group on its first and second sessions (TD/B/785 and TD/B/791, respectively). 1/ He stated that discussions on a draft contribution by UNCTAD to the formulation of the international development strategy had been held by the Group both in plenary meetings and in a contact group. The discussions had remained inconclusive owing to lack of time. The Group nevertheless had endorsed the recommendations adopted by the Intergovernmental Group on the Least Developed Countries and agreed that they should form part of UNCTAD's contribution to the new strategy. The Group had also agreed that the intergovernmental negotiations already in progress in UNCTAD on various issues should continue and should be brought to a successful conclusion as soon as possible.

9. The Chairman of the Intergovernmental Group on the Least Developed Countries introduced the report of that Group on its third session (TD/B/787). 2/ He observed that the Group's session had been a very successful one. The Group had heard many encouraging statements from donors as well as from the least developed countries on the steps they were taking to implement the Immediate Action Programme (1979-1981) and their support for the Substantial New Programme for Action for the 1980s. The Group's session had been imbued with a co-operative and constructive spirit and had been crowned with the unanimous adoption of four important resolutions (TD/B/787, annex I).

10. The text of resolution 6 (III), entitled "Recommendations on the least developed countries for inclusion in the International Development Strategy for the Third United Nations Development Decade" was of special relevance to the current special session of the Board.

11. The representative of the Secretary-General of UNCTAD introduced the report of the Group of High-level Experts on the Comprehensive New Programme of Action for the Least Developed Countries (TD/B/775-TD/B/AC.17/13). 3/ He recalled that

1/ Official Records of the Trade and Development Board, Eleventh Special Session, Annexes, agenda item 2, documents TD/B/785 and TD/B/791.

2/ Ibid., agenda item 2, document TD/B/787.

3/ Ibid., agenda item 2, document TD/B/775.

Conference resolution 122 (V) on the Comprehensive New Programme of Action for the Least Developed Countries had called, in its section III, for the Board to review the recommendations of the Group of High-level Experts, as well as the background studies, requirements, special measures and other elements of an approved strategy for the least developed countries. The report of the Group of High-level Experts was a document of considerable substance and one which would continue to play a useful role in the further elaboration of the Comprehensive New Programme of Action and in preparation for the United Nations Conference on the Least Developed Countries. The background studies (listed in TD/B/775, annex IV) would be similarly useful.

Statements by regional groups

12. The spokesman for Group B recalled that at the beginning of work in the High-level Intergovernmental Group, Group B had stated that it attached great importance to the preparation of the new international development strategy. He thanked the Group of 77 and Group D for the clearly-expressed documents they had submitted (TD/B/791, annexes I and II). Introducing Group B's paper (TD/B/791, annex III), he stated that the new strategy should provide a common framework to facilitate co-operative efforts to accelerate development and reduce world poverty and contribute to a more efficient, just and equitable international economic order. It was important for the attainment of the strategy's goals and objectives, to obtain widespread agreement on their nature and on the policy measures needed to achieve them. In this regard, care must be taken to detail the linkages and mechanisms by which internal policy efforts and external policy measures related to one another and to those objectives.

13. With this in mind, Group B considered it important to emphasize that an efficient, growing and increasingly stable world economy could substantially facilitate the efforts of developing countries to strengthen and diversify their economies, and improve the living standards of their people in the third development decade. For that reason, the international community's concern must be to facilitate the structural changes necessary to promote an efficient and growing world economy and an expansion of the developing countries' economic role in the international system, and to facilitate meaningful improvements in the economic and social situation of the developing countries. Group B also believed that the economic well-being of any country could not be pursued in isolation from other countries, and that strengthened and intensified economic co-operation and assistance among all countries, in which each would contribute according to its capacity, was essential to advance the common interest in the improvement of global economic relations and in achieving mutually beneficial changes in the structure and balance of the world economy.

14. In the areas falling within UNCTAD's competence, the new strategy should be guided by the following principles, among others:

(a) "realistically ambitious" and coherent goals and objectives taking into account the current problems of the increasingly interdependent international economy, e.g. in relation to finance, commodities, trade and manufactures;

(b) appropriate balance between economic growth and human welfare goals with special emphasis on increased productive employment;

(c) appropriate balance between the commitments and undertakings of all partners in the development process and the international economic system;

(d) primary responsibility of the developing countries for their own development;

(e) effective efforts to facilitate financial flows, including official development assistance (ODA), to developing countries;

(f) realistic recognition of differences among developing countries and their needs, with special attention to faster progress by the low-income countries;

(g) effective efforts to render development co-operation and assistance consistent with specific, internationally-agreed priority objectives;

(h) recognition of the mutual interest of developed and developing countries in the flows of trade and financial resources between the two groups as well as among the developing countries themselves;

(i) responsibility of all countries to make continued efforts to strengthen and maintain an open world trading system;

(j) effective efforts to expand exports, both manufactured and resource-based, and to implement the Integrated Programme for Commodities as agreed in Conference resolution 93 (IV); and

(k) recognition of the role of market forces in the continuing adjustment process.

15. The representative of India, speaking on behalf of the Group of 77, thanked Group B for the paper which it had submitted (TD/B/791, annex III). He expressed gratitude to Group D for the paper it had submitted during the first session of the High-level Intergovernmental Group (TD/B/785, annex III) and for the enlarged version of that paper submitted during the second session (TD/B/791, annex II), as well as for its readiness to engage in meaningful negotiations. He thanked the delegation of China for the understanding it had shown on the problems of the Group of 77 and for its being prepared to hold negotiations to finalize UNCTAD's contribution to the new strategy.

16. The paper submitted by the Group of 77 (TD/B/791, annex I) contained a comprehensive set of programmes which his Group considered necessary for the third United Nations development decade. Reviewing certain of its important features, he said that the paper analysed the results of the second United Nations development decade and concluded that its objectives had not been fulfilled with the result that the problems of the world were further aggravated. There was a greater imbalance at the conclusion of the decade and a wider gap between developed and developing countries than there had been at the beginning. It had thus become necessary to attack the problems more speedily and with greater attention than in the second development decade. In the view of the Group of 77, the present problems besetting the world economy were not cyclical but rather due to serious maladjustment and basic defects in the world economic system. The eradication of poverty was a noble goal but more important was that the world community as a whole, as well as groups and individual countries, should make a serious attempt to narrow gaps and to eliminate the maladjustment in the world system so that there would be greater fairness and equality at the end of the third development decade. Merely to touch fringe problems was not sufficient. What was really needed was a complete overhaul in the institutions and a complete

change in the world economic framework. This process should be directed to the goals mentioned in the Group of 77's paper. This contained specific suggestions with regard to programmes, objectives and guidelines for various sectors within UNCTAD's competence and also in sectors intricately connected with those sectors. There were concrete proposals, for example, for reshaping the commodity market, improving the processing of commodities in developing countries, ensuring the more effective control of developing countries themselves over the processing of commodities and over the processed products. The paper also emphasized the need for a much greater share for the developing world in the production of, and trade in, manufactures. As to the monetary and financial sphere, his Group's analysis indicated that the defects were inherent in the system rather than confined to its operation, so that it was the system that should be revised rather than the procedures that should be improved - although that was no doubt necessary.

17. The Group of 77 considered economic co-operation among developing countries a very important and significant aspect of the third development decade. Although the efforts required in that regard were mainly to be undertaken by the developing countries themselves, the world community as a whole had to create an atmosphere conducive to the success of those endeavours.

18. The Group of 77 regretted that the High-level Intergovernmental Group had been unable to submit final recommendations in the form of a consensus proposal to the current special session of the Board. His Group had done its best to that end despite all its handicaps, as the contribution was a matter of grave concern to it. It had produced a paper at the beginning of the session but it had not been possible to hold meaningful negotiations thereafter, as it would have wished. Nevertheless, the three group papers were important contributions and he derived some solace from the hope that due use would be made of them.

19. He suggested that the report of the High-level Intergovernmental Group and the annexes thereto should be transmitted to the Preparatory Committee for the new International Development Strategy at its fifth session.

20. The representative of the Union of Soviet Socialist Republics, speaking on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland and the Ukrainian Soviet Socialist Republic, said that in view of the fact that UNCTAD could, and should, make a practical contribution to the formulation of the international development strategy for the 1980s, the socialist countries had endeavoured to participate constructively in this work.

21. With a view to helping in the preparation of an effective contribution by UNCTAD on this question, the delegations of the socialist countries had, as early as 1 February 1980, submitted to the Intergovernmental Group specific proposals concerning the approach to the formulation of this contribution (TD/B/785, annex III). They had also acted with this end in view during the subsequent consideration of that question.

22. The results of the work of the Intergovernmental Group reflected the approach of the three groups of countries to the problem under consideration. Among the documents submitted was the position of the delegations of the socialist countries which was specified in the document (TD/B/791, annex II) submitted by them in the course of the second session of the Group.

23. The socialist countries had naturally made a careful study of the proposals submitted by the Group of 77 and had taken note of those which were aimed at a genuine restructuring of present international economic relations on a just basis. In this connexion, it must be said that a number of passages in those proposals disregarded the obvious fact that, in the contemporary world, there were different social and economic systems and fundamentally different approaches and methods to co-operation with the developing countries. The socialist countries were firmly convinced that UNCTAD's contribution to the new strategy should be determined by its competence as a universal body whose main function was to promote the development of international trade in all its flows and related areas of development.
24. Accordingly, the socialist countries considered that the new strategy should be aimed at promoting the normalization and development of international trade in all its flows on the basis of equal rights and mutual advantage between all countries, regardless of their social and economic systems, as an important factor in speeding up economic progress in the world, including that in the developing countries. It should be aimed at the elimination of discrimination and any other artificial barriers in international trade, as well as of any manifestations of diktat and exploitation in international economic relations.
25. He emphasized that any attempts to solve problems of international economic relations from a position of strength and diktat and by illegal economic boycott and blockade methods were incompatible with the objectives of the development of international trade and economic co-operation on the basis of equal rights and mutual advantage. This approach should be reflected in the document devoted to questions of the strategy for the 1980s.
26. The socialist countries considered that the strategy for the 1980s should include the elaboration, on an international scale and at the national level, of measures to control the activities of transnational corporations with a view to putting an end to their baleful influence on the trade, economic, social and political situation of the developing countries and on international economic relations as a whole.
27. The socialist countries on whose behalf he was speaking would further emphasize that the new strategy should be aimed also at the intensification of international co-operation with a view to the solution of current problems of international trade in its various sectors.
28. The socialist countries, which advocated the normalization of international trade and the restructuring of international economic relations, were attempting to bring about the comprehensive implementation of this process, i.e., its extension to cover the main flows of international trade and economic relations, including relations between countries with different social and economic systems. Relations between such countries should be built up on the basis of equal rights and mutual advantage, and they should be free from discrimination and any artificial obstacles. In their relations in the 1980s, the socialist and developing countries should use as a starting point the need to give a further impetus to mutually advantageous co-operation between them, to continue to expand the volume of such co-operation, to strengthen mutual links and to contribute to their development on the long-term and stable basis of the international division of labour.
29. The socialist countries, in submitting their joint document, considered that the 1980s could mark an important stage in the process of the restructuring of

international economic relations on a just and democratic basis and in speeding up social and economic progress throughout the world, particularly in the developing countries. They were prepared to continue their efforts aimed at the achievement of these objectives, as well as in the course of the formulation of the international development strategy for the third United Nations development decade.

30. The representative of China expressed disappointment that no consensus had been reached during the two sessions of the High-level Intergovernmental Group with regard to UNCTAD's contribution to the new international development strategy. The papers presented by the various groups could only reflect different positions and that was far from sufficient if they were considered as UNCTAD's contribution to the important task of formulating a new strategy for the 1980s. Positive results could be achieved only through genuine co-operation among all parties concerned. The position of China had been explained during both sessions of the High-level Group and his delegation stood ready to co-operate fully in any future endeavours.

Statements during the debate

31. The representative of Spain said that his Government was firmly convinced that technology was one of the main pillars of economic and social development in all countries. Its own recent experience had shown the extent to which the transfer of technology was a basic requisite of a self-sustaining development process. Accordingly, it considered it essential that the international community intensify its efforts to strengthen the technological capacity of the developing countries, to accelerate their technological transformation and, as an over-all goal, to establish new and mutually-agreed bases to ensure that the transfer of technology in general was more fluid and transparent. In that context, his Government believed that there should be broader co-operation at both regional and international levels to examine the problems arising from the emigration of qualified personnel whose most tangible consequence was that they contributed to the development of countries other than their own. The solution of those problems required an imaginative and progressive approach which would not be limited to the advocacy of superficial changes in the status quo but would take advantage of the opportunities for action afforded by the many resolutions adopted by the international community in the General Assembly and elsewhere. To incorporate such an approach in the new strategy would be not only appropriate but obligatory in his Government's view. It would not be realistic, nor would it respond to the needs of the developing countries, if problems of technology were insufficiently covered. Those were the reasons why the Spanish delegation had been unable to support section III of the paper by Group B (TD/B/791, annex III).

32. The representative of Turkey observed that differences in the level of development of countries were naturally reflected in analyses of economic problems and approaches to their solution. The paper submitted by Group B (TD/B/791, annex III) consequently did not sufficiently cover certain points which were important to Turkey.

33. Recent experience showed that the grave economic difficulties facing the world could not be explained solely by the temporary effects of the current unfavourable situation. Their causes were deeper and structural, so that a just, balanced and mutually beneficial change in the world economy was required. The economic development of the developing countries, which should receive especial priority, would have a positive influence on the world economy as a whole, including that of

the industrialized countries. Efforts to that end should be increased during the 1980s. Economic co-operation among developing countries was essential in dealing with international economic problems and the international community should contribute to it; Turkey attached importance to the programme for economic co-operation among developing countries.

34. Earnings from exports of primary commodities were of capital importance to developing countries. In the preparation of a new strategy, particular importance should be devoted to compensatory financing to stabilize commodity prices and offsetting deficits in the earnings of developing countries. The strengthening of the technological capacity of the developing countries was also vital for their development. It required co-ordinated action among themselves and, particularly, co-operation from the industrialized countries. In that connexion, the strategy should take account of the losses suffered by developing countries through the reverse transfer of technology.

35. The representative of Liberia said that he wished to place on record the fact that his Government had expressed reservations with regard to paragraph 86 (c) of the Group of 77 proposal (TD/B/791, annex I), although it otherwise fully shared the views and sentiments expressed on behalf of the Group of 77. The paragraph dealt with open-registry operations and the principal reasons for his Government's reservations were to be found in paragraph 8 of the report of the High-level Group on its second session (TD/B/791). His delegation had given, and would continue to reveal, the technical reasons for its opposition to that paragraph within the appropriate bodies dealing with the question of open-registry operations and shipping in general.

36. The representative of Panama recalled that her delegation had expressed a reservation in relation to paragraph 86 (c), section VI, on transport, in the position paper of the Group of 77 (TD/B/791, annex I). Some of the reasons for that reservation had been explained during the plenary meeting of the Group of 77 and had been complemented during the second session of the High-level Intergovernmental Group (TD/B/791). Her delegation would continue to advance additional reasons with regard to this issue in future meetings of the appropriate bodies.

37. The representative of the Philippines endorsed the statement by the spokesman for the Group of 77. He thanked Group B for the paper it had submitted and noted that among the concepts Group B put forward was that of the primary responsibility of the developing countries for their own development. That concept had been advanced by representatives of the developing countries meeting in Algiers as long ago as October 1967 and, indeed, had become an overriding doctrine in their efforts towards negotiations. He observed that the totality of the concepts put forward by Group B would be useful guidelines in a joint endeavour to formulate a new strategy.

38. He pointed out that the mandate of the High-level Intergovernmental Group had been to prepare a contribution by UNCTAD to the new strategy and not to submit contributions by the regional groups - there was a very valid difference. Furthermore, with the exception of that of Group D, the regional group contributions were not free from reservations. He wondered, therefore, whether there should not be a further attempt to achieve a greater area of agreement with regard to UNCTAD's contribution rather than a surrender to the inability to agree.

39. The representatives of Pakistan, Bangladesh, Yugoslavia, Ethiopia, the Sudan, China, Ghana, Singapore and Iraq endorsed the views of the representative of the Philippines, expressing great disappointment that no consensus had emerged from the work of the High-level Intergovernmental Group, and felt that more time should be devoted to an attempt to reach agreement.

40. The representatives of Argentina, Venezuela, Cuba, El Salvador, Mexico and Trinidad and Tobago felt that the problem was not so much a lack of time as an absence of political will on the part of Group B to enter into any meaningful negotiations at either session of the High-level Intergovernmental Group. They considered that the group position papers should be transmitted to the Preparatory Committee on the New International Development Strategy as they stood.

41. The spokesman for Group B recalled that, during the debate in the High-level Intergovernmental Group, his Group had submitted a paper containing an outline of the general thinking of Group B countries on some areas falling within the competence of UNCTAD. However, as the Chairman of the High-level Intergovernmental Group had pointed out, no meaningful negotiations could be engaged owing to lack of time. He felt therefore that all papers submitted to the High-level Intergovernmental Group should be sent to New York as the spokesman for the Group of 77 had suggested, although Group B was not opposed to continuing the work in Geneva if such was the wish of all concerned.

42. The representatives of the United Kingdom of Great Britain and Northern Ireland, Belgium and Austria felt that the points that had been raised needed further reflection and that time was required before a final decision on future procedure was taken.

43. The representative of the Philippines proposed that the Board should take a simultaneous decision to (i) send the papers of the Group of 77, Group B, and Group D to New York with the information that further work would continue in the High-level Group, and (ii) make provision for a further meeting of the High-level Group at a time to be decided after appropriate consultations by the Secretary-General of UNCTAD with all the parties concerned.

Second meeting of the eleventh special session of the Board

44. At the 532nd meeting of the Board (second meeting of the eleventh special session), on 20 March 1980, the President asked whether, having regard to the variety of opinions expressed with regard to how, if at all, work on UNCTAD's contribution to the formulation of the new strategy should proceed, there was any Group which wished to propose the resumption of the High-level Intergovernmental Group on the Contribution of UNCTAD to the Formulation of the New International Development Strategy.

45. The representative of El Salvador, speaking on behalf of the Group of 77, stated that, given the impossibility of holding negotiations on the papers submitted by the regional Groups, his Group would request that they be transmitted officially to the Preparatory Committee as the contribution of UNCTAD to the formulation of the new strategy so that they could contribute to the implementation of the ministerial decision taken one week earlier in New York by the Ministerial Meeting of the Group of 77.

Action by the Board

46. On the proposal of the President, the Board took note of the reports of the High-level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy on its first and second sessions (TD/B/785 and TD/B/791 and Add.1), and the annexes thereto, and decided to transmit them, together with its own report on its eleventh special session, to the Preparatory Committee for the New International Development Strategy at its fifth session as the contribution of UNCTAD to the formulation of the new strategy.

47. The Board took note of the report of the Intergovernmental Group on the Least Developed Countries on its third session (TD/B/787) and the Group of High-level Experts on the Comprehensive New Programme of Action for the Least Developed Countries (TD/B/775) and also decided to transmit those two reports as background documents to the Preparatory Committee at its fifth session.

48. The representative of the Philippines said that he wished to record the fact that his delegation had great doubts that regional documents which were conflicting in both form and substance could be clearly identified as the contribution of UNCTAD to the formulation of the strategy for the third United Nations development decade. He had very serious misgivings as to whether those conflicting regional documents would be considered as UNCTAD's contribution although he did agree that they should be sent to the Preparatory Committee to demonstrate that there had at least been some attempt to formulate a contribution. As to the wording of the Board's decision, his preference would have been for a formulation simply forwarding the documents to the Preparatory Committee for its consideration if and when the item on the contribution of UNCTAD was taken up.

49. The representative of Ghana said that, while his delegation had not wished to obstruct the consensus with regard to the conclusion of the work on UNCTAD's contribution to the new strategy, it still maintained its reservations with regard to the way in which differing contributions from regional groups had been collected and then, as it were, posted off to New York without comment or any serious discussion of them. The Ghanaian delegation would inform its counterpart in New York of the manner in which the work of preparing the contribution had been conducted.

CHAPTER II

ORGANIZATIONAL AND RELATED MATTERS

A. Opening of the session

50. The eleventh special session of the Trade and Development Board was opened on 14 March 1980 by Mr. E. Farnon (New Zealand), President of the Board at its nineteenth session. The subsequent meeting of the session, held on 20 March 1980, was presided by Mr. J. Nyerges (Hungary), who had been elected President of the Board at its twentieth regular session.

B. Adoption of the agenda and organization of the work of the session

(Agenda item 1 (a))

51. At its 527th meeting, on 14 March 1980, the Board adopted as its agenda for the session the provisional agenda approved by the Board at the first part of its nineteenth session. ^{4/} The agenda, as adopted (TD/B/793), was as follows:

1. Procedural matters:
 - (a) Adoption of the agenda and organization of the work of the session;
 - (b) Treatment of new States members of UNCTAD for purposes of elections;
 - (c) Announcement of any changes in the membership of the Board;
 - (d) Adoption of the report on credentials.
2. The contribution of UNCTAD to the preparation of the new international development strategy for the third United Nations development decade.
3. Other business.
4. Adoption of the report of the Board to the General Assembly.

52. At the same meeting, the Board agreed to consider item 2 of its agenda in plenary.

^{4/} See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15), vol. II, part one, para. 349, and annex IV.

C. Treatment of new States members of UNCTAD
for purposes of elections

(Agenda item 1 (b))

53. At its 527th meeting, on 14 March 1980, the Board decided that this matter should be considered at its twentieth regular session under item 8 (a) of the provisional agenda for that session.

D. Announcement of any changes in the membership of the Board

(Agenda item 1 (c))

54. At its 527th meeting, on 14 March 1980, the President of the Board confirmed the membership of the Board, as listed in its report on the first part of its nineteenth session (121 member States). 5/

E. Adoption of the report on credentials

(Agenda item 1 (d))

55. At its 527th meeting, on 14 March 1980, the Board adopted the report of the Bureau on credentials (TD/B/792).

F. Membership and attendance 6/

56. The following States members of the Board were represented at the eleventh special session:

Algeria	Cuba
Argentina	Czechoslovakia
Australia	Denmark
Austria	Dominican Republic
Bangladesh	Ecuador
Belgium	Egypt
Benin	El Salvador
Bolivia	Ethiopia
Brazil	Finland
Bulgaria	France
Burundi	Gabon
Byelorussian Soviet Socialist Republic	German Democratic Republic
Canada	Germany, Federal Republic of
Chile	Ghana
China	Greece
Colombia	Guatemala
	Guyana

5/ Ibid., annex VI.

6/ For the list of participants see TD/B/INF.96.

Honduras	Republic of Korea
Hungary	Romania
India	Saudi Arabia
Indonesia	Senegal
Iran	Singapore
Iraq	Somalia
Ireland	Spain
Israel	Sri Lanka
Italy	Sudan
Ivory Coast	Suriname
Jamaica	Sweden
Japan	Switzerland
Kenya	Syrian Arab Republic
Kuwait	Thailand
Lebanon	Trinidad and Tobago
Liberia	Tunisia
Madagascar	Turkey
Malaysia	Uganda
Malta	Ukrainian Soviet Socialist Republic
Mexico	Union of Soviet Socialist Republics
Morocco	United Arab Emirates
Netherlands	United Kingdom of Great Britain and Northern Ireland
New Zealand	United Republic of Cameroon
Nigeria	United Republic of Tanzania
Norway	United States of America
Oman	Upper Volta
Pakistan	Uruguay
Panama	Venezuela
Peru	Yugoslavia
Philippines	Zaire
Poland	
Portugal	
Qatar	

57. The following other members of UNCTAD were represented at the session:
Holy See; Namibia.

58. The Economic Commission for Africa, the United Nations Industrial Development Organization and the United Nations Development Programme were represented at the session.

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

International Labour Organisation
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
International Monetary Fund
Inter-Governmental Maritime Consultative Organization
World Intellectual Property Organization

The General Agreement on Tariffs and Trade was also represented at the session.

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

African Development Bank
Council for Mutual Economic Assistance
Council of Arab Economic Unity
Customs Co-operation Council
European Economic Community
League of Arab States
Organisation for Economic Co-operation and Development
Organization of African Unity
Organization of American States
Permanent Secretariat of the General Treaty on Central American
Economic Integration

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

General category:

General Union of Chamber of Commerce, Industry and Agriculture of Arab States
International Bar Association
International Chamber of Commerce
International Christian Union of Business Executives
International Confederation of Free Trade Unions
International Law Association
World Confederation of Labour
World Federation of Trade Unions
World Peace Council

Special category:

Council of European and Japanese National Shipowners' Associations

62. The African National Congress and the Patriotic Front were represented at the session. 7/

G. Adoption of the report of the Board to the General Assembly

(Agenda item 4)

63. At its 532nd meeting, on 20 March 1980, the Board adopted its draft report on its eleventh special session and authorized the Rapporteur to complete the final version as appropriate.

H. Closure of the session

64. At the 532nd meeting, on 20 March 1980, the President declared closed the eleventh special session of the Trade and Development Board.

7/ Invited to participate pursuant to General Assembly resolution 3280 (XXIX).

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON
ITS TWENTIETH SESSION

Held at the Palais des Nations, Geneva,
from 17 to 26 March 1980

INTRODUCTION

1. In paragraph 5 of its resolution 114 (V) the Conference recommended that the General Assembly amend its resolution 1995 (XIX), as amended, so that the Trade and Development Board should meet twice a year, preferably in shorter sessions, in order to focus more clearly on the issues of substance and to provide greater direction to its permanent bodies. Pursuant to action taken in this respect by the General Assembly at its thirty-fourth session, and to subsequent decisions on the calendar of meetings, the twentieth session of the Trade and Development Board was held from 17 to 26 March 1980.
2. The session was opened on 17 March 1980 by the outgoing President of the Board, Mr. E. Farnon (New Zealand).
3. At the opening (528th) meeting, the Secretary-General of UNCTAD made a statement in which he reviewed the tasks before the Board at its twentieth session. ^{1/} He noted that the present session was closely concerned with action to implement the decisions taken at the fifth session of the Conference. Referring to the international environment which formed the background to the current session, he said that there were two developments of special relevance. The first was the current world crisis, the most acute in recent years, which was affecting the whole international community. The developed countries were suffering from inflation, recession and unemployment and the developing countries were facing payments imbalances larger than ever before. Their balance-of-payments gap for 1980 was now expected to exceed the figure of \$55 billion forecast in October 1979, and to reach a level of \$73 billion in 1981. There were apparently no arrangements for bridging the gap and, if nothing was done, the developing countries would have to face a reduction in the tempo of their development and a disruption of their normal economic life. The prospect was extremely serious and deserved the urgent attention of the world community. Many of the facets of the current world economic situation related to crises in the trading, monetary and financial systems, and reflected problems with which UNCTAD had long been concerned. The seriousness of the situation in respect of both its short-term and long-term aspects heightened the urgency with which the Board should approach its work at the twentieth session.
4. The second development concerned events in the United Nations system in the coming months. A special session of the General Assembly was to be held in August/September 1980, and its main tasks would be to adopt a new **international development strategy** for the 1980s and to launch a new round of global negotiations. In the former connexion, he was glad to note that despite the pressures and limited time, the High-Level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy had been able to respond to the invitation of the General Assembly's Preparatory Committee. He noted that the regional groups had set out their positions in some detail, and felt that the work of the High-Level Group would provide a useful basis for the work of the Preparatory Committee in formulating the new **strategy**.
5. He had recently attended a Ministerial Meeting of the Group of 77 in New York on matters relevant to the global round and had sensed a strong and sincere desire for UNCTAD and other organizations in the United Nations system to make a positive contribution to those negotiations. The issues to be dealt with had long been of concern to UNCTAD, and accordingly he considered it essential to determine how the work of UNCTAD and the global negotiations could be mutually supportive and reinforcing.

^{1/} The text of this statement was subsequently circulated (TD/B(XX)/Misc.3), pursuant to a decision by the Board at its 528th meeting, the Board having taken note of the financial implications thereof.

6. In addressing that meeting, he had drawn attention to the desire expressed there that the global round should not impede current negotiations within the United Nations system and that the two should be mutually supportive. He had stated that the issues on which UNCTAD was already involved in negotiations or already had mandates to initiate new processes fell into two categories. The first included a number of subjects specified by the Nairobi Conference: the establishment of the Common Fund and international commodity agreements; the adoption of an international code of conduct on the transfer of technology; the establishment of acceptable rules and principles to regulate restrictive business practices; and the formulation and adoption of a convention on multimodal transport. All those were the subject of continuing and complex negotiations, in which progress had been made. In virtually every case most of the work had been done and completion was in sight. Although negotiations were necessarily slow and there were still problems to be overcome, there was no question of deadlock. He was hopeful that given time and the necessary political will, these negotiations would be successfully concluded during the current year. These negotiations should not therefore be contingent on the settlement of a number of critical issues that were to form part of the global negotiations, which might not start until early in 1981.

7. The second category of issues arose out of the new mandates assigned to UNCTAD by the Manila Conference, requesting UNCTAD to initiate intergovernmental negotiations. In this regard, three important subjects could be highlighted: the additional elements of the Integrated Programme for Commodities relating to the marketing, distribution and processing of commodities; protectionism and structural adjustment; and the reform of the international monetary system, with emphasis on its relationship with trade and development.

8. As regards marketing, distribution and processing of commodities, the UNCTAD secretariat was preparing the groundwork for intergovernmental action at an appropriate moment. On reform of the international monetary system, he noted that a meeting of governmental experts was scheduled to be held in July 1980. He urged the Board to give every attention to the serious issues of protectionism and structural adjustment linked together in a single resolution, stating that UNCTAD should involve itself more deeply in various aspects of the problem of world trade, which was part of UNCTAD's *raison d'être*. In his opinion, the issues related to the question of protectionism and structural adjustment were so wide-ranging and multifaceted that, at the present stage, only the Board itself could take an over-all and integrated view of them.

9. In connexion with work in these three areas, he had said in New York that it was necessary to ensure that UNCTAD's work contributed to the success of the global negotiations since these issues were also likely to figure on the agenda of the global round and that they in turn gave impetus to UNCTAD's work.

10. With regard to item 3 of the agenda, he recalled that at the nineteenth session of the Board he had expressed the view that action on it would represent a useful contribution on the part of UNCTAD and fill a gap in the present system. Concern had been expressed at the possible duplication of effort, but he considered that an in-depth review of the world economic situation on an annual basis by the Board, based on a thorough expert review of the facts of the situation, would be useful for any negotiating process in the United Nations system.

11. Another issue before the Board was the debt problem of developing countries. Even if the huge financial gap could be closed, which was a major challenge in itself, much of the financing of the deficit would further aggravate the external debt situation of the developing countries, and it was therefore more urgent than

ever to tackle the fundamental aspects of the problem. In this connexion, he was pleased to draw attention to the letter received from the Government of the Netherlands 2/ on additional debt relief measures taken by it pursuant to part A of Board resolution 165 (S-IX). He added that the Board, at the current session, could also provide some impetus to the search for a solution relating to guidelines or features for dealing with the emerging debt situations of developing countries.

12. Referring to item 4 of the agenda, he noted that assessment of progress made towards the establishment of the **new international economic order would be a major theme** for the special session of the General Assembly in August/September 1980. The present session of the Board was the last prior to that special session of the General Assembly, and any contribution by the Board would thus have to be formulated at the current session. The UNCTAD secretariat had submitted a report to the nineteenth session, and had provided additional information to the current session (TD/B/757/Add.1). 3/

13. The Board had before it the secretariat's report on the results of the multilateral trade negotiations (TD/B/778 and Add.1 and Add.1 (Summary) and Corr.1). The implementation of the decisions reached in those negotiations had commenced in GATT, and he had already written to the Director-General of GATT stressing the need for, and the usefulness of, UNCTAD's participation in that work.

14. He noted that economic co-operation among developing countries was another issue before the Board and that the interregional meeting of developing countries on a number of priority areas in this field, which had originally been scheduled prior to the twentieth session of the Board, was now being held concurrently with it.

15. Another important item on the agenda concerned the rationalization of UNCTAD's work. The report of the **Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery** (TD/B/786) 4/ contained valuable suggestions, made by all groups, although consensus had not been reached on the precise measures needed. The subject merited careful consideration and might need to be considered further at the twenty-first session but to the extent that some decisions could be taken immediately, the Board might do so. A related issue was the request that he should consult with the Secretary-General of the United Nations with a view to seeing how a greater degree of flexibility could be provided to UNCTAD in respect of conference services, budgetary, financial, personnel and administrative matters. The Secretary-General of the United Nations had indicated that he was in favour of all possible action in this regard. A high-level meeting had been held in New York, and discussions at a more technical level were under way. He hoped that a report on the results of the consultations could be submitted to the Board at its next session.

16. The present report contains an account of the Board's proceedings during the twentieth session. 5/

2/ Circulated in TD/B/790.

3/ Official Records of the Trade and Development Board, Twentieth Session, Annexes, agenda item 4, document TD/B/757/Add.1.

4/ Ibid., agenda item 7, document TD/B/786.

5/ For a fuller account of the proceedings in plenary meetings of the Board, see the summary records of the 528th-531st and 533rd-536th meetings (TD/B/SR.528-531 and SR.533-536).

CHAPTER I

GENERAL STATEMENTS MADE ON BEHALF OF REGIONAL GROUPS AND OTHER STATEMENTS

17. During the session general statements were made covering several or all of the substantive items of the Board's agenda. These statements are reflected in paragraphs 18-55 which follow.

A. General statements on behalf of regional groups

18. The spokesman for the Group of 77 noted that the substantive items on the agenda reflected many of the essential concerns of the world community at present and in the longer term, as well as the principal problems confronted by the developing countries with regard to international economic relations. They also reflected the problems which should be of vital interest to the developed countries themselves, especially in view of the links between their current economic difficulties and the basic structural imbalance in the current international division of labour and in the current international trade, monetary and financial systems.

19. It was well known that the First and Second United Nations Development Decades had not achieved their main objectives. International economic policy during the past two decades had not narrowed the gap separating the developing countries from the developed countries, and the process of growth and the attainment of the long-term growth potential of the world economy as a whole were now encountering the limitations imposed in particular by the current distortion of the world economy. The limitations of present international economic policy and the inequalities and imbalances inherent in the operation of the international economic system constituted a significant obstacle impeding the development of the developing countries.

20. The spokesman for the Group of 77 recalled that the international community had recognized the need for fundamental changes in the structure of the world economy and in the institutional framework of international economic relations. This recognition was reflected in the adoption by the General Assembly in 1974 of the Declaration and the Programme of Action on the Establishment of a New International Economic Order (resolutions 3201 (S-VI) and 3202 (S-VI)). However, with regard to the evaluation of progress towards a new international economic order, his Group could express only its profound dissatisfaction. While the developing countries had made major efforts in negotiations for the establishment of a new international economic order, these had not produced any major results, owing to the lack of political will on the part of the developed countries.

21. The fourth session of UNCTAD at Nairobi, he pointed out, had initiated a negotiation process on several important aspects of the new international economic order, namely, the Integrated Programme for Commodities and the Common Fund, the code of conduct on the transfer of technology and the formulation of equitable principles and rules for the control of restrictive business practices. Since then, however, there had been widespread dissatisfaction, in particular in developing countries, over the slowness of progress made in those negotiations, principally because of the lack of political will of the developed countries. He recognized nevertheless that there was a small number of developed countries which had realized the seriousness of the situation and who had acted positively in

regard to some targets, mainly quantitative. His Group appreciated this positive attitude and hoped that it would apply also to the need for structural change and would be emulated by the other developed countries. He indicated, however, that a successful conclusion of current negotiations would not be sufficient, although it would improve confidence. Progress in other spheres of international economic relations would still be needed to ensure the beginning of a new and more positive phase in the field of international economic co-operation. The complementary measures adopted at the fifth session of UNCTAD and the formulation of a new international development strategy offered a unique opportunity to the international community to move more decisively towards the attainment of the goals and objectives of the new international economic order.

22. The international economic climate had deteriorated in the late 1970s and the developing countries had been most seriously affected by the persistent economic crisis, which was characterized by major structural disorder, unprecedented imbalances in external payment positions, and major fluctuations and uncertainty in the monetary sphere. The unfavourable effect of the crisis on the development process underlined the fact that the existing international economic system could not provide adequate support for the development efforts of the developing countries. The terms of trade of the latter had continued to deteriorate and, consequently, the purchasing power of their export earnings had declined. At the same time, the prices of their exports to the developed countries had fluctuated widely and persistently. Most of these countries also had to cope with an external debt which represented an ever-increasing burden and were confronted with a serious and growing imbalance in their external payments. The rigidity of the market had manifested itself in a surge of protectionism in the developed countries. Moreover, the policy measures specially adopted to alleviate the various problems had resulted in the adjustment difficulties being transferred to the developing countries. The situation had been further aggravated by the fact that the developed countries had not granted preferential treatment without reciprocity to the developing countries in all sectors of international economic co-operation.

23. Furthermore, concern, not to say anguish, had been aroused by the recent momentum gained in the arms race, which had reached the point where more than \$1 billion were spent daily on weapons, in contrast to the reduced external assistance to the developing world. Hunger, malnutrition, disease, ignorance and unemployment were just some of the evils which could be eradicated within a few years if the substantial sums used to buy weapons were diverted to support for programmes which continued to combat the evils affecting the poorer countries.

24. The difficult international economic situation had particularly aggravated the special problems confronting the least developed, the land-locked and the island developing countries and the most seriously affected countries.

25. The results of the multilateral trade negotiations had not fully met the interests and concerns of the developing countries and it was absolutely essential that they should be reviewed to take account of these interests. An in-depth study by UNCTAD of each of the agreements would be very useful in this new evaluation. The contradiction between development objectives and goals, on the one hand, and protectionism, on the other, must be analysed in the same context.

26. The international economy remained in a situation of structural imbalance and far-reaching measures would have to be taken to control developments in the international economic system. The world economy was confronted with uncertain prospects of growth, ever-increasing distortion and structural rigidity in the

international division of labour and growing protectionism against the exports of the developing countries. The current economic crisis was not a cyclical phenomenon, but rather a symptom of structural imbalance and disorder. Consequently, the basic problems confronted by the world economy in general and the developing countries in particular could not be resolved without a restructuring of the international division of labour supported by appropriate changes in the institutional framework of international economic relations. The structural modification of the world economy had now become essential, in order both to accelerate the economic development of the developing countries and to restore the long-term growth potential of the world economy as a whole. Hence, a new international economic policy must be centred on the initiation of serious action and negotiations aimed at restructuring the existing international economic framework so that it could fully support the development process.

27. For this reason, the developing countries, in the proposals they had made on the preparation of UNCTAD's contribution to the formulation of the new international development strategy for the third United Nations development decade, had emphasized that if genuine and substantial progress was to be made towards the establishment of the new international economic order, including acceleration of development of the developing countries and the realization of the growth potential of the world economy as a whole, as well as a more efficient functioning of the world economic system in the interest of all groups of countries, fundamental changes would have to be made in current international mechanisms, systems and procedures, more specifically, in three closely interrelated spheres. First a major alteration was necessary of the framework within which international trade was conducted, as well as an intensification of efforts to restructure commodity markets and trade. Secondly, action must be taken on the reform of the international monetary system and the establishment of the new international economic order, neither of which had yet been accomplished. The developing countries continued to be affected by inflation exported by developed countries owing to the use, as trading and reserve currencies, of certain currencies of developed countries. Reform of the international monetary system should help to correct this situation and bring about greater stability of exchange rates under a scheme providing for greater participation by the developing countries in the decisions of the International Monetary Fund and the international financial institutions. It was therefore urgently necessary to implement the relevant resolutions of the General Assembly and of UNCTAD, particularly resolutions 52/175, 34/197 and 34/216 of the General Assembly, Conference resolution 128 (V) and Board decision 144 (XVI). Thirdly - and this concerned the developing countries themselves - it was necessary to strengthen economic co-operation among these countries on the basis of the principles of collective self-reliance.

28. He added that the Group of 77 attached great importance to the negative aspects of the reverse transfer of technology. The strengthening of the technological capacity of the developing countries and the technological transformation of those countries required the support of the international community and of the developed countries in particular. Compensatory arrangements should be undertaken in this regard.

29. With regard to international transport, structural changes were needed in order to give the developing countries a greater share in the transport of goods in international trade, in connexion with the generation of cargo, to enable these countries to reduce to the minimum their outlays of foreign exchange.

30. In the context of the restructuring of the world economic framework, two matters called for particular attention at the present session. The first related to the establishment in UNCTAD of suitable machinery for ensuring that the economic policies of the developed countries in the interrelated spheres of trade, money and finance were compatible with internationally agreed long-term development objectives and the restructuring of international economic relations. The second related to the formulation of new rules and principles to govern international trade and monetary and financial relations.

31. In this connexion, a considerable number of proposals had been submitted on various relevant topics, proposals which, if they were adopted by the world community, would result in some progress towards realization of the new international economic order. There was considerable dissatisfaction with the measures so far taken by the creditor countries to implement the firm commitments they had made as set forth in Board resolution 165 (S-IX). Since the last session of the Board, despite the intentions indicated by certain creditor countries, there had been an absence of the necessary political will on the part of some of the main creditor countries to carry out the obligations assumed under that resolution. His Group therefore wished to repeat and emphasize that the developed countries which made concessions on a discriminatory basis had violated the spirit of Part A of the resolution and ignored the understanding reached in good faith in connexion with that resolution regarding what was to be understood by the term "the poorer developing countries".

32. Debt relief measures were, of course, indirectly linked with the credibility of any future agreement on features for debt reorganization. He hoped that the goodwill of the majority of the developed countries would find its maximum expression vis-à-vis the debtor countries referred to in resolution 165 (S-IX) as the "poorer" countries.

33. The spokesman also stated that the Group of 77 attached great importance to the allocation of sufficient funds for the implementation of Conference resolution 109 (V) on assistance to national liberation movements in Namibia, Palestine, South Africa and Zimbabwe.

34. In conclusion, he stated that if the very concept of international co-operation for development was to have any meaning, and if the developing countries were not to withdraw into their own shell and pursue a rather self-sufficient form of development, thus causing a dangerous dislocation of the world economy, the developed countries must show sufficient political will to initiate serious measures and negotiations with a view to the establishment of the new international economic order. In this connexion his Group was gratified that one of the most important commissions set up to study the world's economic and social problems, and which had just completed its work, shared their concerns. They therefore wished to associate themselves with that Commission's hope that the industrialized countries might realize that their own survival was at stake and that it was as vital for them as it was for the developing world to avoid the stormy future which was approaching. They therefore joined with the Commission in stating that "the search for solutions is not an act of benevolence but a condition for mutual survival".

35. The representative of China said that, in recalling the 1970s, it could be seen that the struggle against imperialism, colonialism and hegemonism had developed in depth in the international economic field. Persisting in the correct principles of the Declaration and the Programme of Action adopted at the sixth special session of

the General Assembly (resolutions 3201 (S-VI) and 3202 (S-VI)), the developing countries, in order to safeguard their sovereignty, develop their national economy and oppose exploitation, plunder and monopoly in international trade, money and finance, technology, shipping and other important fields, had made tremendous efforts to get rid of the old international economic relations and to establish a new international economic order. Such efforts would surely be further intensified and new victories won in the 1980s.

36. Since the fifth session of UNCTAD, the progress of all the negotiations held under UNCTAD auspices had been limited. Agreement had been reached on some articles of agreement on the Common Fund, but key articles remained to be further discussed. Negotiations on individual commodities were at a standstill - except for those on natural rubber, jute, and hard fibres. Many difficulties had been encountered in negotiating a set of rules and regulations governing restrictive business practices. Though negotiations on a code of conduct on the transfer of technology had been held for several years, no final agreement had been reached. Nor had agreement been achieved on a convention on multimodal transport. In a word, important negotiations of concern to the developing countries were still moving slowly. It was impossible not to feel disappointed in examining progress in implementing the Declaration and the Programme of Action on the Establishment of a New International Economic Order. The debts of developing countries were mounting continuously, their trade situation was further deteriorating, their purchasing power declining and their exports of manufactures were adversely affected by protectionism. Inequities and imbalances in international economic relations constituted a major obstacle to the developing countries. As to the developed countries, their economy was stagnant, while inflation and unemployment were still serious. All this further proved that the old economic structure had not only impaired economic development in the developing countries, but had also obstructed the recovery and development of the world economy. It had thus become urgent to establish a new international economic order. The Chinese delegation believed that the adoption of feasible measures for acceleration of the establishment of a new order was not only necessary for a solution to world economic problems, but also significant for the maintenance of world peace and stability.

37. UNCTAD was an important forum for dealing with world economic issues and should play a more active role in promoting the establishment of a new international economic order. UNCTAD should complete its negotiations on the Common Fund, on the code of conduct on the transfer of technology and on principles and rules on restrictive business practices before the convening of the special session of the General Assembly in 1980. The current session of the Board should also take effective follow-up action on protectionism and on the rationalization of UNCTAD's machinery according to the relevant resolutions adopted at the fifth session of UNCTAD. Thorough transformation of unequal and unfair economic structures was an important step for the establishment of a new international economic order. The developing countries advocated that discussions be held first on the interdependence of trade, development, money and finance, so that the policy and measures taken by the developed countries could be adapted for economic development objectives of the developing countries. This subject had been discussed for a long time without any consensus being reached. The Chinese delegation held that it was the first step in the achievement of structural change and that endeavours should be made in that direction. Negotiations under the auspices of UNCTAD were closely related to the global negotiations opening in New York in the coming autumn. They should be supplemented, mutually co-ordinated and promoted, so that favourable contributions could be made to the settlement of problems in North-South economic relations.

38. He emphasized that the developing countries needed a peaceful international environment to develop their national economy smoothly. While the inequitable international economic relations were being transformed, foreign aggression, expansion, control and occupation must be opposed. At present it was especially necessary to oppose the aggression and intervention by that super-Power which proclaimed itself a "natural ally". China had always advocated that political and economic relations among all the countries should be based on five principles: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. In striving to establish a new international economic order, the developing countries and all the countries standing for justice should unite closely to oppose monopoly, control and hegemonism and to maintain world peace.

39. The Chinese Delegation was willing to make joint efforts to find solutions to problems currently existing in the international economic and trade fields.

40. The spokesman for Group B observed that the international community was confronted by serious difficulties hampering the growth of the world economy in all sectors. The present situation was characterized by a high degree of uncertainty and it seemed more and more difficult to find viable solutions to problems such as the high levels of inflation, unemployment, the monetary situation and the energy crisis.

41. Although the prospects were far from clear and the search for effective ways and means to redress the situation was continuing, it had to be acknowledged that, within UNCTAD, some progress had recently been achieved in certain fields. He referred in this regard to some of the most important ongoing negotiations in UNCTAD which it was hoped to bring soon to a successful conclusion, among which were the negotiations on a Common Fund, where all had been working very hard to bridge the last gaps in order to reach the final agreement. Considerable progress has also been made in the negotiations on a code of conduct on the transfer of technology and on restrictive business practices, as well as in the Intergovernmental Group on the Least Developed Countries. In all these areas it had been possible to make some very positive steps forward, while at the same time negotiations on some commodities had also been progressing. Group B believed that further progress could be made in these fields and that UNCTAD would be able to make an appropriate contribution to the new global round of negotiations. None the less, the general economic situation remained a matter for grave concern, and the prevailing uncertainty and instability raised serious questions about the future of the world economy and the resumption of a balanced growth and expansion of trade.

42. Group B was aware that many developing countries had particularly suffered from present disequilibriums; many of them had been facing severe deficits in their balance of payments on current account and increasing external indebtedness, as well as inadequate growth rates, particularly in those countries with low per capita incomes. It was also conscious that the least developed countries, in particular, had been facing specific and long-standing difficulties. It therefore supported efforts to promote an efficient, growing and increasingly stable world economy and shared the objective of the developing countries to achieve change towards a new international economic order in which all countries could realize their potential. It was convinced that this change could be achieved in a balanced and orderly manner.

43. Group B believed that in a number of sectors structural change was occurring in a dynamic world economy through shifts in the patterns of production, consumption and trade and that structural changes were necessary as countries developed and utilized their domestic resources more effectively. It recognized that there was increased interdependence, both in the relationship of issues such as international trade, monetary and financial affairs, commodities, agriculture, energy and resource transfers and in the relationship of national economies. The economic well-being of any country could not be pursued through one channel or in isolation from other countries. Strengthened and intensified economic co-operation and assistance among all countries according to their varying capacities was essential to advance the common interest. While they believed that the developing countries bore the essential responsibility for their own development, the members of Group B were also convinced that the efforts of those countries to strengthen and diversify their economies and improve the living standards of their peoples could succeed only in an environment of international co-operation. The international community's concern must be to facilitate the structural changes which were necessary and, more generally, to promote an efficient and growing world economy and an expansion of the developing countries' economic role in the international system, through measures which reduced uncertainty and instability and attenuated hardships of social adjustment. The Group B countries wished to reaffirm their political will and determination to contribute to the achievement of these goals.

44. With regard to Board resolution 165 (S-IX), he recalled the terms of part A, in particular paragraph 5, which indicated that "upon undertaking such measures, each developed donor country will determine the distribution and the net flows involved within the context of its own aid policy". It was in that spirit that the developed donor countries of Group B, in implementing the resolution, defined the beneficiaries for retroactive adjustment measures. These measures - which demonstrated clear political will on a delicate subject - had led to substantial improvement in the quality and volume of aid from Group B countries to the developing countries involved.

45. He emphasized, in the spirit of co-operation which had prevailed during the elaboration of resolution 165 (S-IX), the importance of part B of the text. In the view of Group B, the objective of the work on this question should be to strengthen the capacity of existing mechanisms to deal effectively and coherently with individual cases of countries facing problems of indebtedness. In this connexion, he recalled that the Secretary-General of UNCTAD, at the invitation of the President of the Paris Club, had participated as an observer in recent meetings of creditor clubs.

46. It was in these circumstances, and taking into account the importance all attached to the issue of the indebtedness of the developing countries, that Group B countries considered that the question should remain on the agenda of the Board, which had adopted resolution 165 (S-IX) in March 1978 and which, consequently, was the appropriate body in which to pursue the discussion.

47. The representative of Poland, speaking on behalf of Group D and Mongolia, said that developments in international economic relations since the nineteenth session of the Board confirmed that the major trends described in the joint statement submitted by the socialist countries at the fifth session of UNCTAD (TD/249) continued to determine the course of world economic events.

48. There was an acute structural crisis of the world capitalist economy, the numerous aspects of which were reflected in the opening statement by the Secretary-General of UNCTAD and in the secretariat's "World economic outlook" (TD/E/783). The deepening discrepancies between economic development levels in developing countries and industrially advanced countries, as well as among the developing countries themselves, together with the serious situation of the least developed countries, were to a large extent a product of this crisis. As the Secretary-General had stated, the crisis was also a crisis of the trading system.

49. Further increases in protectionist barriers on the markets of the developed capitalist countries had introduced elements of risk and uncertainty into the normal operation of trade relations. Moreover, the existence of discriminatory barriers to trade and the recent introduction of new ones had spoiled the atmosphere of confidence, so necessary in trade and economic relations, and cast shadows on their perspectives.

50. The socialist countries regarded the present situation and the immediate prospects with concern. On several occasions they had explained the real reasons for the prolonged crisis of the world capitalist economy and pointed out the deficiencies of existing international economic relations. They had presented concrete proposals on the restructuring of these relations and supported the constructive and progressive proposals of the developing countries in this respect. These proposals constituted, in their view, the right means for achieving this restructuring. It was regrettable that none of the essential obstacles to such restructuring had so far been removed. The socialist countries actively participated in discussions and negotiations in UNCTAD on major issues, such as UNCTAD's contribution to a new international development strategy and the rationalization of the UNCTAD machinery.

51. While supporting the progressive proposals and aspirations of the developing countries, the delegations of socialist countries had put forward ideas and suggestions reflecting their approach to the restructuring of international economic relations as well as legitimate interests of their countries, and it was in the latter context that they assessed the results of common efforts.

52. In view of the serious situation in international economic relations, they considered that UNCTAD must more than ever perform its tasks as the main universal economic institution dealing with problems of trade and development. That referred both to the examination of problems and to finding appropriate solutions, including the determination of requisite action. The principal functions of UNCTAD, as embodied in General Assembly resolution 1995 (XIX), should be more actively pursued in the light of the present situation, concentrating on the main problems. The socialist countries shared the view of the Secretary-General of UNCTAD that proper comprehension of problems predetermined their solutions. The Board, as a main organ of UNCTAD, had an important role to play, and there were a number of important recent issues which should be at the centre of its attention, such as protectionism, elimination of discrimination in trade, control of the activities of transnational corporations in world trade, including commodity markets, and the commodity sectors of developing countries' economies.

53. In their view UNCTAD should keep under permanent observation recent trends in international trade and the world economy and decide how to act in the most effective way with due regard to the changing situation. That would in no way

prejudice any actions taken elsewhere but rather facilitate them. They noted a certain progress in UNCTAD's activities in some areas, as pointed out by the Secretary-General of UNCTAD, but could not overlook a certain deterioration in the effectiveness of UNCTAD due to contradictions in the nature and direction of the solutions sought. They had doubts, for example, whether the steady proliferation in UNCTAD of bodies and meetings dealing with selected aspects of international economic relations was always productive, particularly if they diluted the Board's responsibilities and detracted from the global analysis of crucial problems.

54. They urged the Board to get to grips with the real problems at the present session and pledged their efforts, joined with those of other delegations, to that end.

B. Other statements

55. The representative of Iraq endorsed the statement of the spokesman for the Group of 77 with regard to the deterioration of the terms of international trade, which was one of the major problems affecting the developing countries. His delegation felt that the only solution to that problem was the restructuring of the international economic system. He referred to General Assembly resolution 2626 (XXV), which specified that the development process was an interdependent task among developed and developing countries. Accordingly, co-operation among developing countries would not absolve developed countries from their responsibilities in the international development process. He referred to the World Development Report, 1979 of the World Bank, which showed that the members of OPEC had given assistance to other developing countries which had exceeded that of OECD by several times. In that respect he wished to reiterate the proposal made by the President of Iraq, His Excellency Mr. Saddam Hussain, to establish an international long-term fund to assist developing countries. The developed countries should participate in that fund by contributing an amount equivalent to their exported inflation, as well as oil-producing countries by an amount equivalent to the increase in the price of oil exported to developing countries.

CHAPTER II

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 3)

ASSESSMENT OF THE PROGRESS MADE TOWARDS THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER (agenda item 4)

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 5)

A. Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a new international development strategy for the third United Nations development decade (agenda item 3)

56. At its nineteenth session, the Board decided to transmit this agenda item to its twentieth session.

57. This item was referred to the President's Contact Group.

58. References to this item were made in the general statements reported in chapter I above.

59. At the 533rd meeting, on 21 March 1980, the President reported on his consultations in the Contact Group.

Action by the Board

60. At the same meeting, the Board decided, upon the proposal of the President, to transmit the agenda item to its twenty-first session and accordingly include it in the provisional agenda of that session, in an appropriately modified wording. (For the provisional agenda adopted by the Board, see annex III).

B. Assessment of the progress made towards the establishment of the new international economic order (agenda item 4)

61. At its nineteenth session, the Board decided to transmit this item to its twentieth session. For consideration of this item at its twentieth session, the Board had before it a report by the UNCTAD secretariat which had been prepared for the nineteenth session and an addendum thereto (TD/B/757/Add.1) describing further developments.

62. This item was referred to the President's Contact Group.
63. References to the item were made in the general statements reported in chapter I above.
64. At the 533rd meeting, on 21 March 1980, the President reported on his consultations in the Contact Group.

Action by the Board

65. At the same meeting, on the proposal of the President, the Board took note of the report by the UNCTAD secretariat (TD/B/757 and Add.1) and decided to transmit the report to the special session of the General Assembly on development, together with the relevant section of the report of the Board on its twentieth session (see annex I below, Other decisions f/).
66. The spokesman for the Group of 77 stated that, while it joined in the consensus to transmit document TD/B/757 and Add.1 to the special session of the General Assembly, it wished also to be conveyed to the General Assembly its concern and deep disappointment at the slow progress in the implementation of the new international economic order in various fields, which it attributed largely to a lack of political will on the part of the developed countries.

C. Interdependence of problems of trade, development finance and the international monetary system (agenda item 5)

67. At its nineteenth session, the Board decided to transmit this item to its twentieth session. For the consideration of this item the Board had before it a report by the UNCTAD secretariat entitled "World Economic Outlook 1980-1981" (TD/B/783) 6/ and a draft resolution (TD/B/L.360) on "Interdependence of problems of trade, development finance and the international monetary system", remitted from its eighteenth and nineteenth sessions.
68. The Board's attention was also drawn to General Assembly resolution 34/197 which, inter alia, requested the Board, when considering this item, to discuss measures to combat the world inflationary phenomenon and requested the Secretary-General of UNCTAD, with the assistance of experts, if necessary, as envisaged in Board decision 144 (XVI), to prepare a report on this subject for consideration by the General Assembly at its thirty-sixth session (which would be available first for consideration by the Board, at its twenty-second session).
69. In addition to statements made on this item which are reflected in paragraphs 71-81 below, references to the item were made in the general statements reported in chapter I above.
70. This item was referred to the Contact Group of the President.
71. The representative of Saudi Arabia noted that the "World Economic Outlook" forecast a large surplus in the balance of payments of oil-exporting developing countries during the period 1980-1981, and a deficit for developed market-economy countries, as well as of non-oil exporting developing countries. He further noted that the report attributed the aggravating rise in the rate of inflation expected in 1980 largely to the expected 60 per cent increase in the price of imported oil during

6/ A revised version of this document (TD/B/783/Rev.1) was issued after the close of the session.

that year. Such a forecast was incorrect, since the sharp increases in the rate of inflation suffered by the world had taken place a long time before the increases in the oil prices. Thus, the increases in the oil prices were the effect, and not the cause, of inflation. At the time when measures were taken by certain developed countries in 1971, allegedly to remedy their economic ailments by curbing inflation, and of the subsequent devaluation of their currencies and their floating in the monetary markets, oil prices were extremely low. It was only in 1974, three years after the measures taken by developed countries, that oil prices had been increased. The apparent increases in oil prices were in fact decreased in real terms owing to the fall in the rate of exchange of the dollar and its loss of purchasing power as a result of increases in the prices of manufactures and semi-manufactures as well as of commodities, including food-stuffs.

72. Therefore, he could not agree that oil prices were responsible for inflation, as was suggested in the above report; rather the increases in oil prices were due to that inflation. The real reason for the increasing rate of inflation was that the developed countries had not tackled the problem with a genuine desire to solve it and with sincere political will. The measures taken by those countries were nothing more than temporary solutions, which had not produced any positive results. Another reason was the huge expenditures involved in the arms race and in military adventures, such as intervention in the internal affairs of developing countries.

73. Referring to the surplus in the balance of payments of his country, he said it was explained by the fact that it produced oil in excess of its needs in order to meet the requirements of the world economy and the increasing demand for its oil, particularly on the part of the developed countries, which was due to their inability to adjust themselves to a rational and moderate rate of consumption, and to stocking by some consumers of very large quantities of oil. None the less, his country had increased its rate of oil production to meet the world demand, regardless of the risk of exhausting such a resource. It had done so at a time when its oil revenues were subject to exchange fluctuations and insecure purchasing power, with no guaranteed safety for these oil reserves. In stating these facts, his country assumed that the contribution it had made would give developed countries an opportunity to cut down on their oil consumption, and to adjust to the new realities.

74. As regards official development assistance, he stressed that his country had increased its bilateral and multilateral assistance to a level of 5 per cent of its gross national product, which compared very favourably with that of developed countries where, taken together, the proportion had never reached 0.7 per cent.

75. The representative of the United Arab Emirates expressed his appreciation for the foregoing remarks, and for the impressive efforts of the UNCTAD secretariat in preparing the "World Economic Outlook". He thought it would be useful to elaborate on the points made by the previous speaker and in that context wished to refer to the information given in document TD/B/783. He noted the sudden change in the current balance of payments of the developed market-economy countries from a surplus of \$30.6 billion in 1978 to a deficit in 1979 of \$6.6 billion. He emphasized the suddenness of the transformation because oil prices had increased in 1978 at a real rate of only 2 per cent if account was taken of the 10 per cent fall in the value of the dollar and the 8 per cent rise in the prices of industrial products. He believed that these figures - which he had cited from the report - were correct and realistically described the situation.

76. Pursuing his analysis, he referred to the indicators of economic activity and inflation for the OECD countries contained in table 6 of the report, from which it could be seen that OECD countries had achieved high growth rates at a time when the rise in oil prices was more rapid than at any other time. Stressing the similarity of the movement of the index for the deflator of gross domestic product, on the one hand, and the consumer price index, on the other, as shown in table 6 of the report, he noted that in some cases the consumer price index had risen faster than the GDP deflator. The implication was that it was the economic policies of these countries, and not the increase in the oil prices, which were the principal, and indeed the only, cause of the problem from which the developing countries, including those producing and exporting oil, were suffering. In other words, this similarity in the movement of the economic indicators, including the indicator for unemployment, was ultimately due to the wage and price spiral, on the one hand, and the taxation and financial policies of OECD countries, on the other.

77. Since the developed countries relied heavily on exports in their economic activities, negative implications in these countries naturally had adverse effects on the balance of payments of developing countries, as was clear from table 1 of the report, as well as from the trade balances and current account balances shown in table 7.

78. In sum, the payments deficits of developing countries was not, and could not be, in any way due to the price, production and export policies of oil-producing and exporting countries. Rather, it was due to such reasons as:

(a) Restrictive trade practices of developed countries with regard to the developing countries' exports of manufactured and semi-manufactured goods;

(b) Various forms of protectionism pursued by those countries against the exports of developing countries;

(c) The policy of increased taxation in developed countries of oil and its derivatives, which at present amounted to 60 per cent of the OPEC basic price. This in turn led to increases in the prices of their exports of commodities and manufactured goods to developing countries;

(d) The wages policy pursued by the developed countries, which meant that the wage level rose every year, particularly in the industrial sector and more specifically in those industrial sectors which relied heavily on exports; and

(e) Last but not least, the monopolistic policies pursued by the transnational oil corporations, as was evident from the enormous profits they had made since 1973, that is to say, ever since what had been termed the oil crisis, which was a totally false and artificial appellation.

79. The representative of Qatar said that he could not accept the conclusion in paragraph 9 of the report (TD/B/783) that the acceleration of inflation expected in 1980 was due in large measure to a 60 per cent increase in the price of imported petroleum expected for that year, since he believed that it was not based on a professional analysis of the facts. He invited the UNCTAD secretariat to provide the input/output analysis on which its conclusion had been based. Inflation was measured by the GNP or GDP deflator, which was obtained by dividing money GDP or money GNP itself by a price index. That price index was calculated from a certain basket of goods - investment goods and goods and services consumed by households and government - and hence the measurement of inflation depended on the choice of goods in the sample. Thus, a higher or a lower inflation rate could be obtained, depending on the sample.

80. Developing countries regarded UNCTAD as a forum reflecting their interests, but it seemed that the UNCTAD secretariat was attempting to prepare documents, especially the present "World Economic Outlook", by creating new terminologies and new categories of countries. His delegation regretted that recent tendency. It was also regrettable that other international organizations, which carried out objective studies on the matter of inflation, came to different conclusions. He noted that the latest report by the GATT secretariat on international trade stated that "At the outset it is important to stress that the petroleum price increase which occurred in several steps between December 1978 and June 1979 did not cause the present resurgence of inflation in the industrial countries, nor the recession now beginning in the United States". ^{7/} Charts were provided in support of this conclusion. He cited also the IMF, which the developing countries considered some sort of preserve of the industrial countries. Yet even the IMF had stated that since that time (1974) the nominal price had increased in each year, except 1974/1975, but the real price of crude oil from February 1974 to July 1979 remained more or less constant.

81. The "World Economic Outlook" (TD/B/783) contradicted another document of the UNCTAD secretariat, prepared for the meeting of the Group of High-Level Governmental Experts on the Effects of the World Inflationary Phenomenon on the Development Process, ^{8/} which traced the phenomenon back to 1956. There was no relationship between the price increase for oil and the increase in the inflation rate, as was clear from the experience of the Federal Republic of Germany. That country still depended for its oil on imports. None the less, it did not have a high rate of inflation, in fact only about 3 per cent. That point had also been made recently by the Federal Chancellor.

82. A draft decision on this item was submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B/L.560).

83. At the 533rd meeting, on 21 March 1980, the President introduced a draft decision that he had submitted as a result of his consultations in the Contact Group (TD/B/L.563), and draft decision TD/B/L.560 was withdrawn.

Action by the Board

84. At the same meeting, the Board adopted the draft decision submitted by the President (for the text, see annex I below, decision 208 (XXX)).

^{7/} GATT press release 1243 of 4 September 1979, reproducing the text of the introductory chapter of the forthcoming report, International Trade 1978/79.

^{8/} "Selected indicators of world inflation" (TD/B/AC.26/R.2).

CHAPTER III

SPECIFIC MATTERS ARISING FROM THE RESOLUTIONS, RECOMMENDATIONS AND OTHER DECISIONS ADOPTED BY THE CONFERENCE AT ITS FIFTH SESSION REQUIRING ATTENTION OR ACTION BY THE BOARD AT ITS TWENTIETH SESSION

(Agenda item 2)

85. This agenda item was referred to the Sessional Committee for consideration and report. 9/

A. Conference resolution 102 (V)

(Development aspects of the reverse transfer of technology)

Consideration in the Sessional Committee

86. Referring to the note by the Secretary-General of UNCTAD on the development aspects of the reverse transfer of technology (TD/B/L.554), the Chairman drew attention to section III, which contained suggestions for possible action by the Board, in particular the possibility of convening an expert group to examine the feasibility of measuring human resource flows.

87. The spokesman for Group D, speaking also on behalf of Mongolia, stated that his Group intended to continue to help developing countries to exercise their legitimate right to compensation for losses incurred through the "brain drain". He added that Conference resolution 102 (V) could have been more strongly worded, more specific and more meaningful, taking into account, inter alia, terms of reference established by the General Assembly. His Group supported the proposal to convene a group of experts on the development aspects of the reverse transfer of technology. He was of the opinion that it would be most useful if the group of experts were to hold a five-day session at the same time as the third session of the Committee on Transfer of Technology. He could not agree, however, to the proposed number of experts or to the proposal that they should be appointed in their personal capacity. In his view, it should be an intergovernmental group with membership based on the usual geographical distribution. He proposed that the experts should take into account studies carried out by other organizations on this subject in order to avoid duplication of effort and save time.

88. At the sixth meeting, on 24 March 1980, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XX)/SC/L.11).

89. At the same meeting, the Sessional Committee recommended the draft decision for adoption by the Board.

9/ Questions concerning Conference resolution 110 (V) (see section L below) were considered directly in plenary, at the 533rd and 535th meetings.

90. The spokesman for the Group of 77 stated that his Group agreed in principle with the proposal made by the spokesman for Group D that the proposed group of experts should be an intergovernmental group. However, the Group of 77 would reserve the right to take up this question again at the twenty-first session of the Board. He added that the fact that his Group had accepted draft decision TD/B(XX)/SC/L.11 did not imply that it was in agreement with certain interpretations given during the debate to paragraph 6 of Conference resolution 102 (V). He felt that the interpretation of that paragraph should be postponed until the twenty-first session of the Board.

Consideration in plenary

Action by the Board

91. At its 534th meeting, on 25 March 1980, the Board adopted the draft decision recommended by the Sessional Committee (for the text, see annex I, decision 212 (XX)).

B. Conference resolution 103 (V)

(Restrictive business practices)

Consideration in the Sessional Committee

92. Introducing this item, the Chairman referred to the resolution adopted by the United Nations Conference on Restrictive Business Practices in December 1979 in which the Conference requested the Secretary-General of UNCTAD to take the necessary measures for convening a resumed session. The General Assembly, in its decision 34/447 of 19 December 1979, had decided to convene a two weeks' resumed session of the Conference, which had been scheduled for 8-18 April 1980. Taking this into account, it was expected that the recommendations of the Conference on institutional aspects of further work on restrictive business practices would now be submitted to the General Assembly at its thirty-fifth session. Accordingly, the Board would only be in a position to consider this matter at its twenty-second session, in 1981.

93. The Sessional Committee took note with approval of this procedure.

Consideration in plenary

Action by the Board

94. At its 534th meeting, on 25 March 1980, the Board, in taking note of the report of the Sessional Committee, noted that it would only be able to consider the implementation of Conference resolution 103 (V) at its twenty-second session, in the light of recommendations of the United Nations Conference on Restrictive Business Practices that were to be submitted to the General Assembly at its thirty-fifth session.

C. Conference resolution 104 (V)

(Tungsten)

Consideration in the Sessional Committee

95. The Chairman recalled that, in pursuance of Board resolution 198 (XIX), paragraph 2, the twelfth session of the Committee on Tungsten had been held from 25 to 29 February 1980.

96. The Sessional Committee agreed that the report of the Committee on Tungsten on its twelfth session should be submitted to the Committee on Commodities at its ninth session.

Consideration in plenary

Action by the Board

97. At its 534th meeting, on 25 March 1980, the Board, in taking note of the report of the Sessional Committee, endorsed the proposal that the report of the Committee on Tungsten on its twelfth session (TD/B/C.1/211) should be submitted to the Committee on Commodities at its ninth session.

D. Conference resolution 109 (V)

(Assistance to national liberation movements recognized by regional intergovernmental organizations)

Consideration in the Sessional Committee

98. The representative of the Secretary-General of UNCTAD stated that, in response to the request contained in Conference resolution 109 (V), action had been initiated and work had commenced with the assistance of short-term consultants to carry out studies, in consultation with the national liberation movements, in the context of the new international development strategy for the third United Nations development decade. He hoped that the work would be completed in time for consideration by the Board at its twenty-first session and that, based on an examination of those studies, appropriate action would be taken by the Board within the framework of the third United Nations development decade.

99. The spokesman for Group D, speaking also on behalf of Mongolia, recalled that Conference resolution 109 (V) had requested the Secretary-General of UNCTAD to initiate studies, within the competence of UNCTAD, as regards peoples and countries still under colonial domination and foreign occupation and to submit periodic reports thereon. The Group D countries had taken note of the statement made by the representative of the Secretary-General of UNCTAD on the progress made in implementing this resolution. He emphasized that the implementation of this important resolution, particularly the completion of the studies requested, including studies on Palestine, could help to achieve the objectives set by the General Assembly to ensure the full and expeditious implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (resolution 1514 (XV)).

100. He reiterated the position of principle of the socialist countries regarding their resolute and unwavering support for the struggle of peoples for their national and social liberation, especially the peoples of Namibia, South Africa and Palestine. He expressed his warm congratulations to the patriotic forces in Zimbabwe on their great victory in the recent general election in that country - the natural outcome of many years of heroic efforts by the people of Zimbabwe, under the leadership of the Patriotic Front, to liquidate the racist system and secure the freedom and independence of their country.

101. At its 6th meeting, on 24 March 1980, the Committee decided to refer this matter to the Board, together with the draft resolution submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B(XX)/SC/L.8/Rev.1).

Consideration in plenary

102. At the 535th meeting, on 25 March 1980, the representative of El Salvador, introducing draft resolution TD/B(XX)/SC/L.8/Rev.1, which he had submitted on behalf of the States members of the Group of 77, and proposing an amendment to the text, noted that both the original draft (TD/B(XX)/SC/L.8) and the revised draft had been the subject of intensive consultations in the Sessional Committee. His Group greatly regretted that it had not been possible to reach a consensus and that the draft resolution would therefore need to be put to a vote.

103. The representative of Algeria, supporting the spokesman for the Group of 77, noted that similar resolutions on this subject had been adopted by consensus in the General Assembly and urged the Board also to adopt the draft resolution by consensus.

104. The representative of Israel said that his delegation regretted the continuous attempts to involve UNCTAD in sensitive political issues which were entirely extraneous to it. The preamble to the draft resolution recalled Conference resolution 109 (V), which his delegation had voted against at Manila. It was no secret that parts of that resolution, as well as of the draft resolution now before the Board, had been initiated and inspired by the so-called Palestine Liberation Organization (PLO). Furthermore, operative paragraph 2 of the draft resolution recommended that the United Nations system, including UNDP, should provide assistance to national liberation movements recognized by regional intergovernmental organizations. In this respect Israel strongly opposed any kind of assistance which might be implied to the PLO, an organization which made no secret of its avowed objectives, set forth in its covenant, of destroying Israel, a State Member of the United Nations. His delegation strongly rejected the draft resolution and would vote against it.

105. The representative of the Syrian Arab Republic stated that the draft resolution aimed at protecting the interests of peoples under colonial domination or foreign occupation, whether in the Near East or in southern Africa, and that such protection should be afforded by explicitly recognizing their special needs and problems in the formulation of the new international development strategy. The PLO was ipso facto covered by the draft resolution, which referred to national liberation movements recognized by regional intergovernmental organizations.

106. The representative of Algeria, replying to the representative of Israel, said that she had referred in her statement only to national liberation movements recognized by regional intergovernmental organizations. Since mention had been made of the PLO, she wished to point out that that organization was recognized by the United Nations system.

107. The representative of Qatar pointed out that the PLO was a member of the League of Arab States, the Asian Group of the Group of 77, the Group of 77 itself, and of the non-aligned movement. This international membership had given the PLO an international legitimacy which had recently been crystallized by the new initiatives taken by some countries members of the European Economic Community. He hoped that the outcome of these initiatives would be reflected in the result of the vote.

Action by the Board

108. At the same meeting the Board adopted the draft resolution by a roll-call vote of 63 votes in favour, 13 against and 14 abstentions. 10/ (For the text of the resolution, see annex I, resolution 215 (XX)).

109. The representative of Brazil, noting that his country had voted in favour of Conference resolution 109 (V), recalled the reservation Brazil had made at Manila on the sixth preambular paragraph of resolution 109 (V), and stated that it was equally valid in respect of the present resolution.

10/ The result of the vote was as follows:

In favour: Algeria, Argentina, Bolivia, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Chile, China, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, German Democratic Republic, Ghana, Guyana, Hungary, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malaysia, Malta, Mexico, Nigeria, Pakistan, Panama, Peru, Philippines, Poland, Qatar, Romania, Saudi Arabia, Senegal, Singapore, Somalia, Sri Lanka, the Sudan, Suriname, Syrian Arab Republic, Thailand, Trinidad and Tobago, Tunisia, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Australia, Belgium, Canada, Denmark, France, Germany, Federal Republic of, Israel, Italy, Luxembourg, Netherlands, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Colombia, Costa Rica, Finland, Greece, Guatemala, Honduras, Ireland, Japan, New Zealand, Norway, Portugal, Spain, Sweden.

110. The representatives of Colombia and Costa Rica said that their delegations had abstained in the vote because in resolution 109 (V) the Conference had requested the UNCTAD secretariat to initiate studies in co-operation with the respective national liberation movements. Since these studies were not yet available to the Board, their delegations had no basis for taking a position.

E. Conference resolution 112 (V)

(Strengthening the technological capacity of developing countries, including accelerating their technological transformation)

111. The Board had before it a note by the UNCTAD secretariat on proposals for an outline of a strategy for the technological transformation of developing countries. (TD/B/779).

Consideration in the Sessional Committee

112. The spokesman for Group B, speaking on behalf of States members of his Group with the exception of Turkey, stated that they welcomed the consensus reached on Conference resolution 112 (V), since they believed the strengthening of technological capabilities to be an essential element in economic development. Resolution 112 (V) had been carefully designed and negotiated to be a balanced, comprehensive programme for the technological transformation of the developing countries - a balance that was reflected in paragraphs 8 and 12-17. However, Group B could not endorse the proposed outline contained in the note by the UNCTAD secretariat (TD/B/779), since it contained many contentious proposals which had not been agreed upon by the United Nations Conference on Science and Technology for Development (UNCSTD) and which had been referred by the General Assembly to the newly-formed Intergovernmental Committee on Science and Technology for Development for consideration.

113. As for the UNCTAD secretariat's role, paragraph 25 of resolution 112 (V) spoke of a series of studies on specific areas of technology concentrating on the practical development-related aspects. The Vienna Programme of Action and Conference resolution 112 (V) together provided a complete programme for the technological transformation of developing countries. The UNCTAD secretariat should be guided by these documents and should concentrate on: the completion of studies requested in paragraphs 23, 26 and 27 of resolution 112 (V); convening the meetings of experts in specific sectors, subject to the approval of the Committee on Transfer of Technology at its third session; strengthening its Advisory Service on Transfer of Technology; providing support for negotiations on the code of conduct on the transfer of technology and on co-operation with the Intergovernmental Committee on Science and Technology for Development in the implementation of the Vienna Programme of Action. 11/

114. The spokesman for Group D, speaking also on behalf of Mongolia, said that Group D considered that the outline of the strategy for the technological transformation of developing countries in document TD/B/779 dealt with important aspects of social and economic development leading to greater independence. His Group was in full agreement with many of the ideas expressed in the document, such as the

11/ Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21), chap. VII.

importance of technology planning combined with a social and economic policy that served the interests of the majority of the population, the importance of creating national technological capacity, and the necessity of using existing institutions in establishing an international technological exchange system.

115. He had, however, two critical comments to make. First, his Group could not agree with the concept of "decommercialization" of technology transfer - that is transfers on a non-reimbursable basis - as indicated in the document. The socialist countries considered that the primary objective in the field of technology transfer was to ensure that such transfer was based on equity and mutual advantage, without any form of discrimination. Second, the Group D countries did not associate themselves with the principle of earmarking a fixed percentage of their research and development expenditures specifically for the solution of particular problems of developing countries.

116. He pointed out that the note by the UNCTAD secretariat dealt, to a considerable extent, with the problems that fell within the competence of other United Nations bodies. UNCTAD, for its part, should concern itself with the commercial aspects of technology transfer.

117. The spokesman for the Group of 77 emphasized that the UNCTAD secretariat had done an excellent job in producing the outline of the strategy for the technological transformation of developing countries, which merited a full and thorough study. The Group of 77 would submit its views on the substance of the document at the third session of the Committee on Transfer of Technology.

118. At the fifth meeting, on 20 March 1980, the Chairman introduced the draft decision that he had submitted as a result of informal consultations (TD/B(XX)/SC/L.6).

119. At the same meeting, the Committee recommended the draft decision for adoption by the Board.

Consideration in plenary

Action by the Board

120. At its 534th meeting, on 25 March 1980, the Board adopted the draft decision recommended by the Sessional Committee, incorporating an amendment proposed by the representative of the United Republic of Tanzania (for the text of the decision, see annex I below, decision 211 (XX)).

F. Conference resolution 114 (V)

(Institutional issues)

Consideration in the Sessional Committee

121. Introducing this item, the Chairman recalled that, in connexion with the request contained in section II, paragraph 3, of Conference resolution 114 (V), the Secretary-General of UNCTAD had submitted a report on his consultations with the Secretary-General of the United Nations to the Board at the first part of its nineteenth session (TD/B/759). At the present session, the Secretary-General of UNCTAD had given a further report on those consultations in the course of his opening statement (see para. 15 above).

122. With respect to section III, paragraph 12, of Conference resolution 114 (V), the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, established under that paragraph, had completed its work, and its final report, in accordance with Board resolution 194 (XIX), was now before the Board under cover of TD/B/786.

123. The Vice-Chairman of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery introduced the reports of the Committee on its first session (TD/B/AC.30/R.1 and Add.1) and second session (TD/B/AC.30/4), circulated under cover of TD/B/786. ^{12/} He noted that, although the Ad Hoc Committee had not been able, owing to constraints of time, to agree upon a single text covering all the issues involved, its work had had a positive outcome in two respects: that the three regional groups had produced position papers and/or draft proposals and that these papers, in a number of respects, showed much common ground.

124. At its second meeting, on 18 March 1980, the Sessional Committee decided to establish an informal group, of limited membership but open to all States members of UNCTAD, to prepare a text for submission to the Committee, containing the common views of the UNCTAD membership on the question of rationalization of UNCTAD's machinery.

125. During the course of the session, draft resolutions on the rationalization of the permanent machinery of UNCTAD were submitted by the United States of America on behalf of States members of Group B (TD/B(XX)/SC/L.1/Rev.1); by the German Democratic Republic on behalf of States members of Group D and Mongolia (TD/B(XX)/SC/L.2); and by Ethiopia on behalf of States members of the Group of 77 (TD/B(XX)/SC/L.3 and Corr.1).

126. At the fourth meeting of the Sessional Committee, on 20 March 1980, the Chairman of the informal Working Group stated that the Group had agreed on the following conclusions, as contained in TD/B(XX)/SC/L.5:

"1. It is recognized that the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery has made a very positive contribution in identifying and enriching discussions on the many issues involved in the question of rationalization. A great deal of extremely useful and detailed work was performed by the Intersessional Working Party of the Committee, and its working groups, which engaged in a very intensive fact-finding examination and exchange of views on a broad range of issues, some of which were broached for the first time.

"2. Another positive contribution stemming from the work of the Ad Hoc Committee is the fact that the three groups were able to set down their views on the various issues in the form of proposals or position papers, which are annexed to the final report of the Committee (TD/B/AC.30/4). These views, in somewhat modified form, have now found expression in the three draft resolutions submitted by the groups (TD/B(XX)/SC/L.1-3).

"3. It is felt that the three drafts that have been submitted contain, in a number of respects, common ideas representing a convergence of views. Owing to the constraint of time, the informal group is not in a position to prepare a final text setting out the consolidated views of all groups. However, in view of the fact that, as noted above, there is already a convergence of views on a number of issues, it is felt that it would be useful to continue work towards this end at the twenty-first session of the Board."

^{12/} Official Records of the Trade and Development Board, Twentieth Session, Annexes, agenda item 7, document TD/B/786.

He added that the informal Working Group had also prepared a draft decision (also contained in TD/B(XX)/SC/L.5), which the Sessional Committee might wish to recommend to the Board for adoption.

127. At the same meeting, the Sessional Committee took note of the agreed conclusions of the informal Working Group and decided to recommend to the Board for adoption the draft decision contained in TD/B(XX)/SC/L.5.

Consideration in plenary

Action by the Board

128. At its 534th meeting, on 24 March 1980, the Board decided, on the recommendation of the Sessional Committee (TD/B(XX)/SC/L.5), to remit to its twenty-first session the three draft resolutions which had been considered by the Sessional Committee (see para. 125 above) and to establish at that session a working group to consider the three draft resolutions (for the text of the three draft resolutions, see annex II below), and to prepare a final text for action by the Board (see annex I below, decision 210 (XX)).

129. The representative of the Secretary-General of UNCTAD stated that it was the understanding of the secretariat that the working group would be serviced on the basis of the normal servicing structure provided for sessions of the Board and that the decision did not therefore have any financial implications. 13/

130. The representative of the Netherlands stated that some paragraphs of the draft resolution submitted by Group B (TD/B(XX)/SC/L.1/Rev.1) did not adequately represent the views of his delegation.

131. The representative of the Philippines, expressing his satisfaction that in the limited time available to it the Board had been able to adopt a decision that constituted a step forward, stressed that the rationalization of the machinery of UNCTAD was of concern not only to Governments and the secretariat but also to the public at large and that it was important to make UNCTAD more responsive and effective as an organ of the General Assembly.

132. He therefore hoped that, without awaiting the establishment of the working group at the twenty-first session of the Board, as called for in the decision, the Secretary-General of UNCTAD would, in the spirit in which the work of the Ad Hoc Intergovernmental Group and the negotiations at the present session had been carried out, implement those measures on which there appeared to be a large measure of consensus and on which he could go ahead on his own authority. The kind of measures he had in mind, which did not require reference to the Board, related, inter alia, to documentation (e.g. observation of the six-week rule), the need to avoid overlapping of meetings when preparing calendar proposals for the Board, and more extensive consultations between the secretariat and delegations. He noted that in this respect general guidelines were already laid down in resolutions of the General Assembly and the Economic and Social Council, as well as of the Conference and the Board, and it remained merely for the secretariat to comply more fully with them, within the limits of its resources.

13/ The statement was subsequently circulated in TD/B(XX)/SC/L.5/Add.1 (see annex IV below, sect. B).

133. The representative of Ethiopia, supporting the foregoing remarks, stated that in his view, if the provisions of existing resolutions and decisions were fully implemented by the secretariat, many of the problems involved in rationalizing the machinery of UNCTAD would be solved, although he fully recognized the responsibility of governments also, he noted that the permanent machinery of UNCTAD had two distinct parts. On the one hand, there were the intergovernmental bodies, which had the policy-making function, and on the other hand there was the secretariat of UNCTAD, which was responsible for the technical preparation of studies and for support services needed by the policy-making bodies. The Group of 77 had indicated its willingness to pursue, in informal consultations before the twenty-first session of the Board, the work initiated at the present session, and he understood that other groups were also willing to do so, thus preparing the ground for a constructive consideration of the question at the twenty-first session. He therefore urged all groups to endorse the views expressed by the representative of the Philippines, together with his own additional proposal, namely, to pursue consultations on the three draft resolutions during the intersessional period in the informal group established by the Sessional Committee of the present session of the Board.

134. The representative of the Libyan Arab Jamahiriya stated that the results achieved by the Ad Hoc Intergovernmental Committee were important and that, given the short time available, much had been achieved. It had been possible to set out clearly the views of different groups on the various questions involved and to discern areas of consensus. Speaking as Chairman of the Ad Hoc Committee, he felt that the most important result had been that for the first time there had been a serious consideration of the problems involved and a genuine attempt to deal with them, which held promise for a positive outcome at the twenty-first session of the Board. He emphasized that rationalization of the UNCTAD machinery could not be accomplished if there were not the appropriate psychological attitude to it and a real determination that it should be pursued not simply as an intellectual exercise but in its daily application.

135. The Secretary-General of UNCTAD stated that the secretariat would give careful consideration to the comments made by the three previous speakers and would make its observations on proposals for rationalization available to the Board at its twenty-first session. The secretariat would endeavour to give effect to such suggestions as could be implemented in the meantime.

G. Conference resolution 120 (V)

(Participation of developing countries in world shipping
and the development of their merchant marines)

Consideration in the Sessional Committee

136. In accordance with paragraph 11 of this resolution, the Board had before it the report of the Ad Hoc Intergovernmental Working Group on the Economic Consequences of the Existence or Lack of a Genuine Link between Vessels and Flag of Registry (TD/B/784 and Corr.1). The Sessional Committee considered this report under agenda item 7 (see chap. V, sect. C).

H. Conference resolution 127 (V)

(Economic co-operation among developing countries)

Consideration in the Sessional Committee

137. The Chairman recalled that the Board, in its decision 202 (XIX) of 20 October 1979, had decided to remit to its twentieth session the question of the convening and organizing, as envisaged in paragraph 15 of Conference resolution 127 (V), of future meetings of governmental experts of developing countries as well as of other countries, if they so wished, on specific aspects of interregional economic co-operation among developing countries.

138. The representative of the Secretary-General of UNCTAD referred to the decision taken in resolution 127 (V) that a special session of the Committee on Economic Co-operation among Developing Countries should be convened in 1980 to consider, inter alia, the proposals of the developing countries as set out in the First Short Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries (adopted at the Fourth Ministerial Meeting of the Group of 77) and to take appropriate action, in keeping with its mandate, in three priority areas: a global scheme of trade preferences among developing countries; co-operation among State-trading organizations; and the establishment of multinational marketing enterprises. The resolution had also requested the Secretary-General of UNCTAD to provide the necessary technical support, as well as conference and secretariat services, for the holding of preparatory meetings of governmental experts in order to prepare the work in these priority areas in the four months preceding the special session.

139. Since the adoption of resolution 127 (V), the developing countries had taken a number of steps in the implementation of the Action Plan. Thus, regional meetings of governmental experts had been held in Africa, Asia and Latin America. Those regional meetings were now being followed by the next stage in the implementation of the programme on economic co-operation among developing countries, namely the current preparatory meetings of governmental experts of developing countries to formulate proposals and make recommendations on the three priority areas mentioned above.

140. At its sixth meeting, on 24 March 1980, the Committee considered the draft resolution submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B(XX)/SC/L.12).

141. The spokesman for the Group of 77 said that unfortunately the Board would not be in a position to consider the results of the current interregional meeting on economic co-operation among developing countries or adopt any decisions that could arise therefrom, in order to continue supporting within the framework of UNCTAD efforts by developing countries in this field. Without wishing to prejudge the results of the interregional meeting - which were to be considered at the first special session of the Committee on Economic Co-operation among Developing Countries - he felt that the outcome would imply a number of additional activities ensuring continuity of work in this field within UNCTAD. Between the present session of the Board and the twenty-first session there would be a need to organize meetings of governmental experts provided for in paragraph 15 of Conference resolution 127 (V), in order to comply with the commitment to supporting measures for economic co-operation among developing countries in accordance with the spirit and terms of this resolution, as well as of others adopted by the General Assembly - such as General Assembly resolution 34/202 - and of the Havana declaration adopted at the Sixth Conference of Heads of State or Government of Non-Aligned Countries (A/34/542, annex, sect. V). Consequently, the Group of 77 considered that the Board should take appropriate action. In particular, the Board should decide that a total of up to four weeks of meetings be allocated to economic co-operation among developing countries in order to ensure continuity of work between its twentieth and twenty-first sessions in the three priority areas already identified: the global system of trade preferences among developing countries; co-operation among State-trading organizations of developing countries; and the establishment of multinational marketing enterprises. Subsequently, and in the light of the decisions adopted by the Committee on Economic Co-operation among Developing Countries, the Board would adopt at its twenty-first session any additional decisions required to ensure the execution of the remaining activities during 1980-1981.

142. The spokesman for Group B, speaking on behalf of countries members of Group B with the exception of Turkey, said that Group B was not in a position to know, any more than other regional groups were, what would be the outcome of the interregional meetings. Group B believed that it would be premature to adopt a decision during the present session of the Board, including a decision to authorize the Committee on Economic Co-operation among Developing Countries to agree on the convening of future meetings of governmental experts as required. The time available for UNCTAD meetings was very limited and account should be taken of the fact that other important negotiations were taking place in other fields within the competence of UNCTAD. Therefore, Group B considered that the Board could not take any further decisions on this matter unless due account were taken of the time requirements in other fields.

143. The spokesman for Group D stated that his Group viewed economic co-operation among developing countries as an important instrument for the economic liberation of developing countries. Economic co-operation among developing countries was the sovereign concern of these countries and UNCTAD's involvement in this field must be set within the limits of its competence. He referred to reservations made by his Group concerning paragraphs 13 and 15 of Conference resolution 127 (V); these paragraphs referred to future work of UNCTAD on economic co-operation among developing countries without any clear and precise definition of the limits and concrete nature of such work. Group D therefore maintained such reservations until discussion had taken place and appropriate decisions were adopted by the Committee on Economic Co-operation among Developing Countries.

144. The representative of China stressed the importance of economic co-operation among developing countries as an instrument for accelerating economic development. His country had constantly supported the proposals made by the Group of 77 in this field and, on this occasion also, China supported the proposals put forward by that Group.

145. The representative of Turkey stated that his country did not associate itself with the statement made by the spokesman for Group B and that Turkey supported the draft resolution submitted by the Group of 77.

146. At the same meeting, the Committee decided to refer draft resolution TD/B(XX)/SC/L.12 to the Board for further consideration.

Consideration in plenary

147. At the 535th meeting, on 25 March 1980, the spokesman for the Group of 77 introduced draft resolution TD/B(XX)/SC/L.12. Noting that informal consultations had been pursued since the conclusion of the work of the Sessional Committee, he proposed certain amendments to the draft and urged the Board to adopt the amended text by consensus. Should that not be acceptable, his Group would wish the draft resolution to be put to a vote.

Action by the Board

148. At the same meeting, having noted an oral statement by the secretariat of the financial and administrative implications, 14/ the Board adopted the draft resolution by a roll-call vote of 60 votes in favour, 23 against and eight abstentions 15/ (for the text, see annex I below, resolution 216 (XX)).

14/ Subsequently circulated in TD/B(XX)/SC/L.12/Add.1 (see annex IV below, sect. C).

15/ The result of the vote was as follows:

In favour: Algeria, Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Guyana, Honduras, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malaysia, Malta, Mexico, Nigeria, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Saudi Arabia, Senegal, Singapore, Somalia, Sri Lanka, the Sudan, Suriname, Syrian Arab Republic, Thailand, Trinidad and Tobago, Tunisia, Turkey, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire.

Against: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Federal Republic of, Greece, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics.

149. The spokesman for Group D, reiterating the views expressed in the Sessional Committee (see para. 143 above), stated that, had the vote on the draft resolution been divided, Group D countries would have voted against the two operative paragraphs.

150. The spokesman for Group B, speaking on behalf of the countries members of his Group which had voted against the draft resolution, stated that their vote should not be interpreted as a lack of interest in economic co-operation among developing countries as such. They attached great importance to the concept and regarded it as an important aspect of UNCTAD activities. They were prepared to work jointly with all other member States in furthering common efforts in this field. They also attached great importance to the principle of sovereign equality and universality, and it was in that context that they had agreed at Manila to the convening of three preparatory meetings of governmental experts of developing countries in order to prepare for the special session of the Committee on Economic Co-operation among Developing Countries. In so doing they had anticipated that the meetings would lead to a more productive special session.

151. The countries for which he spoke could not decide on further such meetings until they had had the opportunity to examine the results of the meetings currently taking place pursuant to Conference resolution 127 (V). As regards paragraph 2 of the resolution just adopted, it continued to be their understanding that any elaboration of the work programme of UNCTAD in this area should be discussed and approved by the Committee on Economic Co-operation among Developing Countries. They regretted that the draft resolution had been put to a vote, since they had felt that a consensus should have been reached on the basis of the principles to which he had referred. They also had strong reservations concerning the financing from the regular budget of the further meetings provided for in the resolution.

152. The representative of Israel stated that his delegation attached great importance to economic co-operation among developing countries and that it was one of the main prerequisites for improving economic and social conditions in all countries. The concepts of economic and technical co-operation among developing countries corresponded to his country's philosophy on development co-operation, and as a developing country Israel had therefore participated for more than two decades in a variety of activities of this nature with developing countries in different continents, and had attempted to contribute its own ideas in UNCTAD and other United Nations forums. His delegation had joined the consensus on resolution 127 (V) adopted at Manila on the understanding that the meetings of governmental experts of developing countries stipulated in paragraphs 13 and 15 of the resolution would be open to the participation of all the developing countries members of UNCTAD, based on the principles of sovereign equality and universality. These principles had been reflected in the discussions in Negotiating Group IV of the fifth session of the Conference. His delegation considered that the procedures which had been followed by the UNCTAD secretariat in implementing the resolution were contrary to the spirit of the consensus finally reached, and in defiance of the basic principles to which he had referred and which were enshrined in the Charter of the United Nations. His country, along with others, strongly believed that meetings in UNCTAD on economic co-operation among developing countries, including those envisaged in the resolution just adopted, should be open to all interested developing countries. His delegation could not support the request in paragraph 2 of the resolution concerning further work before it had an opportunity to examine, evaluate and endorse the conclusions which eventually emerged from the current interregional meetings. For all these reasons it had been compelled to vote against the draft resolution.

I. Conference resolution 131 (V)
(Protectionism and structural adjustment)

153. For its consideration of this item, the Board had before it the following reports by the UNCTAD secretariat: "Suggestions regarding the organization of an annual review of the patterns of production and trade in the world economy" (TD/B/781) and "Protectionism and structural adjustment: review of developments involving restrictions of trade" (TD/B/782).

Consideration in the Sessional Committee

154. The Chairman recalled that, in its decision 199 (XIX), the Board had decided, with respect to paragraph 5 of Conference resolution 131 (V), that the Board at its twentieth session and its subsidiary bodies, as appropriate, at their next sessions, should continue to review developments involving restrictions of trade, with a view to examining and formulating recommendations concerning the general problem of protectionism.

155. The representative of the Secretary-General of UNCTAD recalled that Conference resolution 131 (V) had two parts dealing, respectively, with policies and measures for structural adjustment related to trade and with policies and measures to deal with the problem of protectionism. It was very significant that, in this resolution, the Conference had brought together the two issues of structural adjustment and protectionism, which were inextricably linked. He referred to the introductory statement of the Secretary-General of UNCTAD at the present session of the Board in which he had stated that resolution 131 (V) was wide-ranging enough in scope and of sufficient importance to merit remaining a subject of concern to the Board itself (see para. 8 above).

156. The spokesman for Group B, speaking on behalf of the Group B countries with the exception of Spain and Turkey, focused his comments on document TD/B/782, with which his Group had a number of difficulties. However, his Group welcomed discussions and an exchange of information in multilateral forums on protectionism and structural adjustment and wished therefore to contribute to a realistic and meaningful dialogue of these problems in UNCTAD, in accordance with resolution 131 (V), which Group B considered to be an important result of the fifth session of the Conference. It was Group B's understanding that there was an appropriate division of work between UNCTAD and GATT, and it expected them to co-operate in carrying out their respective roles. The two institutions were complementary and should not duplicate each other's work, or venture in depth into each other's field of competence. UNCTAD should deal with the general problems of protectionism, as provided for in resolution 131 (V), while GATT should focus on particular problems of future protectionist action, as had also been agreed at the fifth session of the Conference. His Group did not agree generally with many of the conclusions set out in TD/B/782 and considered that the document did not present a balanced review of developments regarding trade restrictions. For example, it was not evident from the data presented in the document that departures from the standstill had been "many" or that they had been directed particularly at the exports of developing countries.

157. The secretariat had drawn unsubstantiated conclusions about the net effect of trade liberalization measures taken by developed countries, as compared to their trade restrictive measures, when both were taken in aggregate. The claim that there was a direct causal link between the trade restrictive measures of developed countries and the share of developing countries in international trade had not been substantiated. His Group did not accept the contention that the imposition of antidumping and countervailing duties, in accordance with the GATT, to offset unfair trade practices constituted restrictive measures. It did not agree that there had been evidence of an over-all "sliding back of the efforts to liberalize world trade" and noted that the secretariat had completely ignored the impact of the latest round of multilateral trade negotiations. Despite the existence of protectionist pressures, there had been continuing growth in developing country exports to OECD countries and, during the period 1971-1978, OECD trade with developing countries had expanded somewhat more rapidly than over-all OECD trade.

158. In paragraph 20 of TD/B/782, the secretariat had presented the views of developing countries; the document would have been more balanced if the views of other regional groups had been included. Paragraph 21 stated that import restrictions had occurred precisely in those sectors where new growth opportunities could be opened up for many developing countries thanks to their comparative advantage in these areas. Group B was not convinced that developing countries had necessarily developed comparative advantage in all the sectors mentioned. Regarding paragraph 24, he pointed out that the concept of the standstill accepted by developed countries did provide for exceptions when this was necessary for compelling reasons. The developed countries had made great efforts to live up to the commitments that they had accepted and would continue to do so. It was also their objective to continue to endeavour further to liberalize quantitative restrictions and measures having a similar effect; however, a time-bound programme to this end would hardly be appropriate.

159. With regard to other specific recommendations in paragraph 26, Group B agreed that the Trade and Development Board and its subsidiary bodies should continue to review developments involving restrictions of trade, as set out in paragraph 5 of resolution 131 (V). However, it believed that UNCTAD should deal only with the general aspects of protectionism. He noted that GATT was updating its inventory of non-tariff measures and further work in UNCTAD could usefully await the outcome of that exercise. Referring to the view that the Secretary-General of UNCTAD should be able to participate in the work of GATT, Group B noted that GATT Committees established following the conclusion of the multilateral trade negotiations had made provision for the participation of observers from intergovernmental organizations and that the request of the Secretary-General of UNCTAD would be considered in the light of these procedures.

160. The spokesman for Group D, speaking also on behalf of Mongolia, said that the widespread application of protectionist measures and of various forms of trade restrictions by a number of industrially developed western countries was detrimental to the development of industrial trade, and affected the interests of all countries, including socialist countries and developing countries. That was why due attention was attached to protectionist measures in such documents as the proposals for an outline of UNCTAD's contribution to the formulation of an international development strategy for the third United Nations development decade. Attempts to resolve problems of international economic relations from a position of strength and coercion with unlawful economic boycotts and blockades were incompatible with the objective of developing equitable and mutually-advantageous international trade and economic co-operation. UNCTAD should play an increasingly important role in efforts to eliminate trade restrictive measures listed, inter alia, in resolution 131 (V). His

Group therefore supported the proposal of the Secretary-General of UNCTAD that the problems of the elimination of protectionist measures and of the implementation of resolution 131 (V) should be considered every year by the Trade and Development Board. The Board, as well as its subsidiary bodies, especially the Committee on Manufactures and the Committee on Commodities, should also increase and intensify their efforts in that direction and draw up appropriate recommendations. Any action against growing protectionist measures, especially in their new forms, must be regarded as part of the movement for the progressive restructuring of international economic relations.

161. Regarding documents TD/B/781 and TD/B/782, he stated that Group D supported the work being done by the UNCTAD secretariat on the updating of the inventory on non-tariff barriers affecting trade in manufactures and semi-manufactures, and on the analysis of the effects of such barriers, as requested in resolution 131 (V). He added that the UNCTAD secretariat must take into account, inter alia, the notifications from all countries affected by protectionist measures and by other forms of trade barriers. He reiterated his Group's firm position that international efforts against protectionist measures could not be effective if they were confined to looking after the interest of only one group of countries. The principle of universality had to be applied in all activities concerning the defence of the interests of countries affected by trade restrictions.

162. The representative of Japan, referring to document TD/B/782, said that it contained inaccurate references to a number of trade measures recently introduced by his country, and requested the secretariat to issue a corrigendum to paragraphs 13 and 16 to take account of the corrections which he would submit to the secretariat.

163. The representative of Australia associated himself with the views expressed by the spokesman for Group B. In addition, he wished to correct some false impressions which might have been created by the list of trade restrictive measures attributed to Australia in paragraph 14 of document TD/B/782. Australian measures appeared with such prominence only because protective measures were introduced by an administrative mechanism, including public hearings, which ensured that they were completely transparent and obvious to all. He added, however, that it would be wrong to suppose that the measures noted in this paragraph had been introduced as a means of restricting the trade of developing countries. Many of the goods mentioned, including security cameras, sunshades and their parts, continued to enter duty-free from developing countries. Most of the other items mentioned, including tufted carpets, were subject to a significant margin of preference for developing countries under the Australian system of tariff preferences.

164. The views of the Australian Government on the question of protectionism and its effects on prospects for developing country production and trade had been set forth on a number of occasions, and at the highest level, in UNCTAD. There was a pressing need for all governments to build on the genuine but limited measures of trade liberalization achieved in the multilateral trade negotiations. It was not enough for major trading nations to agree merely to resist further protectionism, since it was essential that protectionist barriers, especially those not in accordance with the GATT, be progressively eliminated. Such progressive elimination had to be coupled with a process of positive adjustment in the industrial structures of all countries, especially those of the major developed countries. The short-term difficulty of such adjustment could be significantly eased by an increase in the volume of world trade brought about by simultaneous positive adjustment on the part of the major trading nations.

165. The representative of the United States of America said that minor corrections had to be made with reference to paragraphs 12 and 17 of TD/B/782. He would supply the secretariat with the necessary information, which could be issued as a corrigendum to the document.

166. The spokesman for the European Economic Community said that it was essential that the requests made in Conference resolution 131 (V) to the Trade and Development Board and to the Secretary-General of UNCTAD should be dealt with consistently within the activities which GATT undertook at the request of the same resolution. The Community had, in several forums, expressed its intention of respecting the standstill provisions as regards exports of developing countries. He noted that, in the framework of GATT, the role of the Committee on Trade and Development had been considerably strengthened; the inventory of non-tariff barriers to trade, as well as documentation on trade restrictions and trade in tropical products, would be updated and transmitted to UNCTAD at the appropriate time; further studies would be undertaken on tariff escalation. Procedures were being studied in GATT for the regular and systematic examination of the evolution of the international trading system. Furthermore, the GATT Committee on Trade and Development had set up an open-ended sub-committee to study protectionist measures affecting imports from developing countries; consultations were also in progress for setting up another sub-committee to give particular attention to the special problems of least developed countries, and EEC was in favour of setting up such a sub-committee.

167. UNCTAD had a general function in this sphere, which was to examine the negative impact of all protectionist tendencies which could affect the expansion of developing countries' exports and thus the development prospects of these countries. In this context, it was timely to recall UNCTAD's essential contribution as regards the generalized system of preferences (GSP); its study of any effects of measures taken under the GSP ought to suggest to preference-giving countries the orientations which could lead to a better utilization of the system's benefits, especially for the least developed countries. The Community had decided to extend its scheme of preferences for a further period and to improve it, in particular for the benefit of least developed countries. From now on, the EEC scheme would include duty-free entry for the great bulk of the industrial and agricultural imports originating in the latter countries. The Community did everything possible to ensure that the developing countries, and in particular the least developed among them, could benefit from the advantages offered by the EEC scheme. UNCTAD should continue to provide technical assistance to those developing countries that wished to take advantage of it so that they could better defend their interests.

168. As regards structural adjustment, he stated that this was a complex and delicate question of concern to all countries and had social and political, as well as economic, implications. The issue was the subject of study and discussion in several international forums, among which both GATT and UNCTAD had a role to play. As regards UNCTAD, the Committee on Manufactures could usefully deal with the annual study of the structure of production and trade in the world economy. In this respect, he took note of the suggestion by the Secretary-General of UNCTAD, contained in document TD/B/781, to prepare an analytical study on world production and trade.

169. At its sixth meeting, on 24 March 1980, the Committee considered the draft decision submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B(XX)/SC/L.9) and the draft decision submitted by Hungary on behalf of the States members of Group D (TD/B(XX)/SC/L.14).

170. The spokesman for the Group of 77 recalled that Conference resolution 131 (V), which had been adopted by consensus, recognized that trade played an essential role in the economic development of all countries, especially the developing ones. Regrettably, the expansion of world trade in the last few years had been inhibited by the increase of indiscriminate protectionist practices on the part of the developed countries, yet resolution 131 (V) recognized that the world's economic problems could not be solved by protectionist measures. The efforts of developing countries towards expanding their production and exports were encountering artificial obstacles which prohibited their proper development and which could be removed only by policies and measures that improved access to the markets of developed countries and facilitated the restructuring of world industry and trade. It was therefore necessary to adopt a series of policies and measures that would favour the developing countries' production and marketing base and thus enable them to account for a larger share of world trade.

171. He reiterated the view of the Group of 77 that there was an intimate relationship between structural adjustment and protectionism. The elimination of protectionism was a necessary condition for achieving structural adjustment and for enabling developing countries in the near future to increase their production and to diversify their international trade. For their part, the developing countries were making efforts to create and increase their production capacity, by setting up marketing organizations, developing their commercial infrastructure and promoting trade among themselves. They asked that the developed countries, on their side, should facilitate access to their markets and introduce appropriate policies to achieve structural adjustment. That was indispensable if the developing countries were to attain the objective of a 25 per cent share of world industrial production and a 30 per cent share of world trade by the year 2000. These ideas had been developed at length in the Group of 77's basic document on the contribution of UNCTAD to the new international development strategy. 16/

172. With a view to fulfilling the provisions of resolution 131 (V), the Group of 77 had presented a draft decision on structural adjustment and protectionism (TD/B(XX)/SC/L.9) on which no consensus had been reached in spite of the fact that the draft was strictly procedural in nature. It was to be hoped that, when this matter was discussed in the plenary of the Board, a consensus solution would be found to this issue, which was of great importance for the international economy. In its draft decision, the Group of 77 had confined itself to requesting the Trade and Development Board to examine at its second session each year specific proposals for the implementation of resolution 131 (V). At the same time, his Group had suggested that this review should take place in a sessional committee of the Board, both because of the importance of the issue and because of the heavy agenda of the Board. The draft decision also requested the Secretary-General of UNCTAD to carry out the necessary studies. These studies should cover the whole range of protectionist measures taken by developed countries in all sectors of international trade. In this connexion, he expressed his Group's agreement to a proposal made in the Contact Group that, firstly, these studies should take into account contributions by governments and, secondly, that protectionism and structural adjustment should be the subject of constant review by the appropriate organs of UNCTAD, which should draw up concrete recommendations for consideration by the Trade and Development Board.

16/ See annex I of the report of the High-level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy on its second session (TD/B/791/Add.1).

173. The spokesman for Group D said that the problems of structural adjustment and protectionist measures were closely interrelated and could not be handled separately. Any international efforts against protectionist measures could not be effective and positive, from the point of view of international trade, if they were confined to the interests of only one group of countries. He recalled that, on behalf of the member countries of Group D and Mongolia, his country had submitted a draft decision on protectionism and structural adjustment (TD/B(XX)/SC/L.14), which was in no way in contradiction with the draft decision submitted by the Group of 77 (TD/B(XX)/SC/L.9) but was rather an extension of it. Such an important question as protectionism and structural adjustment had not only to be dealt with at the level of the Board but had also to be kept under constant review by the appropriate bodies in UNCTAD, which would draw up concrete recommendations for consideration by the Board. Paragraph 2 of the draft decision submitted by Group D proposed that, in carrying out the necessary studies to facilitate the work of the Board, the Secretary-General of UNCTAD should take into account the possible contributions of States members of UNCTAD. This work related to the implementation of Conference resolution 131 (V) in its entirety.

174. The spokesman for Group B said that structural adjustment and protectionism were two different problems. It was true that structural adjustment could alleviate protectionist pressures, but other factors had also to be considered, such as the rising price of energy. The two tasks covered by Conference resolution 131 (V) should, in the view of many governments, be tackled in different bodies. That resolution had two parts: section A on structural adjustment and section B on protectionism. Paragraphs 2 and 5 of the resolution were completely different in approach and in wording. The discussions on structural adjustment should be carefully prepared. The report prepared by the secretariat (TD/B/781) was unsatisfactory and presented an unclear and vague outline which needed further refinement. He requested that the Secretary-General of UNCTAD should further refine the outline, in consultation with regional groups.

175. The representative of the Secretary-General of UNCTAD expressed the view that the issues of protectionism and structural adjustment were interdependent and quoted two paragraphs from the preamble of Conference resolution 131 (V) which were common to the two issues. He added that resolution 131 (V) envisaged the annual review¹³ as a discussion of general policies and global trends by a political, intergovernmental body. For this exercise, the intergovernmental body would take into account all "relevant available information", including, but not exclusively, the background information provided by the secretariat. It was clear, therefore, that any studies prepared by the secretariat would not prejudice the decisions of the intergovernmental body. There seemed to be no reason for a departure from the past practice in order to enable government representatives to discuss the outline of secretariat documents while the latter were still under preparation. However, to the extent possible, the suggestions of governments would be considered by the secretariat.

176. Responding to the statement by the representative of the Secretary-General of UNCTAD, the representative of the United States of America said that he disagreed with the secretariat's interpretation of Conference resolution 131 (V). Moreover, he disputed the last sentence in the statement because he considered that the secretariat did not usually take the views of Group B into account.

177. At the same meeting, the Sessional Committee decided to refer draft decisions TD/B(XX)/SC/L.9 and TD/B(XX)/SC/L.14 to the Board for further consideration.

Consideration in plenary

178. At the 535th meeting, on 25 March 1980, the Acting President introduced a draft decision which he had submitted as a result of his informal consultations (TD/B/L.566), and draft decisions TD/B(XX)/SC/L.9 and L.14 were withdrawn.

Action by the Board

179. At the same meeting, the Board adopted the draft decision submitted by the Acting President, having noted the statement of administrative and financial implications 17/ (see annex I below, decision 217 (XX)).

180. The spokesman for Group D, speaking also on behalf of Mongolia, stated that, in the view of those countries, paragraph 4 of the decision did not preclude the Secretary-General of UNCTAD from taking account of possible contributions by member States in accordance with Conference resolution 131 (V).

181. The spokesman for the Group of 77 stated that the decision just adopted, while it did not fully reflect the aspirations of the Group of 77 in relation to Conference resolution 131 (V), constituted a compromise which had been reached after arduous negotiations. It was the understanding of his Group that the work programme of the sessional committee to be established at the twenty-first session of the Board would need to be approved by the Board itself, and would include the subjects referred to in paragraph 2 of the decision to the exclusion of any other subject.

182. The spokesman for Group B said that, while there might be different interpretations of Conference resolution 131 (V), the text of the decision just adopted was clear and unambiguous to his Group. Group B was, nevertheless, concerned over the possible financial implications of the decision, but would contribute its maximum to limiting them.

17/ For the statement of administrative and financial implications (TD/B/L.566/Add.1), see annex IV below, sect. D.

J. Conference decision 132 (V)
(Multilateral trade negotiations)

183. For its consideration of this item, the Board had before it the report by the Secretary-General of UNCTAD entitled "Assessment of the results of the multilateral trade negotiations" (TD/B/778 and Add.1 and Add.1 (Summary) and Corr.1) and a supplementary report by the Director-General of GATT on the Tokyo Round of Multilateral Trade Negotiations (made available under cover of TD/B/788).

Consideration in the Sessional Committee

184. The representative of the Secretary-General of UNCTAD drew attention to General Assembly resolution 34/199 according to which the report on the results of the multilateral trade negotiations (MTN) ^{18/} was to place special emphasis on those sectors of the MTN where the results had not taken full account of the interests and concerns of developing countries. The Board had also been requested to identify possible courses of action for the attainment of the objectives pursued by the developing countries in the MTN. Concerning the results of the MTN, he said that, if they were implemented in a positive and dynamic manner, they could be viewed as an important step in dealing with a number of significant problems and issues in international trade. On the other hand, seen in the context of the aims and objectives of the Tokyo Declaration of 1973, ^{19/} the over-all results would appear to be rather modest and wanting in many respects, particularly for the developing countries, many of whose proposals for differential and more favourable treatment had not been fully met. The tariff reductions resulting from the MTN would erode the preferential margins which the developing countries at present enjoyed on many products of export interest to them. Moreover, the institutionalization of the concepts of conditionality and graduation could have far-reaching consequences for the developing countries and could lead to arbitrary and discriminatory treatment of those countries.

185. He emphasized that a matter of immediate concern, particularly for the developing countries, was the manner in which the MTN instruments would be implemented. He expressed the hope that the developed countries would take into account the interests and concerns of developing countries in drawing up the relevant legislation and procedures to implement the results of the MTN.

186. He said that one of the main issues which had not been fully negotiated related to safeguards. Many participating countries, especially the developing countries, considered that the lack of agreement on this issue represented a failure to contain growing protectionism in international trade. He noted, however, that GATT Contracting Parties had decided to continue negotiations with the aim of elaborating supplementary rules and procedures regarding the application of Article XIX of the General Agreement, in order to provide greater uniformity and certainty in the implementation of its provisions. A report on the subject was expected to be submitted to the Contracting Parties by 30 June 1980.

^{18/} General Agreement on Tariffs and Trade, The Tokyo Round of Multilateral Trade Negotiations: Report by the Director-General of GATT (Geneva, April 1979).

^{19/} See General Agreement on Tariffs and Trade, Basic Instruments and Selected Documents, Twentieth Supplement (Sales No. GATT/1974-1), p. 19.

187. He believed that, in terms of their mandates and responsibilities, the Board and its subsidiary bodies should continue to follow closely the developments in the implementation of the results of the MTN and the consultations or negotiations on unresolved issues. They should also assist the developing countries to participate fully and effectively in future negotiations in order to achieve their own aims and objectives. If UNCTAD were to carry out its responsibilities effectively, it was essential that the Secretary-General of UNCTAD be represented in the various meetings of the GATT bodies concerned and have timely access to all relevant documentation. The Secretary-General of UNCTAD, for his part, would transmit to those bodies relevant UNCTAD documentation for such use as was deemed appropriate. The UNCTAD secretariat should also continue to provide technical assistance and support to developing countries to help them to derive full benefit, both from the results of the MTN and from any further negotiations.

188. In conclusion, he said that, in order to facilitate further consultations and negotiations on outstanding issues and to further the aims and objectives of the MTN with respect to the developing countries, the Board might wish at its present session to consider the guidelines or principles suggested in paragraphs 251-252 of document TD/B/778.

189. The spokesman for the Group of 77 stated that the position of the developing countries had not changed significantly from the one they had indicated at the time of UNCTAD V and subsequently at the last session of the GATT Contracting Parties and at the nineteenth session of the Trade and Development Board. He reiterated the importance the developing countries attached to an appropriate solution of the problem of safeguards, without which the over-all results of the MTN would be unbalanced so far as the developing countries were concerned. He further recalled the lack of agreement on quantitative restrictions, the limited concessions in the field of tropical products, and the scant attention paid to the problem of tariff escalation as well as to paragraph 6 of the Tokyo Declaration relating to the least developed countries. As far as the agreements on non-tariff measures were concerned, most of the developing countries were still in the process of studying their implications with a view to taking a final decision on whether or not to adhere to them.

190. He referred to certain recent events that had occurred in GATT, namely the decisions taken by the Contracting Parties regarding non-signatories participating in the discussions in the various committees as observers; the establishment of a committee to pursue discussions and negotiations on safeguards; and the decisions taken in the Committee on Trade and Development to pursue trade liberalization in certain sectors, such as quantitative restrictions, tariff escalation and tropical products. He regretted that it had not been possible to take a decision with regard to the creation of a sub-group to consider the special problems of the least developed countries but hoped that this would be done at the next session of the GATT Committee on Trade and Development.

191. He emphasized that the work at the present session of the Board should look to the future and see what had to be done in connexion with matters that had not been dealt with during the MTN or what remained to be done as a result of the MTN. In this connexion, the Group of 77 were of the view that the standing machinery of UNCTAD, in particular the Committee on Manufactures and the Committee on Commodities, should, within their respective fields of competence, conduct a detailed examination of the implications of the results of the MTN for international trade, in particular the trade of the developing countries, and report to the Board at its twenty-first session for its evaluation. These

Committees should in future follow closely the developments within GATT in order to ensure that the interests of the developing countries were fully safeguarded and preserved. In order to enable developing countries to participate effectively in this work, the Secretary-General of UNCTAD, with the support of UNDP, should continue to assist developing countries in the consultations and the negotiations on unresolved and outstanding matters that were of special interest to those countries. Furthermore, in order to enable the Secretary-General of UNCTAD to extend such assistance to the developing countries, he should be requested to follow very closely the work in GATT in the post-MTN framework and to consult with the Director-General of GATT concerning appropriate arrangements for the Secretary-General of UNCTAD to be present at the meetings of the relevant GATT bodies created as a result of the MTN and to have timely access to the necessary documentation. The Secretary-General of UNCTAD should transmit to these bodies the relevant UNCTAD documentation for use as deemed appropriate.

192. The spokesman for Group D said that the Group D countries considered that the present state of international trade required the intensification of UNCTAD activity in examining current trade policy problems, taking into account the interests, and with the participation, of all countries. It was from this position that the socialist countries approached consideration in UNCTAD of the results of the MTN.

193. Elaborating on the Group D position on questions relating to the MTN, which had been set out in particular at the nineteenth session of the Board, he recalled that the MTN had been organized on the basis of the Tokyo Declaration, which had emphasized that the aim of the negotiations was, in accordance with the most-favoured-nation principle, to achieve the liberalization of international trade through the progressive elimination of obstacles to its development and the improvement of the international framework for the conduct of world trade. At the same time, in considering the results of the MTN, UNCTAD should approach their evaluation on a broader basis: namely, to what extent had the MTN contributed to the aims and tasks of creating a new international economic order, to what extent had they helped to eliminate inequality and discrimination in international trade and, lastly, to what extent were the results of the negotiations in the interests of all participants in international trade?

194. In their Joint Declaration at the fourth session of the Conference (TD/211), the socialist countries had already set out their approach to the MTN. They had emphasized that the interests of all countries, regardless of differences in their social and economic structures and level of development, must be taken into account in those negotiations.

195. The socialist countries participating in the MTN based their position on the premise that all forms of violation of contractual rights and all discriminatory measures caused by the activities of countries or a particular group of countries had to be eliminated. The concessions they made and their approach to the negotiations therefore depended on whether their rights were being fully observed.

196. As a preliminary comment, it might be said that, taking into account the exclusions and reservations made by some market-economy countries, including those made in respect of the socialist countries, the agreement reached to reduce customs duties over a period of eight years could hardly be regarded as a substantial step towards reducing trade barriers.

197. The evaluation of the socialist countries participating in the MTN of the negotiations on tariffs was based on the following criterion: how far did the reductions in tariffs improve conditions of access for their goods to the markets of Western countries?

198. The so-called "voluntary export restraints" which emerged as by-products of protectionism, as well as quantitative restrictions that were inconsistent with Article XIII of the GATT but still maintained by some developed market-economy countries with respect to a large number of export goods of socialist countries, to a great extent limited and even nullified the impact of tariff reductions. Once again, the Group D countries condemned the use of these restrictions and called on the countries concerned to eliminate them. In this connexion, it was important to note that nothing had in fact been done at the MTN with regard to the elimination of quantitative restrictions.

199. The many facts that had emerged in recent months, following the completion of the MTN, relating to the introduction of new barriers, some of which were listed in the UNCTAD secretariat's report entitled "Protectionism and structural adjustment" (TD/B/782), indicated that the MTN had failed to stop the spreading of protectionist measures in the developed market-economy countries, and the threat of a new wave of protectionism hung heavily over international trade.

200. The negotiations on agricultural products, particularly those of temperate zones, had to a large extent been left out of consideration by GATT, and agricultural protectionism by certain countries and groups of countries, with all its attendant negative consequences, particularly for supplies from third countries, had remained again outside the discipline of GATT. Some socialist countries participating in the MTN had a considerable interest in improving the conditions of access for, and stabilizing supplies of, these products to the markets of Western countries. They were looking forward with hope to the outcome of GATT activity in this sphere under its programme of work. Co-operation in agricultural trade must be improved and this must be done in the very near future.

201. The socialist countries participating in the MTN were awaiting with interest the outcome of the continuing negotiations on safeguard clauses. The approach of a number of developed market-economy countries to these negotiations had constituted and still constituted a real threat that a new protectionist and even discriminatory measure would be formulated. The negotiations on this matter must not end by undermining a fundamental principle of the GATT and of international trade - i.e. the most-favoured-nation principle.

202. As emphasized in the report by the UNCTAD secretariat (TD/B/778), more than 60 of the 160 member countries of UNCTAD had not participated in the MTN, i.e. they had not participated in the drafting of norms and provisions which, in the final analysis, might affect their trade and economic interests.

203. The socialist countries were studying various codes worked out at the MTN. They attached great importance to the implementation of these codes in such a way as to ensure full compliance with the most-favoured-nation principle. Implementation of the codes might involve a review of national legislation as it applied to trade relations, thereby affecting the interests of all countries, including countries that had not participated in the MTN or had not joined in these agreements. It was inadmissible that any restrictions of a discriminatory nature among countries subscribing to the codes should be introduced into the national legislation of signatory countries of the codes; furthermore, it was inadmissible that a double standard should be introduced into national legislation as between countries that had been participants and those that had been non-participants in the MTN. The single basis for the conduct of world trade in the period following the completion of the MTN remained the full application of the most-favoured-nation principle.

204. Finally, he said that UNCTAD must continue to review the results of the MTN as well as the questions which remained unsolved during the negotiations. Furthermore, the process of implementation of the agreements worked out at the MTN must be studied in UNCTAD from the standpoint of the interests of all participants in international trade. To that end, it was also essential that the Secretary-General of UNCTAD should be able to attend the meetings of the various organs of GATT, including bodies established as a result of the MTN. The Group D countries viewed with understanding the opinion of the developing countries that the results of the MTN had fulfilled neither the hopes of the developing countries nor the promises given at the Ministerial Meeting in Tokyo.

205. The spokesman for the European Economic Community said that the successful conclusion of the MTN was of the utmost importance in the maintenance and improvement of an open trading system. The least developed countries benefitted substantially both from the over-all MTN package and from the specific concessions granted by EEC. The advantages were both in the area of tariffs, particularly for tropical products, and in the agreements providing for legal security and greater economic stability. Not all of the ambitions of the least developed countries had been met but, given the considerable economic and social constraints weighing on the developed countries, progress had been considerable. Certain least developed countries had participated actively in the negotiations and had provided concrete support. The Community hoped that other least developed countries would follow this example and contribute to the over-all results in a manner compatible with their level of development and economic situation.

206. He said that EEC had unilaterally put into operation its tariff and non-tariff offers on tropical products on 1 January 1977. In 1977, the offer had been worth \$4 billion.

207. On the tariff side, the reduction by one third of customs duties by the industrial countries constituted a significant new stage in the process of tariff dismantlement, and developing countries would benefit from it either immediately or in the future. The reduction of EEC tariffs covered trade worth about \$5 billion. In this regard, EEC was confronted by largely contradictory claims, since some developing countries asked for more extensive and more rapid tariff

reductions on products they exported, whereas others insisted on a less extensive and less rapid reduction on the same products so that they could retain their preferential margins under the generalized system of preferences. This showed the difficulty of carrying out an over-all analysis of the phenomenon of the erosion of GSP margins, because the situation varied from product to product and country to country. As regards non-tariff barriers, the developing countries would benefit from the various provisions for differential treatment, such as increased flexibility, exemption from certain obligations under the codes, technical and financial assistance, special measures in favour of least developed countries, etc. In addition, the results of the negotiations in the Framework Group were especially significant for the least developed countries, in particular the enabling clause which established in the GATT an explicit legal provision for the GSP. It would also serve as a basis for the exchange of preferences among developing countries, and for other forms of differential treatment in favour of developing countries, especially the least advanced among them. Since its adoption in November 1979 of the results of the MTN by the contracting parties, EEC had adopted the internal decisions and regulations which were necessary for these instruments to enter into effect on 1 January 1980. The GATT Contracting Parties had also laid down procedures providing for the participation of non-signatory countries as observers in the Committees or Councils set up under the instruments negotiated. The EEC hoped that this would encourage and facilitate the accession of these countries to the instruments. Regarding safeguards, EEC was determined to continue discussions and negotiations in the context of the Committee set up in GATT to arrive at a mutually satisfactory solution.

208. The representative of Japan said that it was regrettable that it had not been possible to come to an agreement on safeguards in the course of the MTN and that this should be pursued as a matter of urgency. Yet this should not lessen the importance of the very substantial results of the MTN, particularly when one recalled that the long and arduous negotiations had been conducted in a persistently unfavourable environment, in which the domestic economies of the participating countries had been under the strain of such worldwide problems as increasing unemployment, inflation and energy crises. The conclusions of the MTN would help to improve the standard of living and the welfare of nations through expanded and liberalized international trade. There would also be much benefit for the trade of developing countries deriving from the reduction of trade barriers, including tariff cuts negotiated in the MTN. Furthermore, various MTN agreements, taking into account the trade needs of the developing countries, contained provisions for special and differential treatment in favour of those countries. As the spokesman for Group B had noted at UNCTAD V, this was the first time that special provisions for developing countries featured in a multilateral trade negotiation round. It was his earnest hope that as many developing countries as possible, in recognition of the attendant advantages, would accede to the MTN agreements. It was the view of his Government that the interests of developing countries would best be served if they joined with other countries participating in the MTN codes.

209. Finally, he noted the inaccuracy of information given in paragraph 8 of TD/B/778/Add.1 (Summary) and said that the depth of tariff reductions (weighted average) and post-MTN tariff averages (weighted) of Japan on industrial products, as shown in the GATT report on the Tokyo Round (Vol.II), were more favourable than those of its major trading partners.

210. The representative of Canada said that it had not been possible for his delegation to provide a detailed statement on the substance of document TD/B/778 and Add.1 in the time available and he would therefore confine himself to general comments on the process of assessing the results of the MTN. He felt that the results of the MTN could be looked at in a number of ways. In the first place, one could make an assessment of what might be called the "raw" results of the negotiations, an assessment which, if it were to serve any useful purpose, would need to contain a balance of both the positive and the negative elements. At one extreme, such an assessment would enumerate all those instances in which the objectives and negotiating demands of each party had not been met, and to what extent: at the other extreme, the assessment might record the positive achievements against the background of what was possible in the current economic situation. His country shared the developing countries' concern over some of the results of the MTN, for example the failure to eliminate or reduce to a greater extent tariff escalation on a number of resource-based products, or the inability to conclude the negotiations on safeguards.

On the other hand, there had been notable benefits to developing countries, including advance implementation of non-reciprocal tariff concessions on tropical products, bound - and therefore secure - most-favoured-nation tariff reductions, without in most cases reciprocal contributions by developing countries, and a strengthening of the legal basis and added security for preferential treatment through the enabling clause of the framework agreement. A second way in which the MTN should be evaluated related to the international economic difficulties and protectionist pressures under which the negotiations had taken place - factors which had not been foreseen in the drafting of the Tokyo Declaration. The conclusion of the MTN in these circumstances had been a major achievement and was a strong indication of the commitment to maintain and improve an open and stable world trading environment, for the benefit of both developed and developing countries. This had been a major response to the forces of protectionism. Lastly, the MTN results should be viewed in terms of the implementation of commitments undertaken and of the operation of the various agreements. Any assessment should include an analysis of the real trade-creating effects of the results over time, rather than a mere compendium of negotiating demands which had not been met. The success of the MTN would depend largely on the degree of active involvement of participating countries, including developing countries, and their commitment to effective implementation.

211. Commenting on the report by the secretariat, he said that there was a lack of balance which stemmed in part from a tendency to measure results against maximum negotiating demands, with no recognition of the broader negotiating and economic context, and in part from an undue and perhaps faulty focus on GSP erosion. His delegation challenged the underlying assumption in the report that progress in achieving most-favoured-nation tariff liberalization was necessarily bad for developing countries because of its alleged erosion of GSP margins. In establishing the GATT waiver for the GSP, it had been clearly recognized that preferential arrangements would not impede most-favoured-nation tariff reductions. Moreover, no over-all assessment had been made, at least in the summary and conclusions of the report, of the favourable impact which the tariff reductions might have on the trade of least developed countries, taking into account the limitations of some current GSP schemes, the ability of many

developing countries to take full advantage of most-favoured-nation cuts, and the increased long-term access assured by bound most-favoured-nation reductions. A number of other studies had indicated that the benefits to developing countries of most-favoured-nation reductions outweighed any losses from GSP erosion.

212. In conclusion, referring to the further courses of action set out in chapter V of TD/B/778, he said that, while his delegation could agree that there might be a number of ways in which UNCTAD could help developing countries to reap the full benefits of the results of the MTN, it was of the view that the most effective way to achieve this objective would be for developing countries to participate actively in the range of new mechanisms within GATT. Canada would, for its part, support efforts to ensure that the MTN agreements, and the various committees set up under them, operated in a manner which would facilitate the participation of the developing countries and would address the particular trade interests of those countries.

213. The representative of Switzerland said that the MTN indicated the will of the international community to maintain and perfect an open trade system. The results of the MTN represented real progress, even though it had not been possible to attain certain objectives. He felt that a global evaluation of the MTN would be a very delicate matter, since each government participating in the negotiations needed to make its own evaluation in the light of its own specific interests. In the future, greater efforts would be necessary in improving the open trade system, taking into account, *inter alia*, the changing situation of the new partners in world trade. Recalling that Switzerland had signed all the instruments stemming from the MTN and that the Swiss Parliament had completed the process of approving the results of the Tokyo Round in 1979, he expressed the hope that as large a number as possible of countries having participated in the MTN, in particular the developing countries, would be able to adhere to as many of the MTN instruments as possible. He stated that Switzerland would continue to strive, in all the competent forums, for progress in the sphere of world trade to the benefit of all parties.

214. The representative of Australia said that since his Government had had insufficient time to give full consideration to the documents prepared by the UNCTAD secretariat on this item, it would have to reserve until a later date its position on the UNCTAD evaluation of the MTN results. However, reiterating the evaluation of the MTN results made by Australia in other forums, he said that the conclusion of the MTN marked an important event in the history of GATT. Although it must be admitted that the results, especially in some areas, fell short of the high hopes and expectations, it was to be hoped that they could produce a further liberalization of trade and play a role in restraining the protectionist tendencies which all parties wished to avoid. The need had never been more pressing to focus on trade liberalization and other related measures which could work to stimulate growth in international trade. There was a responsibility and obligation on everyone to build on the MTN outcome and to achieve further reductions in protection. If that could be done, it would have a significant influence for good on world trade and investment.

215. Following the conclusion of the MTN, his delegation welcomed what had been achieved, even though it believed that, as in previous GATT rounds, efforts might have been excessively concentrated on issues of interest to the major

trading nations. The absence of real progress in agricultural trade had been disappointing for his country, given the importance of this area to Australia, and indeed to many other countries, including developing countries. Nevertheless, his country endorsed the progress that had been possible in this area: the International Dairy Arrangement, which expanded existing arrangements in respect of some dairy products, the very modest arrangement on bovine meat and the modest concessions on agricultural products achieved in bilateral negotiations.

216. In general, his country considered that the MTN had done little to redress the imbalance that existed between agricultural trade and industrial trade in respect of the rights and obligations of parties to the GATT and the observance of these rights and obligations. If anything, the negotiations had probably resulted in a widening of this imbalance.

217. Finally, he noted that in the MTN Australia had formally supported special and differential measures for developing countries, including those relating to tropical products.

218. The representative of the United States of America said that his delegation was disappointed at the evaluation of the MTN made by the secretariat in TD/B/778 because it felt that the evaluation was not "global" in the sense intended by Conference resolution 132 (V) and also because it did not share many of the conclusions reached by the secretariat. The secretariat analysis, especially in relation to the agreement on non-tariff measures, ignored the genuine advantages that adherence to these codes had for all trading nations, including the developing countries. A truly global evaluation would have had to examine the results of the MTN in terms of the entire Tokyo Declaration - i.e. in terms of the MTN results for the world trading environment - rather than in relation to only two paragraphs of the Declaration. It would then have been apparent that the main purpose of the MTN had been to liberalize world trade on a world-wide basis, a task in which the negotiators had succeeded admirably, notwithstanding the highly unfavourable circumstances in the world economy. The secretariat had ignored the point that over-all tariff reductions in the MTN averaged over 30 per cent in developed country markets, a significant accomplishment which contradicted strongly claims that protectionism had increased. Equally important for the future of the global trading system was the improvement of the legal framework governing international trade, together with the specific agreements applicable to non-tariff barriers to trade. The rights and obligations of participants had been redefined in these codes of conduct which, as the secretariat paper pointed out, provided for the surveillance of the rules governing trade in the coming years in order to make them stronger, fairer, and more transparent. However, it was worth repeating that these agreements provided merely a framework, and that all countries, including the developing countries, were likely to be able to shape the agreements and to benefit from them mainly to the extent that they participated actively in them. For this reason, his country continued to support the wide adherence of all countries to the various agreements negotiated in the MTN.

219. Referring to the benefits to be derived from the Tokyo Round for the developing countries, he said that, contrary to the analysis made by the secretariat, his delegation believed that the developing countries had derived substantial benefits from the MTN which far outweighed any potential loss brought about by the narrowing of preferential margins. There were improvements for

market access for tropical products made in the context of the tropical products group, but the secretariat report had failed to highlight the tariff reductions which the United States had made on tropical products as part of its over-all tariff concessions. The United States had implemented in advance tariff cuts on a number of products of special interest to developing countries and there were immediate tariff reductions for the least developed countries. Taken together, these concessions represented increased market access for a wide range of products from the developing countries. There had also been more favourable treatment for the developing countries in the agreements on non-tariff measures, such as the recognition that subsidies formed an integral part of the developing countries' development programmes. New trade rules established under the framework agreement provided a legal framework for special measures, such as preferential agreements and the protection of infant industries in developing countries.

220. He said that the United States delegation did not believe that it served any useful purpose to continue the attempt to make a common evaluation of the results of the MTN. It was unlikely that an evaluation could be made upon which agreement would be possible on every point. Each country saw the MTN from a different vantage point and placed a different interpretation upon the results. He felt it was time to move on to the implementation of the MTN and other work not completed in the MTN, each participating country being able to make its own evaluation in the light of its own trading interests and pursue those courses of further action which would best meet its needs. In this regard, he noted that GATT had adopted a work programme which included a number of subjects, such as safeguards and structural adjustment. His delegation shared the disappointment felt by many that an agreement on safeguards had not been achieved in the MTN and it continued to support further work towards this end.

221. The representative of Sweden, speaking on behalf of Finland, Norway and Sweden, expressed these countries' general approval of the outcome of the MTN and stated that, although no negotiated result could be fully satisfactory to any of the participants, on balance the results must be considered as a major achievement, with substantial progress having been made towards further trade liberalization in the tariff field as well as with regard to non-tariff measures.

222. While he recognized that eroded preferences might be a problem for a number of developing countries, he said that the countries for which he spoke had been faced with differing requests from developing countries. In the Nordic GSP schemes, zero duties were applied on an over-all basis, and the fact that these countries' schemes were already very liberal reduced considerably the possibility of doing anything about the problem of erosion. Regarding special measures in favour of the least developed countries, he said that, since the countries for which he spoke considered it essential that the least developed countries should be assisted so that they could benefit to the fullest extent possible from the new rules and agreements resulting from the MTN, they had financed trade policy courses in GATT for 1980 especially for participants from the least developed countries.

223. The representative of GATT welcomed the evaluation of the MTN and said that, although there were difficulties with both the data and methodology of part II of the secretariat report (TD/B/778 Add.1 and Add.1 (Summary) and Corr.1), he agreed with the report's emphasis that the benefits to be derived from the

multilateral agreements reached on non-tariff and other measures would depend on how they were implemented, and especially on how their provisions on such matters as dispute settlement were interpreted and put into effect. He noted that full agreement had been reached on the basis for the participation of non-signatory governments as observers in the Committees and Councils set up under each agreement, and he welcomed the moves being made by developing countries to take part fully in those agreements. He felt that the best way to ensure that the agreements were applied in a liberal spirit, and that they worked as developing countries would wish them to work, was for those countries to participate actively in the negotiations and to do so not just as observers but as equal partners, that is, as signatories.

224. With reference to the major unresolved issue of safeguards, he noted that a committee had been established by the contracting parties to GATT to take up the related negotiations, with a mandate to report by 30 June 1980, and that an early resumption of negotiations was expected. He stated that the reports of the Director-General of GATT and of the Secretary-General of UNCTAD both pointed in particular to a number of issues where the achievements of the negotiations had fallen short of the original hopes of developing countries, and that these questions were being actively pursued under the work programme adopted by the GATT contracting parties in November 1979. The recent meeting of the GATT Committee on Trade and Development was largely concerned with future work on trade liberalization, such areas of special interest to developing countries as quantitative restrictions and other non-tariff measures, tariff escalation, tropical products and advance implementation of MTN concessions, as well as with the question of updating the relevant documentation.

225. The representative of Ethiopia, endorsing the views of the spokesman for the Group of 77, recalled that large promises had been made to the developing countries by the Ministers of developed countries that had participated in the Tokyo Declaration, but the developing countries had been practically left outside the main negotiations and had been betrayed by the developed countries, whose performance did not match their pronouncements. Even the methodology used in the negotiations had been designed to discriminate against the developing countries, particularly the least developed countries, that had participated in the MTN. The major exporters and importers had negotiated among themselves, often at the cost of small exporting countries. It was not for developed countries to convince developing countries of the benefits which those countries had derived from the MTN, since developing countries were better acquainted with their own situation. He agreed with the assessment made by the Secretary-General of UNCTAD in his report, which he considered to be an impartial one. The representative of the United States of America had informed the Sessional Committee that his Government had decided to implement in advance the tariff reductions for the products of least developed countries. However, as the United States had not made any reductions or removal of tariffs for the products of the least developed countries pursuant to paragraph 6 of the Tokyo Declaration, which called for such measures, it did not appear logical to say that the United States was implementing measures which, in fact, had not yet been adopted by that country. Other countries, such as Japan, Sweden, Finland, Canada and Australia, had also not reduced or removed tariffs with regard to products of the least developed countries in pursuance of paragraph 6 of the Declaration. The developing countries were being exhorted to play an

active role in the implementation of the results of the MTN, but he wondered how they could accept this suggestion when the results of the negotiations were not to their satisfaction. This was particularly so in the case of the least developed countries, since their problems had hardly been dealt with during the MTN. For instance, tariff concessions had not been made on products that were of interest to the least developed countries. The benefits to be derived by the least developed countries were more a by-product than the result of a conscious effort on the part of the developed countries. This was equally true with regard to advanced implementation of tariff concessions for the least developed countries. He drew specific attention to the proposal put forward by the least developed countries for the establishment of a sub-committee within the GATT framework to deal with the special problems of those countries. He regretted that one of the major developed countries had not accepted that proposal and appealed to that country to reconsider its position on this issue.

226. Finally, with regard to the financial assistance for seminars for representatives of the least developed countries in order to acquaint them with the MTN measures and results, he expressed his appreciation and thanks to the Nordic countries for their assistance.

227. The representative of Austria said that his delegation shared the concern expressed in the secretariat report (TD/B/778 and Add.1 and Add.1 (Summary) and Corr.1) with regard to the high level of protectionism in certain areas of particular interest to the developing countries. It also shared the view that many provisions of the MTN agreements offered trade opportunities to the developing countries and that their value to those countries depended on the extent to which they were made use of. There were many reasons why participation should be as broad as possible. In that connexion, he regretted that the secretariat report did not reflect the various opportunities for concrete action which were offered to the developing countries. Furthermore, he had the impression that the secretariat's interpretation of some aspects of the MTN was not the same as that of the signatories. To encourage and safeguard the trade of the developing countries it was essential (a) that those countries use to the full the trade opportunities offered; (b) that particular attention should be given in the implementation of the agreements to ensuring that the special and differential measures became more concrete and specific; (c) that protectionist measures should continue to be opposed, particularly where they were detrimental to the interests of the developing countries; and (d) that all opportunities for action in favour of the least developed countries, including the abolition of tariff barriers to their exports, should be examined so that the necessary measures could be taken as soon as possible.

228. The representative of New Zealand said that the results of the MTN had been broadly to improve the international trading environment mainly through the negotiation of a series of codes and other agreements. His delegation particularly welcomed the achievement of arrangements on agriculture, which would bring additional stability to international trade in the products concerned. New Zealand also welcomed the tariff cuts negotiated under the MTN and the enhanced security of access it had gained to some of its major markets. On the other hand, New Zealand had been disappointed that the Tokyo Round negotiations had not grappled effectively with the basic problems facing the major portion of its trade, namely agricultural protectionism and lack of access. The MTN

had left largely untouched the differences between international conduct of trade in industrial products and in agriculture. To that extent, New Zealand sympathized with other countries that had failed to achieve a satisfactory outcome. Nevertheless, New Zealand was committed to continued participation in the improved framework of the GATT as an essential ingredient of its total trade effort, and it regarded the MTN as a stepping stone towards the realization of the trading objectives of both developed and developing countries.

229. The representative of Malaysia agreed entirely with the thrust of the secretariat reports and cited instances to support the view that protectionist tendencies were in fact on the increase, especially in respect of the products of interest to developing countries, contrary to the views expressed by the representatives of some developed market-economy countries that protectionism had been contained or had been reduced during the past years. While substantial tariff cuts had been effected in the MTN on some items, it had to be recognized that many developing countries had to make reciprocal contributions in the form of tariff cuts and elimination/liberalization of non-tariff measures. He was particularly concerned that tropical products, an agreed special and priority sector in the MTN, had not been seriously addressed. As regards the participation of non-signatories in the committees or bodies created as a result of the MTN, he pointed out that this was a right which these countries enjoyed by virtue of their being GATT contracting parties and contributing their financial share in GATT.

230. He recalled that the developing countries, from the very beginning of the MTN, had been prepared to enter into serious negotiations. However, in view of the difficulties among major trading countries in the MTN, the negotiations had dragged on for about six years without the active and full participation of the developing countries. In fact, many of the crucial decisions were taken outside Geneva and many of the delegations were not even informed about meetings in Geneva. He considered the MTN package as lopsided in favour of the developed countries because one of the most important elements - namely, the issue of safeguards - had not been dealt with successfully. Regarding the contention that the GATT framework had been changed as a result of the MTN, he was of the view that the so-called changes were mostly of a cosmetic nature.

231. He said that UNCTAD had a role to play in ensuring that the MTN results were effectively implemented to the benefit of developing countries. In order to enable UNCTAD to play its part, the Secretary-General of UNCTAD or his representative must be allowed to attend, on a regular basis, all the meetings of the GATT bodies, including the various committees or councils established as a result of the MTN instruments.

232. The representative of Spain stated that, in view of the fact that his country was at an intermediate level of economic development, it would - unlike the developed countries - benefit only in the future from the results of the MTN.

He considered that the report by the Secretary-General of UNCTAD was important and that it should be examined in detail within UNCTAD. Although his country had participated actively in the MTN in its desire to benefit from the results, in view of its economic situation it would not do so immediately. His country intended soon to sign some of the MTN agreements or arrangements, but it had reservations in regard to others.

233. At the 6th meeting, on 24 March 1980, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B/(XX)/SC/L.17).

234. At the same meeting, the Sessional Committee recommended the draft decision for adoption by the Board.

235. A draft decision previously submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B(XX)/SC/L.7) was withdrawn.

236. The spokesman for Group B stated that, in joining the consensus on draft decision TD/B(XX)/SC/L.17, the Group B countries noted their understanding that procedures had been agreed by the signatories of the MTN agreements to provide for the attendance of observers at meetings of the Committees established under these agreements, and that the participation of representatives of the UNCTAD secretariat would be determined by such procedures.

237. The spokesman for Group D stated that his Group accepted draft decision TD/B(XX)/SC/L.17 on the understanding that the term "global" in operative paragraph 1 included the problem of possible consequences for countries not participating in the MTN. Regarding operative paragraph 2, it was the firm opinion of his Group that any activity described therein would not be confined to the interests of only one group of countries.

Consideration in plenary

Action by the Board

238. At the 534th meeting, on 25 March 1980, the Board adopted the draft decision recommended by the Sessional Committee (for the text see annex I below, decision 214 (XX)).

- K. Matters remitted to the permanent machinery of UNCTAD:
draft resolution entitled "Transnational corporations
and international commodity trade" (TD/L.195)

Consideration in the Sessional Committee

239. The Chairman recalled that the draft resolution entitled "Transnational corporations and international commodity trade" (TD/L.195) had been remitted by the Conference to the permanent machinery of UNCTAD. At its nineteenth session, the Board had decided to remit this draft resolution to its twentieth session.

240. At the 6th meeting, on 24 March 1980, the Chairman introduced a draft decision which he had submitted as a result of informal consultations (TD/B(XX)/SC/L.15).

241. At the same meeting, the Sessional Committee recommended the draft decision for adoption by the Board.

242. A draft decision previously submitted by Hungary on behalf of the States members of Group D (TD/B(XX)/SC/L.10) and a draft resolution submitted by the Federal Republic of Germany on behalf of the States members of Group B (TD/B(XX)/SC/L.13) were withdrawn.

243. The spokesman for Group B said that his Group had consistently called the Board's attention to the fact that issues relating to transnational corporations had been assigned by the Economic and Social Council to the Commission on Transnational Corporations. Group B had stated at the fifth session of UNCTAD and at the nineteenth session of the Board that the subject matter of draft resolutions such as TD/L.195 should be referred to the Economic and Social Council. As to the content of TD/L.195, he said that Group B objected in particular to the lack of balance in the text. The document disregarded completely the positive contribution which the transnational corporations made to international trade, including commodity trade. Furthermore, since the UNCTAD secretariat was charged with carrying out studies on processing and marketing of commodities, in consultation with the relevant commodity groups, the activities of all forms of enterprise engaged in trade must be considered. Group B would thus expect the secretariat, the commodity meetings and the Committee on Commodities to cover the activities of all enterprises, including private or State-owned enterprises, co-operatives, multinational enterprises and others. While it had agreed to the decisions contained in TD/B(XX)/SC/L.15, Group B intended to hold firmly to the views just expressed when the matter was taken up at the twenty-first session of the Board.

244. The spokesman for the Group of 77 said that his Group was in favour of referring draft resolution TD/L.195 to the Committee on Commodities for consideration. The Group of 77 considered that the participation of transnational corporations in commodity trade was very important and had direct repercussions on that trade. He regretted that it would not be possible for the Committee on Commodities to examine this draft resolution at its next session and he hoped that a decision to enable it to do so would be taken at the twenty-first session of the Board.

245. The spokesman for Group D, speaking also on behalf of Mongolia, said that Group D had proposed that draft resolution TD/L.195 be referred to the Committee on Commodities for consideration. Group D regretted that it had not proved possible to agree on this proposed course of action and that this item had not been dealt with in substance since the fifth session of the Conference. Group D countries considered that the substance of the draft resolution was related to the on-going and future work of the Committee on Commodities. Any effort to stabilize international commodity markets would fail if the activities or certain parts of the activities of transnational corporations were not considered. Moreover, Group D felt that Conference resolution 124 (V) concerning the activity of the Committee on Commodities could not be regarded

without the examination and consideration of the activities of transnational corporations in the field of commodity trade. Accordingly, Group D rejected the attempt by Group B to transmit this draft resolution directly to the Economic and Social Council, and it considered that an in-depth discussion must take place in the Committee on Commodities. Group D maintained its position on this matter, as set forth in draft decision TD/B(XX)/SC/L.10.

Consideration in plenary

Action by the Board

246. At its 534th meeting, on 25 March 1980, the Board decided, pursuant to the recommendation of the Sessional Committee, to remit the consideration of the draft resolution entitled "Transnational corporations and international commodity trade" (TD/L.195) to its twenty-first session (see annex II).

L. Conference resolution 110 (V) 20/

Particular problems facing Zaire with regard to transport,
transit and access to foreign markets

247. Responding, at the 535th meeting of the Board, on 25 March 1980, to questions raised at the 533rd meeting by the representative of Zaire concerning the implementation of Conference resolution 110 (V) on the particular problems facing Zaire with regard to transport, transit and access to foreign markets, the representative of the Secretary-General of UNCTAD said that a letter had been written to the Executive Secretary of the Economic Commission for Africa offering UNCTAD's full co-operation in the implementation of the resolution and suggesting possible courses of action, including a joint ECA/UNCTAD fact-finding mission to Zaire to elaborate the terms of reference of the studies mentioned in the resolution. He briefly described the work being carried out by the Economic Commission for Africa and mentioned a number of activities which the UNCTAD secretariat itself had been undertaking. He noted that these included:

- (a) a technical assistance project on transit-transport in East and Central Africa, which was of interest to Eastern Zaire in regard to access to the sea, and a similar project which was under way for land-locked countries of Southern Africa, which was of interest to Southern Zaire;
- (b) consideration of a request from the Government of Zaire for assistance in the field of container management (facilitation of documentation);
- (c) invitations to Zaire to send participants to UNCTAD port training courses and seminars and to be associated with a regional project on assistance to the secretariat of the Ministerial Conference of Western and Central African States on Maritime Transport, which was being submitted to UNDP;

20/ See foot-note 9 above.

- (d) a technical assistance project for the Foreign Trade Centre of Zaire, which had recently been under renegotiation;
- (e) assistance, at the request of the Government, in the preparation and negotiation, within the Paris Club, of the reorganization of the external debt of Zaire.

248. The representative of Zaire, expressing his appreciation for the activities undertaken and for the assistance that the UNCTAD secretariat had provided, stressed the urgent and serious nature of the problems affecting his country, as well as other countries in Central Africa. Zaire would be intensifying its co-operation with its neighbours in the context of the Great Lakes Economic Community and also with its other neighbours. He stressed that his country was determined to find solutions to its problems through its own efforts, in co-operation with other countries, both bilaterally and multilaterally.

249. He trusted that the UNCTAD secretariat would provide technical and logistical assistance to the Central, Eastern and Southern African countries for the rapid completion not only of the Trans-African Highway but also of other means of communication in the subregion which were important for the trade of these countries. He said that the Permanent Mission of Zaire would remain in close touch with the UNCTAD secretariat. He invited the secretariat, in pursuing its efforts, to inform not only his Mission of the steps taken and progress achieved in implementing Conference resolution 110 (V), but also the Missions of other countries concerned in Central, Eastern and Southern Africa. In view of the urgency of the problems, his delegation believed that the time had come to pass from the stage of studies to that of concrete action.

CHAPTER IV

DEBT PROBLEMS OF DEVELOPING COUNTRIES

(Agenda items 6(a) and 6(b))

250. This item was remitted by the Board at its nineteenth session to the twentieth session for further consideration and appropriate action, together with draft resolution TD/L.196 on debt problems of developing countries submitted at the fifth session of the Conference by the States members of the Group of 77. 21/

251. The President drew attention to a communication from the Government of the Netherlands (TD/B/790) concerning decisions recently taken by that Government in implementation of Board resolution 165 (S-IX).

252. The representative of Austria drew attention to the decision of his Government to convert some past official development assistance credits into grants for certain developing countries (i.e. Ghana, India and Zambia) on a bilateral basis.

253. The representative of France stated that the issue of converting some ODA loans into grants had been put before his country's Parliament. He suggested that the questions of implementation of resolution 165 (S-IX) and of the consideration of debt problems in general should be treated separately and that the latter question should be examined in the broader context of interdependence.

254. The spokesman for the Group of 77 stressed that the increased burden of external debt and associated debt-service payments had further handicapped the development process in a number of developing countries. He noted with regret that some creditor countries had failed in their commitments under resolution 165 (S-IX) and called upon them to take the necessary action with respect to all developing countries referred to in the resolution. While some had indicated their intention to implement part A of the resolution, the political will was apparently lacking on the part of major creditor countries. He urged all the developed countries to implement fully resolution 165 (S-IX).

255. The representative of Ghana, noting that the Secretary-General of UNCTAD has called the attention of the Board to the rapidly deteriorating financial situation of the developing countries in the face of the continuing world crisis, stated that the "World Economic Outlook" (TD/B/783), prepared by the secretariat, added precision to these realities. Quoting from that document, he stated that the real growth rate of non-oil-exporting developing countries had declined in 1979 to 5.2 per cent, and that for the least developed countries the growth rate had been a meagre 2.4 per cent. Current-account deficits of the non-oil-exporting developing countries had increased from \$36.0 billion in 1978 to \$41.5 billion in 1979 and were projected to increase dramatically to an average of \$66.3 billion in 1980-1981.

256. All this lent urgency to the need to swiftly increase the flow of official development assistance (ODA) to developing countries. A measure that would

21/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15), vol. II, part one, paras. 180-187, and Board decision 204 (XIX).

immediately increase the flow of ODA to developing countries, on desired terms and conditions, would be to implement fully the retroactive adjustment of terms as envisaged in resolution 165 (S-IX). While his Government had previously expressed its appreciation for the action already taken, it had also expressed its regret that the efforts so far could not be considered as being an adequate response to the agreement included in part A of resolution 165 (S-IX). He added that action must be extended to cover ODA debts of all the poorer developing countries without discrimination on any ground. Only implementation in this manner would be consistent with the spirit of the resolution. He believed that donor countries which granted relief to only a limited group of developing countries would not be considered by the Group of 77 as having implemented the resolution, and called upon creditor countries which had not yet done so to take, as early as possible, the necessary steps to implement fully part A of the resolution.

257. In his view the Board should decide to keep this matter under continuous review and the item should, therefore, be placed on the agenda of the twenty-first session of the Board as a matter of priority. He also requested that the Secretary-General of UNCTAD prepare an assessment of the measures taken by developed countries and submit to the twenty-first session of the Board his own conclusions, including recommendations for further appropriate relief action. Developed countries, as well as appropriate multilateral institutions, should be requested to co-operate fully with the Secretary-General of UNCTAD in the preparation of his report by providing all required information.

258. With regard to part B of resolution 165 (S-IX), he noted that the Group of 77 had already made concrete proposals which were contained, inter alia, in draft resolution TD/L.196 and which had been more recently reiterated in a report submitted by the Group of 77 to the Board at its eleventh special session in connexion with the new international development strategy. The Group of 77 attached importance to a satisfactory solution regarding the "features" and the institutional arrangements to oversee them, including the establishment of an international debt commission. As in the past, his delegation was ready to participate in negotiations with other groups with an open mind and a constructive attitude.

259. The representative of another developing country expressed his support for draft resolution TD/L.196 and for the proposal therein to allow representatives of developing countries to participate in the international debt commission. He added that in order to attribute a more important role to developing countries, due account should be taken of geographical distribution in respect of the membership of the Commission.

260. The representative of Iraq, also supporting the establishment of an international debt commission, suggested that its role should not be limited to examining the problems associated with grants and loans extended by developed countries to developing countries but should cover also loans between developing countries. He called upon developed countries to extend loans to developing countries on better terms and noted that developed country terms at present were inferior to those extended by certain developing countries. He suggested that a global study on the balance-of-payments problems and the debt burden of developing countries should be prepared by the secretariat.

261. The representative of China stated that the external debt of developing countries was mounting continuously and shared the concerns of the developing countries that a more positive response by donor countries was called for.

262. The spokesman for Group B drew attention to the terms of part A of the resolution, in particular, paragraph 5 which reads, inter alia, that "each developed donor country will determine the distribution and the net flows involved within the context of its own aid policy". It was in the spirit of resolution 165 (S-IX) that developed donor countries of Group B defined beneficiaries for retroactive adjustment of ODA. These retroactive adjustment measures had demonstrated clear political will and had led to a substantial improvement of the quality and volume of aid from Group B countries to the developing countries involved.

263. He stated that the countries of his Group attached great importance to part B of the resolution, the objective of which they saw as strengthening the capacity of existing mechanisms to deal effectively with individual countries facing debt problems. In this connexion, he noted the participation of the Secretary-General of UNCTAD's representatives in creditor Club meetings.

264. Stressing the importance which his Group attached to the problem of indebtedness of developing countries, he suggested that this issue remain on the agenda of the Board, which was the appropriate body to pursue discussions on this subject.

265. The representative of Ghana, commenting on the statement made on behalf of Group B regarding resolution 165 (S-IX) on debt relief measures, noted that the spokesman had referred to the worsening condition of the world economy. That observation, and the figures which he himself had quoted in his earlier statement about the worsening trend in the indebtedness of developing countries, were the reasons for which he questioned the assessment of Group B that the debt relief measures its creditor countries had taken so far had led to substantial improvement in the quality and quantity of aid given to the developing countries. When he considered the position of the developing debtor countries at the time when resolution 165 (S-IX) was adopted and the situation of these same debtor countries now, the analysis reflected a worsening trend in the debt situation. It had been his belief that the political mobilization brought about by the ministerial session of the Board in March 1978 had been premised on the assumption that some improvement would be evident in the performance of the economies of the debtor countries.

266. He further stated that when the Board had agreed at its Ministerial session that each donor country would itself determine its contribution within the context of its own aid policy, the gentleman's understanding was that a voluntary political will would manifest itself. It had not been expected that an unco-ordinated, unconcerted and piecemeal approach would result. In his view, there was now an opportunity for a concerted and reinforced approach to be taken by the creditor countries so as to create the right impact not only out of courtesy, but also - and this he wished to stress - as a realistic contribution to restoring effective global demand.

267. The representative of Ethiopia expressed full support for the Group of 77 position on debt problems and conveyed his appreciation to the Governments of countries, such as Finland, Italy and Sweden, which had cancelled his country's debt, as well as to the Government of Japan, which had agreed to give grants to the least developed countries, including his own, "equivalent to the amortization and interest due from them". He deplored, however, the discriminatory measures taken by such governments as those of the United States, the United Kingdom and the Federal Republic of Germany, which, while they had cancelled the debts of some least developed countries, had refused to cancel the debts of his country, thereby violating the commitment given by them at the ninth special session of the Board.

to cancel such debt for all least developed countries. He noted, inter alia, that the poorer developing countries did not have access to private capital markets and relied heavily, in their economic development efforts, on ODA flows. In this respect, part A of resolution 165 (S-IX) was particularly relevant to the least developed countries. He expressed appreciation to the Government of the Netherlands for its relief measures and called upon other countries to follow suit. The example of the Netherlands clearly showed that a considerable potential existed for implementation of part A of the resolution. He noted that, notwithstanding the fact that the resolution had been adopted unanimously, some developed donor countries had implemented part A of the resolution but many had not.

268. His delegation saw no reason why some creditor countries should not have complied with the resolution and called upon the Governments of the United States of America, the United Kingdom and Canada to comply with it without any discrimination. He invited those countries to review their position towards the resolution and to report to the Secretary-General of UNCTAD on this subject. He noted that Japan had only partially implemented the resolution and asked the Japanese delegation to urge its Government to comply with it fully.

269. A draft decision on the implementation of Board resolution 165 (S-IX) was submitted by El Salvador on behalf of the States members of the Group of 77 (TD/B/L.561) and was referred to the Contact Group of the President.

270. At the 533rd meeting of the Board, on 21 March 1980, the President introduced a draft decision which he had submitted as a result of his consultations in the Contact Group (TD/B/L.564), and draft decision TD/B/L.561 was withdrawn.

Action by the Board

271. At the same meeting, the Board adopted the draft decision submitted by the President. (For the text, see annex I below, decision 209 (XX)).

272. The spokesman for Group D stated that the position of the countries of Group D on the substance of the decision just adopted by consensus had been explained in connexion with the adoption of resolution 165 (S-IX) and was reflected in the report of the Board on its ninth special session. That position remained unchanged.

CHAPTER V

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

(Agenda item 7)

273. This agenda item was referred to the Sessional Committee for consideration and report.

A. Commodity trade (agenda item 7 (a))

Integrated Programme for Commodities

274. The Board had before it under cover of TD/B/780, the report of the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities on its ninth session, held on 17 and 18 December 1979 (TD/B/IPC/AC/32).

Consideration in the Sessional Committee

275. The Chairman of the Ad Hoc Intergovernmental Committee on the Integrated Programme for Commodities introduced the report of the Ad Hoc Intergovernmental Committee on its ninth session (TD/B/IPC/AC/32). He recalled that the Conference had decided, in its resolution 124 (V), that after the end of the time-bound frame of the Integrated Programme any further preparatory meetings and negotiations in fulfilment of Conference resolution 93 (IV) should become part of the regular work programme of UNCTAD in the field of commodities, together with other aspects of commodity work. Subsequently, the Board at its nineteenth session had decided to continue the Ad Hoc Intergovernmental Committee until the end of 1980 and to entrust the responsibility for further work under the Integrated Programme beyond that date to the Committee on Commodities. The character of the Programme would thus change in certain respects, partly because of the ending of time limits and partly because of the extended scope resulting from Conference resolution 124 (V). It was to be hoped, nevertheless, that the procedural changes would not detract in any way from the momentum and urgency of the Programme. It was also to be hoped that the Programme could be streamlined, in the sense of concentrating more effort on those parts where international action seemed possible at the present juncture and leaving aside for longer-term study and consideration those parts which experience had shown not to be ripe for international agreement or arrangements.

276. He noted that, at its ninth session, the Ad Hoc Intergovernmental Committee had decided to undertake a comprehensive review of progress under the Integrated Programme for Commodities at its tenth session, which in all probability would be its final session. He expressed the hope that this review would provide an occasion for a thorough stock-taking, from which conclusions could be drawn which would prove valuable for the continuation of the work.

277. Summarizing the discussions which had taken place in the Ad Hoc Intergovernmental Committee at its ninth session, he referred to the impatience which had been expressed, particularly by the spokesman for the Group of 77, at the unsatisfactory progress in the preparatory meetings. The spokesman had also underlined that the integrated character of the Programme appeared to be becoming diluted. On the other hand, much satisfaction had been expressed at the successful

conclusion of the International Natural Rubber Agreement, 1979, and the hope had been expressed that it would be one of the first international commodity agreements to be associated with the Common Fund. There had been fairly wide recognition in the Committee that there was a close link between the negotiations on the Common Fund and those on individual commodities and that the successful conclusion of negotiations on the Fund, within the time-frame which had now been set, would be of vital importance for the Integrated Programme as a whole.

278. Referring to discussion on individual commodities, he drew particular attention to jute, which seemed to be entering a negotiating phase, to hard fibres, for which concrete institutional proposals had been put forward, and to copper, on which extensive work had been done and for which several options were being seriously considered.

279. In conclusion, he requested governments to give particular attention to the comprehensive review which the Ad Hoc Committee would carry out at its tenth session. He noted that continued international co-operation and negotiation would be necessary in order to improve structures and conditions in commodity markets. Vigilance and sustained efforts would be required, not only to make progress but also to prevent back-sliding in respect of certain commodities, a development which would have unfortunate consequences for the Integrated Programme as a whole.

280. At its fourth meeting, on 20 March 1980, the Sessional Committee took note of the report of the Ad Hoc Intergovernmental Committee on the Integrated Programme for Commodities on its ninth session (TD/B/IPC/AC/32).

Consideration in plenary

Action by the Board

281. At its 534th meeting, on 25 March 1980, the Board, in taking note of the report of the Sessional Committee, took note of the report of the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities on its ninth session (TD/B/IPC/AC/32).

B. Manufacturers and semi-manufacturers (agenda item 7 (b))

Report of the Ad Hoc UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements

282. The Board had before it the report of the Ad Hoc UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements (TD/B/774), 22/ which met in Geneva from 22 to 26 October 1979.

Consideration in the Sessional Committee

283. The representative of the Secretary-General of UNCTAD, speaking also on behalf of the Executive Director of the United Nations Industrial Development Organization (UNIDO), recalled that the Chairman of the Group of Experts, in his letter of

22/ Official Records of the Trade and Development Board, Twentieth Session, Annexes, agenda item 7, document TD/B/774.

transmittal to the Secretary-General of UNCTAD and to the Executive Director of UNIDO, had stated that, owing to the wide range of issues involved and their complexity, the Group had been unable to prepare a more comprehensive report in the short time available and that its report should therefore be considered a preliminary one pending a fuller examination of the various issues involved. In its conclusions and recommendations, the Group of Experts had considered that it would be useful to have a further meeting in Vienna, at a date to be agreed upon by UNCTAD and UNIDO. 23/ Following consultations between the UNCTAD and UNIDO secretariats, it was proposed that the second session of the Group be held in Vienna from 6 to 17 October 1980. The financial implications of this proposal were contained in TD/B/774/Add.1.

284. At the sixth meeting, on 24 March 1980, the Chairman introduced a draft resolution which he had submitted as a result of informal consultations (TD/B(XX)/SC/L.16).

285. At the same meeting, the Sessional Committee recommended the draft resolution for adoption by the Board.

286. The spokesman for Group B, commenting on chapter IV ("Conclusions and recommendations") of document TD/B/774, emphasized that it was important that the Ad Hoc Group should concentrate its efforts on matters within its mandate, which included the studies that were planned, and that it should leave the wide-ranging subjects of a general nature - such as those contained in paragraph 34 (a) on the concept of comparative advantage and its implications and in paragraph 34 (e) on adjustment measures - to be dealt with elsewhere. He further stated that the examination contemplated in paragraph 34 (b) should be confined to buy-back agreements, since the subject of transfer of technology, being a wide-ranging one, went beyond the mandate of the Group. The proposal in paragraph 34 (c) to examine the characteristics of enterprise-to-enterprise agreements was useful provided the study was not restricted to agreements within the framework of intergovernmental co-operation agreements. The meaning of the proposal in paragraph 34(d) was not quite clear. However, in the view of Group B, further studies should follow up on the result of the studies suggested in paragraph 34(c) and deal with various new forms of industrial co-operation at the enterprise level. While paragraph 34(f) posed no problems, a more precise elaboration of the expression "flows and channels of information" in paragraph 34(g) would be appreciated. In conclusion, he underlined the importance of on-going studies, which should be taken into account, and he could accept the suggestion to hold a further meeting of the Ad Hoc Group in Vienna with a view to preparing its final report.

287. The spokesman for Group of 77 stated that his Group attached great importance to this subject and supported in principle the conclusions and recommendations contained in document TD/B/774. In supporting the draft resolution contained in TD/B(XX)/SC/L.16, it was the understanding of the Group of 77 that the final recommendations, including future action, as referred to in the fourth operative paragraph of the draft resolution, included action by the Ad Hoc Group of Experts, in line with the interpretation arrived at in the Chairman's Contact Group.

23/ Official Records of the Trade and Development Board, Twentieth Session, Annexes, agenda item 7, document TD/B/774, para. 36.

Consideration in plenary

Action by the Board

288. At its 534th meeting, on 25 March 1980, the Board adopted the draft resolution recommended by the Sessional Committee (for the text, see annex I below, resolution 213 (XX)).

C. Shipping (agenda item 7 (c))

Report of the Ad hoc Intergovernmental Working Group
on the Economic Consequences of the Existence or
Lack of a Genuine Link between Vessel and Flag
of Registry on its second session

289. The Board had before it the report of the Ad Hoc Intergovernmental Working Group on its second session (TD/B/784 and Corr.1).

Consideration in the Sessional Committee

290. The Sessional Committee, noting the decision adopted by the Ad Hoc Intergovernmental Working Group on 22 January 1980 (TD/B/784, annex I), decided to recommend that the report of the Working Group on its second session (TD/B/784 and Corr.1) be transmitted by the Board to the Committee on Shipping at its ninth session.

Consideration in plenary

Action by the Board

291. At its 534th meeting, on 25 March 1980, the Board, acting on the recommendation of the Sessional Committee, decided to transmit the report of the Intergovernmental Working Group on the Economic Consequences of the Existence or Lack of a Genuine Link between Vessel and Flag of Registry on its second session (TD/B/784 and Corr.1) to the Committee on Shipping at its ninth session.

D. Rationalization of the permanent
machinery of UNCTAD
(agenda item 7 (d))

292. Sub-item 7 (d) was considered jointly with agenda item 2 in relation to the discussion on Conference resolution 114 (V) (see chap. III, sect. F).

CHAPTER VI

REPORT OF THE WORKING PARTY ON THE UNCTAD MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET

(Agenda item 9)

293. At the 531st meeting, on 20 March 1980, the report of the Working Party (TD/B/WP/L.1 and Add.1, as amended and completed by TD/B/L.556),^{24/} was introduced by the Chairman of the Working Party. He indicated that it was the unanimous view of the members of the Working Party that the views expressed and suggestions made at its session should be duly taken into account by the secretariat in submitting its revised proposals on the medium-term plan to the appropriate bodies in New York, including the Committee for Programme and Co-ordination.

294. He noted that this was the first time that the Working Party had considered the technical co-operation activities of UNCTAD and their financing in a comprehensive manner. The first annual report (TD/B/WP/2 and Add.1) on that subject by the secretariat had afforded an opportunity for a fruitful and constructive discussion, and several constructive suggestions had been made in respect of the format and contents for future annual reports.

295. Although it had been recognized that the provision of technical co-operation was not the primary vocation of UNCTAD and should not be regarded as its main task, there had been agreement as to the importance of such activities in support of the efforts of developing countries in strengthening their trade, production and technology sectors and more generally in accelerating their development.

296. He added that the steady increase in the volume of project expenditures since the inception of UNCTAD's technical co-operation activities had also been noted, and the view had been expressed that the demands on the resources of the secretariat for adequate support and backstopping to those activities should not prejudice the implementation of the major tasks of UNCTAD. In that respect, the close relationship between the research and analytical functions of the secretariat and its technical co-operation activities had also been noted, in particular the fact that those linkages and feed-backs could help make its research work more practically oriented, thus leading to improved technical co-operation.

297. He noted that the Working Party had felt that it would be useful if its report, together with the revised proposals by the secretariat on the medium-term plan and its report on technical co-operation activities, were to be forwarded by the Board to the appropriate bodies in New York, including the Committee for Programme and Co-ordination, and also to relevant funding agencies, such as UNDP.

298. The representative of the Philippines endorsed the proposals of the Working Party, in particular those concerning the transmittal of documents to the Committee for Programme and Co-ordination. He expressed the view that the unique problems of island developing countries, and especially those of archipelagos such as the Philippines and Indonesia, had not been given enough attention in the past in the work programmes of UNCTAD. In this connexion, he stressed the importance of economic co-operation among developing countries and of assistance and support measures by the developed countries.

^{24/} The full report of the Working Party is being issued in provisional form as TD/B/WP(1)/Misc.2 and will subsequently be printed in the Official Records of the Trade and Development Board, Twentieth Session, Supplement No. 2 (TD/B/800).

299. The representative of Malta, supporting the observations of the representative of the Philippines regarding the programme on island developing countries, drew attention to the basic importance of funding in any consideration of assistance to island developing countries, since otherwise this might result in unfavourable treatment vis-à-vis programmes arising from resolutions of UNCTAD. The limited action taken hitherto might be explained, but could not be justified, on the grounds of shortage of funds.

300. The spokesman for Group D pointed out that the Working Party had not been able to use most of the time allocated for its first session, to the detriment of its consideration of the substantive items of its agenda. That was a matter for regret, since the countries of Group D attached great importance to the work of the Working Party, especially in the light of the provisions of Conference resolution 114 (V). He also regretted the delay in distribution of the substantive documentation of the Working Party in all official languages, as a result of which the authorities of Group D countries had had no possibility to study them before the session.

301. Referring to the report on technical assistance activities of UNCTAD that had been prepared by the secretariat, he stressed that UNCTAD's activities in that field should also be kept under regular review in accordance with Conference resolution 114 (V). On the other hand, the countries of Group D continued to believe that UNCTAD's technical assistance activities should not affect the implementation of its main tasks, as defined in General Assembly resolution 1995 (XIX). UNCTAD should pursue its technical co-operation activities within its mandate and with due regard, in accordance with General Assembly resolution 32/197, to the competence of the regional commissions, the International Trade Centre UNCTAD/GATT and other relevant bodies of the United Nations system. As to the recruitment of experts for technical co-operation projects, the UNCTAD secretariat should observe the principle of equitable geographical representation.

302. Endorsing the observations made by delegations of Group D countries at the session of the Working Party, he reiterated the firm position of his Group that plans of UNCTAD should be based on the principle of universality in accordance with General Assembly resolution 1995 (XIX).

303. While the countries of Group D appreciated the efforts to improve the methodology of planning and programme evaluation in UNCTAD, they were looking forward to more efficient and timely preparation of sessions of the Working Party, both on the programme budget and on the medium-term plan.

Action by the Board

304. At the same meeting, the Board decided to request the Secretary-General of UNCTAD to transmit the report of the Working Party on the Medium-Term Plan and the Programme Budget, together with the comments thereon, to the appropriate United Nations bodies for their consideration (see annex I below, Other decisions /e/).

CHAPTER VII

OTHER BUSINESS

(Agenda item 10)

A. Complementary action by UNCTAD in support of the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development

305. At the 531st meeting, on 20 March 1980, the representative of the Secretary-General of UNCTAD, referring to the Declaration of Principles, the Programme of Action and the resolution on the follow-up of the conference that had been adopted by the World Conference on Agrarian Reform and Rural Development (Rome, July 1979), ^{25/} indicated that the General Assembly, in its resolution 34/14 of 9 November 1979, had endorsed the Declaration of Principles and the Programme of Action and had urged Governments to implement on a priority basis the conclusions and recommendations therein. The General Assembly, in its resolution 34/14, had also invited the organizations, organs and bodies concerned within the United Nations system to implement the conclusions and recommendations in the Programme of Action. At its twentieth session, the Conference of FAO had invited the organizations of the United Nations system to work with FAO in the implementation of activities called for by the Programme of Action, in particular through the ACC Task Force on Rural Development, in which FAO was the lead agency.

306. The spokesman for Group D, speaking also on behalf of Mongolia, stated that General Assembly resolution 34/14 provided a mandate for the organizations of the United Nations system to implement the resolution on follow-up and the Programme of Action of the Conference. The countries for which he spoke considered that UNCTAD should not go beyond these terms of reference in support of rural development. He noted that experience showed that agrarian reforms were one of the most important ways in which to promote economic development and socio-economic transformation in the developing countries. Realization of such reforms enabled the developing countries to foster the achievement of genuine economic independence, as well as to solve the problems of food production, hunger and poverty. Progressive agrarian reform served the objective of eliminating structural obstacles to rural and agricultural development, as well as of mobilizing domestic resources. The socialist countries were therefore providing assistance for agrarian reform and agricultural development.

Action by the Board

307. At the same meeting the Board took note of the invitation of the Conference of FAO to work together with FAO in the elaboration and implementation of activities called for by the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development and agreed that the question of possible complementary action by UNCTAD in support of the implementation of the Programme of Action should be pursued through the machinery of the ACC Task Force on Rural Development (see annex I, Other decisions /d/).

^{25/} See Report of the World Conference on Agrarian Reform and Rural Development, Rome, 12-20 July 1979 (WCARRD/REP), transmitted to the members of the General Assembly by a note by the Secretary-General (A/34/485).

B. Assistance for the reconstruction, rehabilitation
and development of Uganda
(General Assembly resolution 34/122)

308. The representative of the Secretary-General of UNCTAD, in an introductory statement at the 531st meeting, on 20 March 1980, stated that as the United Nations system's focal point on land-locked countries, UNCTAD had attempted, within the limits of available financing, to provide assistance to Uganda in response to the emergency situation in 1979 and in pursuance of General Assembly resolution 34/122.

309. In autumn 1979, with funding from UNDP, a consultant had outlined Uganda's immediate rehabilitation needs and longer-term assistance requirements, as called for in Conference resolution 122 (V), as a contribution to the comprehensive new programme of action for the least developed countries. The consultant's report had been discussed by both the High-level Group of Experts in November 1979 and at the third session of the Intergovernmental Group on the Least Developed Countries in February 1980.

310. Since August 1979 UNCTAD had been executing a UNDP-financed regional project for land-locked countries in eastern Africa. Uganda was both a key land-locked and transit country in the region covered and stood to benefit from the project's longer-term planning perspective which was essential for the mobilization of much needed international finance for improvements in the region's transit-transport network. Resources from the project had been supplemented, on two occasions, with expertise from within the UNCTAD secretariat for the purpose of mounting emergency preparatory assistance missions at the request of the Minister of Planning and the UNDP Resident Representative in Uganda. These missions were aimed at identifying possible areas of assistance in breaking transport bottlenecks. The UNCTAD secretariat had also been in contact with the International Labour Office regarding interagency co-operation with a view to contributing to an ILO-executed project of assistance to the Ministry of Transport.

311. A two-man UNCTAD mission was currently in Uganda in order to up-date an earlier overview of the problems and prospects of Uganda's foreign trade sector. An additional task of this mission was to prepare for Uganda's submission of external aid requirements during the 1980s through an analysis which would serve as a basis for the Government's presentation of its case for expanded assistance to the United Nations Conference on the Least Developed Countries, in 1981, as called for in General Assembly resolution 34/203. The UNCTAD secretariat was also currently recruiting two senior advisers to assist the Government in the procurement of commodities and the management and distribution of essential imports. A request had been received from the UNDP Resident Representative in Uganda for the recruitment, as a matter of urgency, of a transit-transport economist to assist in planning the movement, through Mombasa, of a vastly increased flow of necessary emergency imports, including 400,000 metric tons of food, before the end of 1980.

312. The representative of Uganda asked what the level of UNCTAD assistance to Uganda would have been without General Assembly resolution 34/122. The representative of the Secretary-General of UNCTAD observed that the regional project of assistance for the land-locked countries in eastern Africa (RAF/78/015) had become operational before the thirty-fourth session of the General Assembly, and most other requests by the Government had preceded the resolution. However, the secretariat had subsequently attempted to reorient its projects and assistance to reflect more adequately the Government's urgent priorities in resolution 34/122.

313. The representative of Uganda drew attention to the current problems of his country, which had resulted from mismanagement by a fascist and diabolical régime. Present-day Uganda was a country whose inhabitants were facing acute shortages in all the goods necessary for their survival, and faced the threat of famine. The barest essentials in terms of clothing, housing, health and educational facilities were, when available, either extremely scarce or in extreme disrepair as a result of an eight-month war. The most basic commodities were priced beyond means of the vast majority of the population. Such roads as had not been damaged by the war had deteriorated through lack of maintenance during the eight years of the previous régime; and transport vehicles were largely unserviceable owing to lack of spare parts. Industry and agriculture had virtually ground to a stop and the population's morale was low. The current position of Uganda was that of Germany at the end of the Second World War. Yet whereas it was the Marshall Plan which had contributed to the economic and social recovery of Europe, Uganda was addressing its appeal for assistance to the international community. He recognized the limitation of UNCTAD's capacity to provide the material inputs most immediately required, but felt the need to stress to the international community that time was of the essence in assistance to Uganda. A multiplicity of fact-finding missions to Uganda from various bodies had not produced any tangible results and had all the appearance of being an end in themselves. He expressed appreciation for the UNCTAD secretariat's activities in respect of Uganda.

314. The representative of the United Kingdom stated that in September 1979 the President of Uganda had addressed a request to the United Kingdom specifically in the field of security. The Government of the United Kingdom had responded favourably, and of a total capital aid grant of £6 million, £450,000 had been set aside to supply police vehicles and equipment to Uganda. Without the establishment of an effective police force as a priority, the development prospects of Uganda could not be viewed optimistically.

315. The representative of Uganda stated that stability could not be considered apart from the economic and social conditions which had a direct bearing upon it. The instruments of stability should be tied to reconstruction, and the productive sectors must be revitalized as a prerequisite for maintaining law and order.

C. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations
(General Assembly resolution 34/42)

316. Representatives of the Secretary-General of UNCTAD referred to previous consideration of this question at the nineteenth session of the Board and introduced the Secretary-General's proposals for assistance by UNCTAD as contained in his report to the current session of the Board (TD/B/700). They also provided supplementary information relating to UNCTAD's role as executing agency for the UNDP project concerning an economic and social survey of Zimbabwe and assistance provided to Namibia, as well as on consultations with the Organization of African Unity.

317. The spokesman for Group D, speaking also on behalf of Mongolia, referred to those provisions of General Assembly resolution 34/42 which called for formulation by the organizations within the United Nations system of specific programmes of assistance to the peoples of the colonial territories and their national liberation movements. He stated that the countries of Group D considered that the implementation of measures such as those proposed in document TD/B/789 would constitute a positive

factor in the struggle of the peoples of the colonial Territories, as well as of newly liberated countries, for their full political and economic independence. He stated that UNCTAD should intensify its efforts, within the scope of its mandate, in this regard. He noted that in the almost 20 years since the adoption of the Declaration, which had been an initiative of the socialist countries, great strides had been made in the elimination of colonial domination and almost 100 new independent States had come into existence. However, the vestiges of colonialism still remained, constituting a dangerous source of tension. This was particularly the case in southern Africa, where reactionary régimes were using all possible means to maintain their control over Namibia, and where the situation was especially serious, with South African forces openly endeavouring to eliminate the national liberation movement. The socialist countries had consistently supported the rapid implementation of the legitimate rights of the peoples of southern Africa for self-determination and independence, the transfer of full powers to the representatives of the peoples of Namibia, namely, SWAPO, the elimination of apartheid, and demands for the application of effective and comprehensive international sanctions against racist régimes in accordance with the principles of the Charter of the United Nations.

318. On behalf of the socialist countries members of Group D and Mongolia, he congratulated the Patriotic Front of Zimbabwe on its recent victory in its heroic struggle for freedom and independence and expressed the wish that the people of Zimbabwe would achieve every success in the major tasks of strengthening its political and economic independence.

319. At the 534th meeting, on 25 March 1980, the spokesman for the Group of 77 introduced a draft decision which he had submitted on behalf of that Group (TD/B/L.562). Noting that consultations had clearly shown that other groups wished to have more time to consider the draft decision, he suggested that it be remitted for consideration at the twenty-first session of the Board. The representative of the United Republic of Tanzania supported this proposal, in particular on behalf of the African Group.

Action by the Board

320. At the same meeting, the Board decided to remit draft decision TD/B/L.562 for consideration at its twenty-first session. 26/

26/ For the text of the draft decision, see annex II below.

CHAPTER VIII

CLOSING STATEMENTS

321. At the 536th (closing) meeting on 26 March 1980, statements concerning the outcome of the session, with particular reference to the voting that had taken place at the previous meeting, were made by spokesmen for regional groups and by a number of representatives.

322. The representative of Guatemala, speaking on behalf of the Latin American Group, expressed his Group's great disappointment that once again the factors which had tended to bring about a convergence of views among the various groups were increasingly moving apart, to the point where the measures which were the object of negotiation appeared beyond reach. He appealed to other groups, and in particular to Group B, which had much responsibility in this matter, to abandon this attitude in future meetings, an attitude which seemed to rest on private interests. He urged that there should be no repetition of what had happened at the present session, where there had been an evident further drawing apart of positions, so that agreement could be reached which would lead to conclusions of mutual benefit.

323. The representative of El Salvador, speaking on behalf of the Group of 77 and supporting the statement by the spokesman for the Latin American Group, expressed his disappointment at the limited progress achieved at the session, which had not measured up to the commitments made at Manila and to the just aspirations of the developing countries. His Group was especially concerned at the negative attitude displayed by the developed market-economy countries, in particular on the question of economic co-operation among developing countries, when what was required was their practical and positive support.

324. The representative of Cuba stated that he shared the concern expressed by other representatives at the results of the session and at the atmosphere that had prevailed. The lack of political will had become a recurring feature of discussions both in UNCTAD and in other forums. The continued intransigence of Group B would have consequences that it would be difficult to foresee, as developing countries could not wait indefinitely for solutions to their urgent problems.

325. The representative of the Philippines, expressing disappointment that it had not been possible to reach consensus on some matters, recalled how the Group of 77 had constantly had to struggle before certain positions which it put forward eventually found acceptance, even in modified form. He was convinced that those countries which had not been able to accept the positions put forward by the Group of 77 at the present session would in due course recognize their validity. He recalled in this connexion the proposal to establish a generalized system of preferences. That proposal had not found favour at the first session of the Conference in 1964, but by the time of the third session of UNCTAD at Santiago the negotiations had been brought to a successful conclusion and the GSP adopted, the developed countries having finally recognized that there was a common interest. He cited other examples where opposition to the initial position of the Group of 77 had gradually crumbled and consensus had subsequently been reached, such as the Code of Conduct for Liner Conferences and the agreement to go forward with work on an international code of conduct on the transfer of technology. He was encouraged also by the response by some countries to the debt problems of developing countries and by the agreement which had been reached at Manila on economic co-operation among developing countries, as reflected in Conference resolution 127 (V). It was therefore with regret that he noted the result of the vote at the present session on this latter question. He

regretted that some countries in other groups which had identified themselves with the Group of 77 on some issues now aligned themselves with those on the negative side on this important question of economic co-operation among developing countries. If the political will to seek agreement was no longer there, he wondered whether there was any justification for developing countries to continue their efforts in UNCTAD. The Group of 77 had always appreciated the positive attitude of other groups and he trusted that the situation of political goodwill would be restored, in spite of the negative votes which had been cast at the previous plenary meeting.

326. The representative of Madagascar, supporting the foregoing remarks, and referring in particular to the vote on the draft resolution on economic co-operation among developing countries, deplored that it was always the same countries which opposed the justifiable claims by developing countries. While lip-service was paid to the establishment of a new international economic order, the attempts by certain groups to defend privileged positions had unfortunately led to confrontation. None the less, the course of history was clear and nothing could stop the developing countries from advancing in their just cause.

327. The representative of Ethiopia said that the statements made by representatives of developing countries reflected the profound disappointment felt by the Group of 77 as a whole. The continuing failure of the North-South dialogue had now become almost customary. The practical attempts by the developing countries to redress their unjust economic relationship with the developed countries had not succeeded. In UNCTAD, the situation had deteriorated to the point where it was now difficult to agree even on fixing the date for a meeting of an UNCTAD committee. Similarly, in GATT - which was popularly known as the "rich man's club" - the poorer countries simply had no role to play, even in the discussion of trade matters that were of great interest to them. Yet, despite the fact that the developed countries were vigorously refusing to negotiate sensibly, the developing countries were pursuing their own efforts at collective self-reliance. Economic co-operation among developing countries had immense future potential, even greater than that of the North-South relationship. The developing countries could develop their own technology and technical know-how and could buy and sell on their own markets the goods they produced. The North-South relationship was a relatively recent phenomenon compared to self-reliance. The developing countries could not accept the continuation of the existing North-South relationship, which benefited the North at the expense of the South. If the aim of a smooth transition to a new order was not welcomed by the developed countries, the developing countries would find their own way. He therefore called on the developed countries to review their positions in order to ensure a smooth transition to a new international economic order, which would be in their own interest. Finally, he felt that the developed countries were even resisting attempts to rationalize the UNCTAD machinery in order to make it function effectively and smoothly, and he urged the developed countries to co-operate in making UNCTAD a more effective organization and in halting its present decline, so that the North-South negotiations could continue and achieve the aims of UNCTAD. To that end, positive responses were called for on such questions as money and finance, trade problems, and technology, which would lead to a fair international division of labour. The rationalization of the permanent machinery of UNCTAD should be completed as soon as possible.

328. The spokesman for Group B said that her Group also regretted that there had been recourse to a vote, in particular on the draft resolution on economic co-operation among developing countries. UNCTAD had a tradition of adopting resolutions by consensus, but for the reasons which had been explained, and which were not related to the substance of the matter, Group B had been unable to accept the draft resolution that had been submitted by the Group of 77. Consequently, she did not feel that such words as "confrontation" were appropriate; there had been disagreement on certain issues, and Group B was prepared to make efforts in good faith to overcome them.

329. The spokesman for Group D stated that it was a matter of serious concern that the Board had not been able to resolve a number of important questions which concerned the principal problems of international economic co-operation. In the view of his Group, UNCTAD was an important forum in the United Nations system, where it was possible and indispensable to carry on discussions, as well as to seek solutions, which would promote a harmonious development of international trade on the principle of mutual benefits and equality, taking into account the just interests of the developing countries. The countries of Group D had come ready to participate actively in the work of the Board, and during the session they had submitted constructive proposals. The results of the session had confirmed the validity of the Group D thesis that in order to resolve positively problems faced by international trade there was need for a universal approach which would take into account the just interests of all groups of countries. The countries of Group D were convinced that the implementation of the above principle would accelerate the solution of important questions and would improve the situation of the developing countries. He pointed to the fact that delegations had been handicapped by the lack of timely documentation, and he trusted that the secretariat would improve on this situation in the future. He also hoped that there would at future sessions be greater mutual understanding and co-operation. For their part, the socialist countries of Group D would continue to be guided by this principle.

CHAPTER IX

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(Agenda items 1, 8 and 11)

A. Opening of the session

330. The twentieth regular session of the Trade and Development Board was opened by the outgoing President of the Board, Mr. E. Farnon (New Zealand).

B. Election of officers (agenda item 1(a))

331. At its 528th meeting, on 17 March 1980, the Board elected the following officers:

President: 27/ Mr. J. Nyerges (Hungary)

Vice-Presidents: Mr. O. Y. Birido (Sudan)
Mr. W-K. Chagula (United Republic of Tanzania)
Mr. H. V. Ewerlöf (Sweden)
Mr. P. Garay-Alvarado (Honduras)
Mr. P. Janni (Italy)
Mr. F. Jaramillo (Colombia)
Mr. I. Kharma (Lebanon)
Mr. E. Saliba (Malta)
Mr. W. Schild (German Democratic Republic)
Mr. F. Suzuki (Japan)

Rapporteur: Mr. A. D. Harris (United Kingdom of Great Britain and Northern Ireland)

C. Announcement of changes in the membership of the Board (agenda item 8(b))

332. At the 528th meeting of the Board, the President announced that no communications had been received since its nineteenth session by the Secretary-General of UNCTAD concerning membership of the Board. Accordingly, the membership of the Board remained as at the close of that session, i.e. 121 States. 28/

27/ In the absence of the President at the 534th-536th meetings, Mr. F. Jaramillo, Vice-President, took the Chair.

28/ For the membership of the Board at the close of the nineteenth session see Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15), vol. II, part one, annex VI.

D. Treatment of new States members of UNCTAD for purposes of elections (agenda item 8(a))

333. At its 528th meeting, the Board decided that, pending action by the Conference at its sixth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), as amended, Namibia, which had been admitted to membership of UNCTAD pursuant to General Assembly resolution 34/92 C of 12 December 1979, should be associated with the group of countries listed in part A of the annex to General Assembly resolution 1995 (XIX) (see annex I below, Other decisions /a/).

334. The representative of Canada, speaking also on behalf of the Federal Republic of Germany, France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, recalled that the Governments of the countries for which he spoke had abstained on General Assembly resolution 34/92 C for well-known reasons. These countries wished to reiterate their position as expressed at the time of the General Assembly vote on that resolution.

335. Replying to the above statement, the representative of Namibia observed that the Board was not competent to call in question a resolution adopted by the General Assembly.

E. Adoption of the agenda and organization of work of the session (agenda item 1(b))

336. At its 528th meeting, the Board adopted as its agenda for the twentieth session the provisional agenda approved by the Board at its nineteenth session, 29/ as adjusted by the President of the Board in consultation with the Secretary-General of UNCTAD (TD/B/776 and Add.1). The agenda as adopted was thus as follows (TD/B/794):

1. Procedural matters:
 - (a) Election of officers;
 - (b) Adoption of the agenda and organization of the work of the session;
 - (c) Adoption of the report on credentials;
 - (d) Provisional agenda for the twenty-first regular session of the Board and organization of the work of the session.
2. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fifth session requiring attention or action by the Board at its twentieth session.
3. Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order

29/ Ibid., annex III.

and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a new international development strategy for the third United Nations development decade.

4. Assessment of the progress made towards the establishment of the new international economic order.
5. Interdependence of problems of trade, development finance and the international monetary system.
6. (a) Review of implementation and further action that may be required pursuant to Trade and Development Board resolution 165 (S-IX), part A;
(b) Detailed features for future operations relating to debt problems of interested developing countries (Trade and Development Board resolution 165 (S-IX), part B).
7. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:
 - (a) Commodity trade;
 - (b) Manufactures and semi-manufactures;
 - (c) Shipping;
 - (d) Rationalization of the permanent machinery of UNCTAD.
8. Institutional, organizational, administrative and related matters:
 - (a) Treatment of new States members of UNCTAD for purposes of elections;
 - (b) Announcement of any changes in the membership of the Board and election to membership of main committees;
 - (c) Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure;
 - (d) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure;
 - (e) Review of the calendar of meetings;
 - (f) Financial implications of the actions of the Board.
9. Report of the Working Party on the UNCTAD Medium-term Plan and the Programme Budget.
10. Other business.
11. Adoption of the report of the Board to the General Assembly.

337. In connexion with the adoption of the agenda and organization of the work of the session, the spokeswoman for Group B and a number of representatives pointed out that many important documents for the present session had only recently been distributed or, in some cases, were not yet available in all languages. It was essential that documents should be circulated well in advance so that they could be read by experts in capitals. The documentation situation at the present session was all the more serious since the Board had only one week in which to complete its work. The secretariat should, in the future, do its utmost to ensure that documents were circulated in accordance with the six-week rule.

338. The representative of Canada, referring to paragraph 10 of Conference resolution 114 (V), requested that the secretariat report on the date of distribution in all languages of the documents for the twentieth session of the Board. At the subsequent (529th) meeting the secretariat provided the information requested, for which the representative of Canada expressed his appreciation.

339. Also at the 528th meeting the Board broadly endorsed the suggestions made by the secretariat (TD/B/776/Add.2) for the organization of work of the session, including a tentative time-table of meetings, and decided to establish a sessional committee of the whole to consider and report on agenda item 2 (Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fifth session requiring attention or action by the Board at its twentieth session) and agenda item 7 (Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies). 30/

340. The Sessional Committee held six meetings, from 17 to 24 March 1980.

341. At the 1st meeting of the Sessional Committee, on 17 March 1980, Mr. P. Saladin (Switzerland) was elected Chairman and Mr. H. Diaz Thomé (Mexico) was elected Vice-Chairman-cum-Rapporteur.

342. At its 2nd meeting, on 18 March 1980, the Sessional Committee decided to establish an informal group of limited membership but open to all States members of UNCTAD to consider agenda item 7(d) on rationalization of UNCTAD's machinery.

343. At its 3rd meeting, on 18 March 1980, the Sessional Committee decided to establish a Contact Group of the Chairman to deal with certain sub-items requiring detailed consideration.

344. At its 6th (closing) meeting, on 24 March 1980, the Sessional Committee considered its draft report (TD/B(XX)/SC/L.4 and Add.1) and adopted it with amendments.

345. At the 534th meeting of the Board, on 25 March 1980, the Vice-Chairman of the Sessional Committee introduced the report of the Committee (TD/B(XX)/SC/L.4 and Add.1, as amended and completed by TD/B/L.556). At the same meeting, the Board adopted the report of the Sessional Committee for incorporation, as appropriate, in its own report. 31/

30/ See also foot-note 6 above regarding Conference resolution 110 (V).

31/ The substance of the report of the Sessional Committee is incorporated in chapters III and V above.

F. Adoption of the report on credentials (agenda item 1(c))

346. At its 533rd meeting, on 21 March 1980, the Board adopted the report of the Bureau on Credentials (TD/B/796).

G. Membership and attendance 32/

347. The following States members of UNCTAD members of the Board were represented at the session:

Algeria	Hungary	Portugal
Argentina	India	Qatar
Australia	Indonesia	Republic of Korea
Austria	Iran	Romania
Bangladesh	Iraq	Saudi Arabia
Belgium	Ireland	Senegal
Benin	Israel	Singapore
Bolivia	Italy	Somalia
Brazil	Ivory Coast	Spain
Bulgaria	Jamaica	Sri Lanka
Byelorussian Soviet Socialist Republic	Japan	the Sudan
Canada	Jordan	Suriname
Chile	Kenya	Sweden
China	Kuwait	Switzerland
Colombia	Lebanon	Syrian Arab Republic
Costa Rica	Liberia	Thailand
Cuba	Libyan Arab Jamahiriya	Trinidad and Tobago
Cyprus	Liechtenstein	Tunisia
Czechoslovakia	Luxembourg	Turkey
Denmark	Madagascar	Uganda
Dominican Republic	Malaysia	Ukrainian Soviet Socialist Republic
Ecuador	Mali	Union of Soviet Socialist Republics
Egypt	Malta	United Arab Emirates
El Salvador	Mexico	United Kingdom of Great Britain and Northern Ireland
Ethiopia	Mongolia	United Republic of Cameroon
Finland	Morocco	United Republic of Tanzania
France	Netherlands	United States of America
Gabon	New Zealand	the Upper Volta
German Democratic Republic	Nicaragua	Uruguay
Germany, Federal Republic of	Nigeria	Venezuela
Ghana	Norway	Yemen
Greece	Oman	Yugoslavia
Guatemala	Pakistan	Zaire
Guyana	Panama	Zambia
Honduras	Peru	
	Philippines	
	Poland	

348. The following other members of UNCTAD not members of the Board were represented at the session: Democratic Yemen; Holy See; Mozambique; Namibia; Paraguay.

32/ For the list of participants in the session see TD/B/INF.98.

349. The following United Nations bodies were represented at the session: the Economic Commission for Africa, the United Nations Industrial Development Organization and the United Nations Development Programme.

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

International Labour Organisation
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
World Bank
International Monetary Fund
Inter-Governmental Maritime Consultative Organization
World Intellectual Property Organization.

The General Agreement on Tariffs and Trade was also represented at the session.

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

African Development Bank
Council for Mutual Economic Assistance
Council of Arab Economic Unity
Customs Co-operation Council
European Economic Community
European Free Trade Association
League of Arab States
Organisation for Economic Co-operation and Development
Organization of African Unity
Organization of American States
Permanent Secretariat of the General Treaty on Central American Economic Integration.

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

General Category:

Christian Democratic World Union
General Union of Chambers of Commerce, Industry and Agriculture of Arab States
International Bar Association
International Chamber of Commerce
International Christian Union of Business Executives
International Confederation of Free Trade Unions
International Law Association
Women's International League for Peace and Freedom
World Confederation of Labour
World Federation of Trade Unions
World Peace Council.

Special Category:

Council of European and Japanese National Shipowners Associations.

353. The African National Congress and the Patriotic Front were invited to participate pursuant to General Assembly resolution 3280 (XXIX).

H. Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure (agenda item 8(c))

354. At its 531st meeting, on 20 March 1980, the Board decided that the following bodies which had applied for designation under rule 78 of the rules of procedure of the Board and rule 80 of the rules of procedure of the Conference should be so designated 33/ (see annex I below, Other decisions b/):

Asian Reinsurance Corporation
Arab Federation of Shipping

I. Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure (agenda item 8(d))

355. At its 531st meeting, on 20 March 1980, the Board approved the applications by the following non-governmental organizations 34/ for designation under rule 79 of the rules of procedure for the purpose of that rule and rule 81 of the rules of procedure of the Conference and decided, in accordance with the recommendation of the Secretary-General of UNCTAD (TD/B/795), that they should be classified as follows (see annex I below, Other decisions c/):

General Category

International Peace Research Association

Special Category for the UNCTAD organ (other than the Board) indicated

African Centre for Monetary Studies	Committee on Invisibles and Financing related to Trade Committee on Economic Co-operation among Developing Countries
United States Trademark Association	Committee on Manufactures Committee on Transfer of Technology
International Shipping Federation	Committee on Shipping
International Union of Railways	Committee on Shipping Committee on Transfer of Technology

J. Election to membership of Main Committees (agenda item 8(b))

356. At its 531st meeting, on 20 March 1980, the Board was advised that no new communications had been received concerning countries wishing to participate in the main committees of the Board. Accordingly, the Board confirmed the

33/ The applications by these intergovernmental bodies, together with information on their history, aims and structure, are contained in documents TD/B/R.21 and Add.1 and 2 (derestricted).

34/ The applications by these non-governmental organizations, together with information on their history, structure and functioning, are contained in documents TD/B/R.20 and Add.1-5 (derestricted).

membership of its main committees as listed in the report on the first part of its nineteenth session. 35/

K. Provisional agenda for the twenty-first regular session of the Board and organization of the work of the session (agenda item 1(d))

357. The draft provisional agenda for the twenty-first regular session of the Board and proposals for the organization of the work of the session were before the Board in a note by the UNCTAD secretariat (TD/B/L.558).

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Action by the Board

359. At its 536th meeting, on 26 March 1980, the Board approved the provisional agenda for its twenty-first regular session (see annex III below) authorizing the President, in consultation with the Secretary-General of UNCTAD, to adjust it in the light of developments. The Board also requested the Secretary-General of UNCTAD to consult with delegations regarding the organization of the work of the session, and to circulate his suggestions thereon.

360. The spokesman for Group D, noting the decision of the Conference that the Board should henceforth have two sessions each year, stated that it was important to avoid at the twenty-first session a repetition of discussions that had taken place at the present session. If the Board were to perform its functions efficiently, it was desirable to adhere to the principle of a selective agenda, and to refrain from including items for which the necessary documentation would not be available in accordance with the six-week rule. Besides consulting the Secretary-General of UNCTAD, the President should also consult the regional groups when adjusting the provisional agenda in the light of developments.

L. Review of the calendar of meetings (agenda item 8(e))

361. At the 536th meeting, on 26 March 1980, the representative of the Secretary-General of UNCTAD introduced a note by the UNCTAD secretariat (TD/B/L.555) containing a revised draft calendar for the remainder of 1980 and tentative schedule for 1981. He drew attention to a statement of financial implications circulated in this connexion (TD/B/L.555/Add.1). He noted that, as a result of the Board's decision under item 2 concerning Conference resolution 127 (V) (see annex I below, resolution 216 (XX)), a provision should be added to the calendar for 1980 to

35/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15 (A/34/15), vol. II, part one, annex VII.

allow for up to four weeks of meetings of governmental experts of regional groups, in particular of developing countries, on economic co-operation among developing countries. This provision would be charged to the balance remaining under the heading "Other working parties, study groups, expert groups".

362. The spokesman for Group D said that the draft calendar of meetings now before the Board was extremely overloaded and did not take account of the need to ensure that meetings ended with positive results. He doubted whether the secretariat would be able to prepare the necessary documentation for all meetings in good time. Accordingly, he suggested that the Secretary-General of UNCTAD, after consultations with representatives of regional groups, should cancel or postpone any meeting for which the documentation was not expected to be available in time. With respect to the ninth session of the Committee on Invisibles and Financing related to Trade, Group D continued to believe that there was no point in dividing the session into two parts, and reserved its right to revert to this issue at a later stage. Group D was also concerned at the growing tendency of preparatory meetings under the Integrated Programme for Commodities to call for resumed or second parts of meetings, rather than for new preparatory meetings.

Action by the Board

363. At the same meeting, the Board, having taken note of the financial implications thereof (see annex IV below, section E), approved a revised calendar of meetings for 1980 and tentative schedule for 1981 (see annex I below, decision 218 (XX)).

M. Financial implications of the actions of the Board (agenda item 8(f))

364. In connexion with the discussion on various agenda items and with reference to proposals contained in certain draft resolutions and decisions, the UNCTAD secretariat submitted, under rule 31 of the rules of procedure, statements concerning the financial implications of the actions proposed. 36/

N. Adoption of the report of the Board to the General Assembly (agenda item 11)

365. At its 536th meeting, on 26 March 1980, the Board adopted the draft report on its twentieth session (TD/B/L.559 and Add.1-7), with a number of amendments, and authorized the Rapporteur to complete the report as appropriate and make any necessary editorial changes.

36/ The statements of financial implications relating to the actions of the Board are reproduced in annex IV below.

ANNEX I

Resolutions and decisions adopted by the Trade and Development Board
at its twentieth session

<u>Resolutions</u>		<u>Page</u>
213 (XX)	Trade and trade-related aspects of industrial collaboration arrangements	101
215 (XX)	Assistance to national liberation movements recognized by regional intergovernmental organizations	101
216 (XX)	Economic co-operation among developing countries	102
<u>Decisions</u>		
208 (XX)	Interdependence of problems of trade, development finance and the international monetary system	103
209 (XX)	Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries	103
210 (XX)	Rationalization of the permanent machinery of UNCTAD	104
211 (XX)	Strengthening the technological capacity of developing countries, including accelerating their technical transformation	104
212 (XX)	Development aspects of the reverse transfer of technology	104
214 (XX)	Multilateral trade negotiations	105
217 (XX)	Protectionism and structural adjustment	105
218 (XX)	Review of the calendar of meetings	106
<u>Other decisions taken by the Board at its twentieth session</u>		
(a)	Treatment of Namibia as a member of UNCTAD for purposes of elections	110
(b)	Designation of intergovernmental bodies for the purpose of rule 78 of the rules of procedure of the Trade and Development Board	110
(c)	Designation and classification of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Trade and Development Board	110

	<u>Page</u>
(<u>d</u>) Complementary action by UNCTAD in support of the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development	111
(<u>e</u>) Report of the Working Party on the Medium-term Plan and the Programme Budget on its first session	111
(<u>f</u>) Assessment of the progress made towards the establishment of the new international economic order	111

RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND
DEVELOPMENT BOARD AT ITS TWENTIETH SESSION

RESOLUTIONS

213 (XX). Trade and trade-related aspects of industrial
collaboration arrangements

The Trade and Development Board

1. Takes note of the report of the Ad Hoc UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements a/ and approves the recommendation contained in paragraph 36 thereof that it would be useful to hold a meeting to consider further the related issues concerning the trade and trade-related aspects of industrial collaboration arrangements in the light of the results of the secretariat studies to be undertaken in accordance with the mandate of the Group of Experts, taking into account the views expressed at the present session of the Board, subject to similar action by the Industrial Development Board at its fourteenth session;
2. Takes note further of the statement of administrative and financial implications submitted by the UNCTAD secretariat b/ on the understanding that the financial resources would be provided from within existing resources of the two organizations;
3. Requests the Secretary-General of UNCTAD, in consultation with the Executive Director of the United Nations Industrial Development Organization, to take the necessary steps to convene the meeting of the Ad Hoc Group of Experts once the studies have been completed and as soon as a corresponding decision to convene the Group is taken by the Industrial Development Board;
4. Requests the Ad Hoc Group of Experts to prepare its final recommendations, including, if necessary, future action, and to submit these recommendations to the Executive Heads of UNCTAD and the United Nations Industrial Development Organization.

534th meeting
25 March 1980

215 (XX). Assistance to national liberation movements recognized
by regional intergovernmental organizations

The Trade and Development Board,

Recalling General Assembly resolution 1514 (XV) of 14 December 1960 containing the Declaration on the Granting of Independence to Colonial Countries and Peoples,

Further recalling General Assembly resolutions 2626 (XXV) of 24 October 1970 containing the International Development Strategy for the Second United Nations Development Decade, 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and 3281 (XXIX) of 12 December 1974 containing the Charter of Economic Rights and Duties of States, as well as resolution 33/193 of 29 January 1979 on preparations for an international development strategy for the third United Nations development decade,

a/ Official Records of the Trade and Development Board, Twentieth Session, Annexes, agenda item 7, document TD/B/77b.

b/ TD/B/77b/Add.1. See annex IV, sect. A below.

Recalling resolution 109 (V) of 1 June 1979 adopted by the United Nations Conference on Trade and Development,

1. Recommends that the special problems of the peoples and countries under colonial domination or foreign occupation should be explicitly recognized and integrated in the formulation of the new international development strategy for the third United Nations development decade;

2. Further recommends that the United Nations system, including the United Nations Development Programme, should, during the third United Nations development decade, mobilize adequate resources for providing assistance to national liberation movements recognized by regional intergovernmental organizations and to the peoples under colonial domination and foreign occupation.

535th meeting
25 March 1980

216 (XX). Economic co-operation among developing countries

The Trade and Development Board,

Recalling its decision 202 (XIX) of 20 October 1979, in which it decided to remit to its twentieth session the question of convening and organizing, as envisaged in paragraph 15 of Conference resolution 127 (V) of 3 June 1979, future meetings of governmental experts of developing countries, as well as of other countries if they so wish, on specific aspects of interregional economic co-operation among developing countries,

Recalling also General Assembly resolution 34/202 of 19 December 1979, in which the Secretary-General of UNCTAD is requested, within the framework of the mandate of UNCTAD and in the light of its key role in economic co-operation among developing countries within the United Nations system, to intensify further its efforts in support of relevant programmes of economic co-operation among developing countries,

Noting the UNCTAD calendar of meetings, according to which the special session of the Committee on Economic Co-operation among Developing Countries is scheduled to take place from 19 to 27 June 1980, and the twenty-first session of the Trade and Development Board from 15 to 26 September 1980, c/

Having considered, in the light of the calendar of meetings, that if a decision is not taken at its present session there would be very limited possibilities for the UNCTAD secretariat to provide in 1980 adequate support to activities decided upon by the developing countries at the interregional meetings currently taking place,

1. Decides that a total of up to four weeks of meetings be allocated to economic co-operation among developing countries in order to convene and organize between the twentieth and twenty-first sessions of the Trade and Development Board, as required, future meetings of governmental experts of regional groups, in particular of developing countries, as envisaged in paragraph 15 of Conference resolution 127 (V);

2. Requests the Secretary-General of UNCTAD, in the light of the provisions of paragraph 16 of Conference resolution 127 (V) and the Arusha Programme for Collective Self-Reliance, d/ to formulate a future programme of work for the secretariat in

c/ See below, decision 218 (XX), annex.

d/ See Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and annexes (United Nations publication, Sales No. E.79.II.D.14), annex VI, sect. II.

support of economic co-operation among developing countries, including the implementation of the conclusions reached at the interregional meetings of developing countries held at Geneva, for adoption at the special session of the Committee on Economic Co-operation among Developing Countries in accordance with its mandate.

535th meeting
25 March 1980

DECISIONS

208 (XX). Interdependence of problems of trade, development finance and the international monetary system

The Trade and Development Board

1. Takes note that consultations will be undertaken from 21 to 23 May 1980 by the Secretary-General of UNCTAD, in accordance with its decision 144 (XVI) of 23 October 1976 and in the light of paragraph 3 of General Assembly resolution 34/197 of 19 December 1979, with the assistance of high-level experts appointed by Governments;
2. Requests Governments of States members to co-operate with the Secretary-General of UNCTAD in carrying out these consultations;
3. Decides to refer this item, together with the draft resolution on interdependence of problems of trade, development finance and the international monetary system e/ and the report on the above consultations, to its twenty-first session for further consideration and appropriate action.

533rd meeting
21 March 1980

209 (XX). Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries

The Trade and Development Board

1. Decides to remit the above item, together with the draft resolution on the debt problems of developing countries f/ and the report of the Intergovernmental Group of Experts on Debt and Development Problems of Developing Countries, g/ to its twenty-first session for further consideration and appropriate action;
2. Requests the Secretary-General of UNCTAD to present to the Board at its twenty-first session a comprehensive report on the implementation of section A of its resolution 165 (S-IX). Further requests him to make an analysis of the effects of such implementation on the debt problems of the developing countries concerned

e/ TD/B/L.360, reproduced in Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), annex II.

f/ TD/L.196, reproduced in Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and annexes (United Nations publication, Sales No. E.79.II.D.14), annex I, sect. C.

g/ Official Records of the Trade and Development Board, Tenth Special Session, Annexes, agenda item 3, document TD/B/730.

and requests Governments and relevant multilateral institutions to co-operate with the Secretary-General of UNCTAD, especially with regard to furnishing the relevant available information and data;

3. Also requests the Secretary-General of UNCTAD to continue informal consultations with appropriate Governments and multilateral institutions with regard to matters relating to Trade and Development Board resolution 165 (S-IX), and to report to the Board at its twenty-first session.

533rd meeting
21 March 1980

210 (XX). Rationalization of the permanent machinery of UNCTAD

The Trade and Development Board

1. Decides to remit to its twenty-first session the three draft resolutions on rationalization of the permanent machinery of UNCTAD submitted during its twentieth session; h/
2. Decides to establish a working group of its twenty-first session to consider these draft resolutions and to prepare a final text for action by the Board.

534th meeting
25 March 1980

211 (XX). Strengthening the technological capacity of developing countries, including accelerating their technological transformation

The Trade and Development Board

1. Takes note of the proposals of the UNCTAD secretariat for an outline for the formulation of a strategy for the technological transformation of developing countries; i/
2. Decides to transmit the proposals to the Committee on Transfer of Technology at its third session for appropriate follow-up action, taking into account Conference resolution 112 (V) of 3 June 1979.

534th meeting
25 March 1980

212 (XX). Development aspects of the reverse transfer of technology

The Trade and Development Board,

Having noted the note by the UNCTAD secretariat on "Development aspects of the reverse transfer of technology", j/

h/ Draft resolution submitted by the United States of America on behalf of States members of Group B (TD/B(XX)/SC/L.1/Rev.1), draft resolution submitted by the German Democratic Republic on behalf of States members of Group D and Mongolia (TD/B(XX)/SC/L.2), and draft resolution submitted by Ethiopia on behalf of States members of the Group of 77 (TD/B(XX)/SC/L.3 and Corr.1). The texts of these draft resolutions are reproduced in annex II below.

i/ TD/B/779.

j/ TD/B/L.554.

Taking into account paragraph 6 of Conference resolution 102 (V) of 30 May 1979 and paragraph 4 of General Assembly resolution 34/200 of 19 December 1979,

Decides to remit to its twenty-first session the request made by the General Assembly in paragraph 4 of its resolution 34/200.

534th meeting
25 March 1980

214 (XX). Multilateral trade negotiations

The Trade and Development Board,

1. Decides to undertake and complete at its twenty-first session the global evaluation of the multilateral trade negotiations, in accordance with Conference decision 132 (V) of 3 June 1979;
2. Requests the competent Committees of UNCTAD to examine, within their competence developments in international trade arising from the implementation of the results of the multilateral trade negotiations, in particular its impact on the trade of developing countries, taking into account the need to further the interests of these countries;
3. Further requests the Secretary-General of UNCTAD and the United Nations Development Programme to continue to assist developing countries in the consultations and negotiations on unresolved and outstanding issues of particular interest to them, taking care that there is no duplication with similar assistance available in GATT and the International Trade Centre UNCTAD/GATT;
4. Further requests the Secretary-General of UNCTAD to follow closely the work in GATT in the post-multilateral-trade-negotiations framework and to consult with the Director-General of GATT concerning arrangements, as appropriate, for the Secretary-General of UNCTAD to attend meetings of relevant GATT bodies and to have timely access to the relevant available documentation. The Secretary-General of UNCTAD should transmit to these bodies all the relevant UNCTAD documentation for use as deemed appropriate.

534th meeting
25 March 1980

217 (XX). Protectionism and structural adjustment

The Trade and Development Board,

Recalling Conference resolution 131 (V) of 3 June 1979 and Trade and Development Board decision 199 (XIX) of 20 October 1979,

1. Decides, in accordance with section A of Conference resolution 131 (V), to carry out annually a review of the patterns of production and trade in the world economy. Such reviews should take into consideration relevant available information, including general policies, in order to provide a comprehensive factual and analytical background of global trends of production, imports and exports, with a view to identifying elements or problems most relevant, in the light of the dynamics of comparative advantage, to the attainment of optimum over-all economic growth, including the development and diversification of the economies of developing countries, and an effective international division of labour;

2. Further decides, in accordance with section B of Conference resolution 131 (V), to review, at the sessions of the Board and its appropriate subsidiary bodies, developments involving restrictions of trade, with a view to examining and formulating appropriate recommendations concerning the general problem of protectionism;
3. Decides also to establish at its twenty-first session a sessional committee which will give priority consideration to these items as part of its work programme;
4. Requests the Secretary-General of UNCTAD to prepare the necessary documentation.

535th meeting
25 March 1980

218 (XX). Review of the calendar of meetings

The Trade and Development Board

Approves the calendar of meetings for the remainder of 1980 and the tentative schedule of meetings for 1981 annexed to the present decision.

536th meeting
26 March 1980

Annex

Calendar of meetings for the remainder of 1980 and tentative
schedule of meetings for 1981*

	<u>Date of meeting</u>
IPC k/ - Fifth Preparatory Meeting on Cotton and Cotton Yarns	24-28 March
United Nations Conference on Restrictive Business Practices, second session	8-18 April
IPC - Interim Committee of the United Nations Negotiating Conference on a Common Fund, under the Integrated Programme for Commodities, fifth session	8-18 April
United Nations Tin Conference, 1980	14 April- 16 May
IPC - Preparatory Meeting on Bananas	21-25 April
United Nations Conference on an International Code of Conduct on the Transfer of Technology, third session	21 April- 16 May
IPC - Pre-negotiating Meeting on Jute and Jute Products	28 April- 9 May

* Unless otherwise indicated, all meetings will be held at Geneva.

k/ Meetings in connexion with the Integrated Programme for Commodities are preceded by the notation "IPC".

	<u>Date of meeting</u>
United Nations Conference on a Convention on International Multimodal Transport, resumed session	8-23 May
Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets, fourth session (Board decision 197 (XIX))	12-20 May
IPC - Second Preparatory Meeting on Meat	19-23 May
Meeting of experts on the interdependence of problems of trade, development finance and the international monetary system (Board decision 144 (XVI))	21-23 May
IPC - United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, fourth session	27-30 May
Special Committee on Preferences, ninth session	2-13 June
Committee on Economic Co-operation among Developing Countries, first special session <u>1/</u>	19-27 June
Committee on Invisibles and Financing related to Trade, ninth session (first part)	30 June- 11 July
IPC - Fifth Preparatory Meeting on Tropical Timber (second part)	7-18 July
Committee on Manufactures, ninth session	14-25 July
IPC - Intergovernmental Group of Experts on Tea, third session	28 July- 1 August
<u>Ad Hoc</u> Intergovernmental High-Level Group of Experts on the Evolution of the International Monetary System (Conference resolution 128 (V), para. 11)	28 July- 5 August
IPC - Third Preparatory Meeting on Tea	4-8 August
IPC - Panel of Experts on Vegetable Oils and Oilseeds	11-15 August
Committee on Shipping, ninth session	1-12 September

1/ To prepare for this session the following meetings will be held at the request of the regional groups concerned:

Preparatory meetings of governmental experts of developing countries on: co-operation among State trading organizations of developing countries; establishment of multinational marketing enterprises among developing countries; establishment of a global system of trade preferences among developing countries	17 March- 3 April
Preparatory meeting of governmental experts of developed market-economy countries	17-18 June

	<u>Date of meeting</u>
Preparatory Committee for the United Nations Conference on the Least Developed Countries, second session <u>m/</u>	1-12 September
Working Party on the Medium-term Plan and the Programme Budget, second session	8-12 September
Trade and Development Board, twenty-first session	15-26 September
IPC - <u>Ad Hoc</u> Intergovernmental Committee for the Integrated Programme for Commodities, tenth session	29 September- 1 October
Committee on Invisibles and Financing related to Trade, ninth session (second part)	29 September- 3 October
Committee on Commodities, ninth session	29 September- 3 October (possibly to 7 October)
<u>Ad Hoc</u> UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements, second session <u>n/</u>	6-17 October (in Vienna)
IPC - Fourth Preparatory Meeting on Vegetable Oils and Oilseeds	13-17 October
IPC - Second Preparatory Meeting on Manganese	27-31 October
Committee on Transfer of Technology, third session	17-28 November
Working Group on International Shipping Legislation, seventh session	1-19 December
<u>Meetings for which the dates are to be determined:</u>	<u>Duration</u>
United Nations Conference to Negotiate an International Arrangement to replace the International Wheat Agreement 1971, as extended, fourth part (if required)	Up to 4 weeks
United Nations Cocoa Conference, fourth part (if required)	3 weeks
Working Group on Rules of Origin, eighth session	

m/ The Intergovernmental Group on the Least Developed Countries has been designated by the General Assembly as the Preparatory Committee for the United Nations Conference on the Least Developed Countries.

n/ Subject to the concurrence of the Industrial Development Board at its fourteenth session.

	<u>Duration</u>
IPC - Preparatory Meeting on Bauxite	
IPC - Third Preparatory Meeting on Iron Ore	
IPC - Third Preparatory Meeting on Phosphates (if required)	
Meetings of governmental experts of regional groups, in particular of developing countries	As required (up to 4 weeks)
Other commodity conferences and commodity meetings	As required (up to 10 weeks)
Other working parties, study groups, expert groups	As required (up to 1½ weeks)

<u>1981</u>	<u>Date</u>	<u>Duration</u>
Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, tenth session	January	1 week
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, fourteenth session	February/March	1 week
Working Party on the Medium-term Plan and the Programme Budget, third session	2-6 March	1 week
Trade and Development Board, twenty-second session	9-20 March	2 weeks
Special Committee on Preferences, tenth session	May/June	1-2 weeks
Working Party on the Medium-term Plan and the Programme Budget, fourth session	7-11 September	1 week
Trade and Development Board, twenty-third session	14-25 September	2 weeks
Preparatory Committee for the United Nations Conference on the Least Developed Countries, third session <u>o/</u>	To be determined	2 weeks
Sessions of two or three main Committees	Throughout the year, 1-2 weeks each	2-6 weeks
Permanent Group on Synthetics and Substitutes, seventh session	To be determined	1 week
Commodity conferences and other commodity meetings	As required	Up to 46 weeks

o/ See foot-note m/ above.

<u>1981</u>	<u>Date</u>	<u>Duration</u>
Working parties, study groups and expert groups <u>p/</u>	As required	up to 16 weeks

OTHER DECISIONS TAKEN BY THE BOARD AT ITS
TWENTIETH SESSION

(a) Treatment of Namibia as a member of UNCTAD for purposes of elections q/

At its 528th meeting, on 17 March 1980, the Board decided that, pending action by the Conference at its sixth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), as amended, Namibia, which had been admitted to membership of UNCTAD pursuant to General Assembly resolution 34/92 C of 12 December 1979, should be associated with the group of countries listed in part A of the annex to General Assembly resolution 1995 (XIX).

(b) Designation of intergovernmental bodies for the purpose of rule 78 of the rules of procedure of the Trade and Development Board r/

At its 531st meeting, on 20 March 1980, the Board decided that the following bodies which had applied for designation under rule 78 of the rules of procedure of the Board and rule 80 of the rules of procedure of the Conference should be so designated:

Arab Federation of Shipping
Asian Reinsurance Corporation

(c) Designation and classification of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Trade and Development Board s/

At its 531st meeting, on 20 March 1980, the Board approved the applications of the following five non-governmental organizations for designation under rule 79 of the rules of procedure of the Board for the purpose of that rule and rule 81 of the rules of procedure of the Conference, and decided that they should be classified as follows:

p/ Meetings currently foreseen under this heading:

Second Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries
(February 1981 - 1½ weeks)

Meeting of representatives of interested Governments on bulk cargo shipments
(Conference resolution 120 (V), para. 5)

Meeting of governmental experts on the role of the industrial property system in the transfer of technology to developing countries (decision 4 (II) of the Committee on Transfer of Technology)

q/ See para. 333 above.

r/ See para. 354 above.

s/ See para. 355 above.

General category

International Peace Research Association

Special category for the UNCTAD organ indicated (other than the Board)

African Centre for Monetary Studies	Committee on Invisibles and Financing related to Trade
	Committee on Economic Co-operation among Developing Countries
International Shipping Federation	Committee on Shipping
International Union of Railways	Committee on Shipping Committee on Transfer of Technology
United States Trademark Association	Committee on Manufactures Committee on Transfer of Technology

- (d) Complementary action by UNCTAD in support of the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development t/

At its 531st meeting, on 20 March 1980, the Board took note of the invitation of the Conference of the Food and Agriculture Organization of the United Nations, at its twentieth session, to work together with FAO in the elaboration and implementation of activities called for by the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development and agreed that the question of possible complementary action by UNCTAD in support of the implementation of the Programme of Action should be pursued through the machinery of the Task Force on Rural Development of the Administrative Committee on Co-ordination.

- (e) Report of the Working Party on the Medium-term Plan and the Programme Budget on its first session u/

At its 531st meeting, on 20 March 1980, the Board decided to request the Secretary-General of UNCTAD to transmit the report of the Working Party on the Medium-term Plan and the Programme Budget, v/ together with the comments thereon, to the appropriate United Nations bodies for their consideration.

- (f) Assessment of the progress made towards the establishment of the new international economic order w/

At its 533rd meeting, on 21 March 1980, the Board took note of the report of the UNCTAD secretariat x/ and decided to transmit the report to the special session of the General Assembly on the new international economic order, together with the relevant section of the report of the Board on its twentieth session.

t/ Ibid., para. 307.

u/ Ibid., para. 304.

v/ Official Records of the Trade and Development Board, Twentieth Session, Supplement No. 2 (TD/B/800).

w/ See para. 65 above.

x/ Official Records of the Trade and Development Board, Nineteenth Session, Annexes, agenda item 4, document TD/B/757, and ibid., Twentieth Session, Annexes, agenda item 4, document TD/B/757/Add.1.

ANNEX II

Texts remitted for further consideration at the
twenty-first session of the Board

Rationalization of the permanent machinery of UNCTAD a/

Draft resolution submitted by the United States of
America on behalf of States members of Group B

[TD/B(XX)/SC/L.1/Rev.1]

The Trade and Development Board,

Recalling that UNCTAD has a major role to play in the achievement of the objectives of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, 3281 (XXIX) of 12 December 1974 and 3362 (S-VII) of 16 September 1975, and in the periodic evaluation of progress accomplished in this regard, and that appropriate steps should be taken to improve its own effectiveness in order to enable it better to fulfil this role,

Recognizing the major and evolving role of UNCTAD as an organ of the General Assembly for deliberation, negotiation, review and implementation in the field of international trade and related issues of international economic co-operation,

Desiring that appropriate steps should be taken to improve UNCTAD's effectiveness and responsiveness in order that UNCTAD more effectively and efficiently fulfil its important role,

Recalling further Conference resolutions 90 (IV) of 30 May 1976 and 114 (V) of 3 June 1979 and Board decision 194 (XIX) of 20 October 1979,

Recalling also General Assembly resolution 32/197 of 20 December 1977 on restructuring the economic and social sectors of the United Nations system,

Recalling further General Assembly resolution 33/154 of 20 December 1978,

Having considered the reports of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's machinery, b/

Confirming the importance that all States members attach to the responsibilities flowing from the mandate of UNCTAD,

I. MACHINERY

Conference

1. The Trade and Development Board decides to review, no later than at its twenty-fourth session, the organization and tasks of the Conference so as to organize its work and utilize the presence of Ministers in the most effective manner.

a/ See para. 128 above.

b/ TD/B/AC.30/R.1 and Add.1 and TD/B/AC.30/4, circulated under cover of TD/B/786.

Trade and Development Board

2. The Trade and Development Board decides to strengthen its co-ordinating function in order to give its subsidiary bodies more effective guidance and ensure an over-all coherence among their varied activities.

3. To this end, the Board decides that:

(a) Agendas for each regular session should be more selective in order to focus particular attention on important cross-sectoral issues within UNCTAD's competence;

(b) Agenda items which are to be considered annually by the Board should be evenly allocated between the spring and autumn sessions;

(c) Main committees dealing with interrelated questions should, when possible, be scheduled in the six-month period prior to the same Board session to facilitate the Board's consideration of, and, where appropriate, decision on; any outstanding issues arising from the committees' reports;

(d) The first of the two annual Board sessions should be used for house-keeping and customary review of routine, recurrent agenda items. The remainder of the first session and the second session of the Board should be used for deliberation of a few and carefully selected substantive issues.

Working Party on the Medium-Term Plan and the Programme Budget

4. The Trade and Development Board decides that, in addition to its present responsibilities, its Working Party on the Medium-Term Plan and the Programme Budget should:

(a) Examine certain facets of UNCTAD's work programme more closely and report to the Board;

(b) Conduct an annual review of UNCTAD's technical co-operation activities financed from all sources, based on the report requested in paragraph 11(a) of Conference resolution 11⁴ (V); and,

(c) Consider ways and means as to how effective evaluation could be achieved and strengthened in UNCTAD.

Main Committees

5. The Trade and Development Board decides to strengthen the main committees as the main pillars of UNCTAD, which should review regularly the elaboration of their work programmes and the implementation of their decisions. Wherever possible, and pursuant to paragraph 7(a) of Conference resolution 11⁴ (V), detailed discussions and negotiations should be pursued by the main Committees themselves rather than through the establishment of ad hoc groups, expert groups or other subsidiary bodies. Problems should therefore be passed to the Board for further consideration only when it is not possible to reach a decision at the committee level.

6. The Trade and Development Board decides that, to deal more effectively with interrelated, cross-sectoral issues, the main committees and the Special Committee on Preferences should:

(a) Schedule meetings dealing with related subjects in close proximity so that their results will be considered by the same session of the Board; and

(b) Hold, when viewed as appropriate by the Board, special joint meetings to focus on specific cross-sectoral issues within their fields of competence. As a result of experience gained through the above arrangements, the Conference or the Board may decide at a later stage whether any restructuring or merger of the committees would be desirable.

7. The Trade and Development Board decides that all committees and programmes should, in their respective fields of competence, deal with the special needs and interests of the least developed countries.

8. The Trade and Development Board requests the main committees to review their respective institutional structures with a view to promoting their efficiency, including the consideration of a possible reduction in the number of their subsidiary bodies, and to report to the Board the result of their review.

Expert groups and consultants

9. The Trade and Development Board decides, as a means of strengthening the committees, that more sparing use should be made of expert groups, and decides that those with experts chosen to serve in their personal capacity should be reduced to a minimum.

10. The Trade and Development Board requests the UNCTAD secretariat to provide to the Board, on an annual basis, through the Working Party on the Medium-Term Plan and the Programme Budget, a list of consultants and details of the work they have produced.

Negotiating Conferences

11. The Trade and Development Board decides that negotiating conferences should take place only after thorough preparation by the relevant permanent body and when issues seem to be ripe for intensive consideration with a view to reaching positive results.

Calendar of meetings

12. The Trade and Development Board decides to adopt the following principles to rationalize the calendar of meetings, with a view to making meetings more productive and allowing sufficient time for preparations:

(a) As a general rule, no more than two meetings should be scheduled simultaneously;

(b) Once a calendar of meetings has been approved, every effort should be made to adhere to it;

(c) Consideration should be given, taking into account the wider demands of the United Nations Office at Geneva as a whole, to allocating to UNCTAD, on an annual basis, an optimal or maximum number of meeting weeks which could be distributed by the Board among the relevant bodies with due regard to their requests; consideration should also be given to the possibility of allocating space to accommodate any unanticipated reconvening of conferences and meetings when more time is required to conclude agreements.

(d) Appropriate steps should be taken in order to use the time allocated for UNCTAD meetings in the most efficient way, particularly through more order and greater discipline.

II. CONSULTATION

13. The Trade and Development Board agrees to establish an informal consultative group mechanism of representatives of permanent missions and the secretariat on a trial basis. Such consultations:

- (a) Should be scheduled once a month, with their agendas determined at least two weeks in advance;
- (b) Should aim at:
 - (i) Obtaining information on forthcoming meetings and other UNCTAD activities;
 - (ii) Preparing house-keeping matters regarding scheduling of meetings, e.g., election of officers, documentation, etc., in order to secure a smoother start to meetings;
- (c) Should be scheduled so that they do not conflict with other meetings.

III. INFORMATION

14. The Trade and Development Board requests that the UNCTAD secretariat should seek permission from United Nations Headquarters to issue a monthly listing of all personnel vacancies, including those for short, fixed-term appointments.

IV. EVALUATION

15. The Trade and Development Board requests the Working Party on the Medium-Term Plan and the Programme Budget to consider ways and means as to how effective evaluation could be achieved and strengthened in UNCTAD, taking into account the views of the UNCTAD secretariat, relevant documents prepared by the Joint Inspection Unit, and presentations by relevant bodies of the United Nations system.

V. SECRETARIAT

16. The role of the Secretary-General of UNCTAD in the management and co-ordination of the secretariat should be strengthened in order to:

- (a) Give more policy guidance to the divisions, especially with respect to cross-sectoral issues;
- (b) Improve and harmonize more effectively the output of the divisions;
- (d) Encourage divisions to offer, where possible, in their proposals alternative solutions and to make efforts to take into account the interests of all groups of countries;
- (d) Improve the method and efficiency of evaluation within the secretariat;
- (e) Co-ordinate more effectively the activities, including those related to research, carried out in the divisions.

17. The Trade and Development Board reaffirms that recruitment of UNCTAD staff must be carried out in accordance with Article 101, paragraph 3, of the Charter of the United Nations, namely,

- (i) That paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity; and
- (ii) That due regard shall be paid to the importance of recruiting professional staff on as wide a geographical basis as possible.

18. The Secretary-General of UNCTAD may wish to draw on the following specific ideas on management of personnel and resources in considering how to improve the performance of the UNCTAD secretariat:

- (i) Before submitting UNCTAD's budgetary proposals to the Secretary-General of the United Nations, the Secretary-General of UNCTAD could consult representatives of member States on the main options and orientations in the budget that he intends to present. (This new consultation procedure would not require any departure from existing United Nations financial regulations, which should be upheld.)
- (ii) Measures should be taken, by means of redeployment, to strengthen research on long-term issues that fall within the competence of UNCTAD.
- (iii) When the secretariat prepares a proposal that involves financial implications, those financial implications should be included in the document describing the proposal.

VI. DOCUMENTATION AND TRANSLATION

19. The Trade and Development Board decides that priority attention should be given to solving the growing difficulties in producing and distributing documentation sufficiently in advance of UNCTAD meetings, in accordance with rule 29 of the rules of procedure of the Trade and Development Board.

20. The Trade and Development Board calls for essential improvements to be made at each stage of the documentation process and, in particular, recommends that the following measures be implemented as soon as possible:

- (i) Monitoring, co-ordination and control function of the Office of the Secretary-General of UNCTAD and other sections of the secretariat should be strengthened in the field of documentation. This monitoring function is both substantive and technical;
 - (a) the Office of the Secretary-General of UNCTAD should attempt, wherever possible, to monitor and consult with divisions at an early stage in the drafting of documents;
 - (b) an improved system should be established to monitor the state of preparation of documents at each stage of the chain and to intervene where necessary to speed up the process;
- (ii) Upon the adoption of the calendar of meetings, the Secretary-General of UNCTAD shall make a statement confirming or otherwise the availability of the documentation for the meetings as scheduled in the calendar, observing the relevant rules relating to the timing, languages, as well as the length, nature and content of the documents;

- (iii) Consultations on the calendar should be planned with the documentation issues clearly in mind. If it is clear that documentation cannot be made available partially or totally, meetings should be held only exceptionally and upon consultation between the Secretary-General of UNCTAD and regional co-ordinators;
- (iv) Documentation should be requested only when necessary and should be kept to a minimum compatible with efficient conduct of work and within the limits of the available resources of the secretariat;
- (v) The secretariat should indicate, when documentation is requested, the earliest approximate date at which such documentation can be expected to be available, in all languages;
- (vi) Attempts should be made regularly to identify documentation which can be reduced, has become redundant, or could be issued at less frequent intervals;
- (vii) All documents and reports prepared by the UNCTAD secretariat should be submitted to the respective UNCTAD bodies by the Secretary-General of UNCTAD;
- (viii) Documents should be action-oriented and concise, have a limit of 32 pages, and contain a summary. Historical introductions should be minimized. They should contain a succinct indication of points for discussion and/or action suggested, and paragraphs of special importance might be highlighted;
- (ix) The secretariat should circulate eight weeks before the opening of a meeting, together with the annotated provisional agenda, a report on the current state of preparedness of all documents, in all languages, for a given meeting. Subsequently, it should report which documents have not been issued in accordance with the six-week rule, with a full explanation of the reasons which prevented their circulation;
- (x) Before notifications of meetings are sent out, the Secretary-General of UNCTAD should review whether the necessary documentation is in a sufficiently advanced state of preparation to warrant the holding of the meeting at the planned date and should consult with regional co-ordinators in this respect;
- (xi) Consideration should be given to ensuring that over time sufficient conference rooms are equipped to handle six languages;
- (xii) Weekend and night meetings of UNCTAD should be held only exceptionally. If such meetings are unavoidable, translation should be available and rapid delivery of translation services in all languages should be ensured;
- (xiii) Pre-session documentation in all official languages should reach Governments six weeks before the relevant meeting starts, as provided for in rule 18 of the rules of procedure of the Trade and Development Board;
- (xiv) The unit responsible for translation and interpretation should regularly take part in the consultations on UNCTAD's calendar of meetings;
- (xv) The date, or approximate date, of distribution of a document, as well as the date on which the document was submitted to the United Nations Office at Geneva, should be indicated.

21. The Trade and Development Board notes that further measures for ensuring rapid delivery of translation service in all languages are required, and recommends that the modalities be discussed at its twenty-first session in the light of financial implications and of the report of continuing consultations between the Secretary-General of the United Nations and the Secretary-General of UNCTAD.

Rationalization of UNCTAD's machinery and improving its effectiveness c/

Draft resolution submitted by the German Democratic Republic on behalf of States members of Group D and Mongolia

[TD/B(XX)/SC/L.2]

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX) of 30 December 1964 and Conference resolution 114 (V) of 3 June 1979,

Recalling further its decision 194 (XIX) of 20 October 1979,

Reaffirming its desire to improve UNCTAD's effectiveness and responsiveness in order that UNCTAD more effectively and efficiently fulfil its important role as stipulated in General Assembly resolution 1995 (XIX),

Aware of the need to take urgent measures for harmonization, rationalization and co-ordination in a systematic manner so as to maximize the effectiveness of UNCTAD,

I

1. Takes note of the final report of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's machinery (TD/B/786).

2. Adopts the recommendations and conclusions for rationalizing UNCTAD's machinery and improving its effectiveness as set out in section II below.

3. Requests the Secretary-General of UNCTAD to implement those recommendations, which are addressed to him, in exercising his responsibilities for organizing and managing the structure and the work of the secretariat.

4. Decides to keep under review the implementation of the above-mentioned recommendations and conclusions.

II.

A. INTERGOVERNMENTAL MACHINERY

Conference

1. In accordance with decision 45 (VII) of the Trade and Development Board, the Conference should at its sessions review recent developments and long-term trends in international trade and related areas of international economic co-operation,

c/ See para. 128 above.

evaluate the progress reached in implementing the recommendations, declarations, resolutions and other decisions of the Conference since the previous session, act on such recommendations as are made to it by the permanent machinery and set new guidelines for the work of the permanent machinery in ensuing years.

2. In this regard the role of the plenary meetings of sessions of the Conference should be strengthened, bearing in mind their role as the main policy, decision-making and co-ordinating organ of the Conference.

Trade and Development Board

3. The Trade and Development Board, which carries out the functions of the Conference between sessions of the latter, should keep under constant review the interrelated problems in the field of international trade and related areas of international economic co-operation.

4. The co-ordinating function of the Trade and Development Board should be strengthened in order to give its subsidiary bodies more effective guidance and ensure an over-all coherence among their varied activities. The Board should not consider and decide questions falling within the competence of its permanent subsidiary organs without prior discussion in the latter.

5. The agenda items which are to be considered annually by the Board should be evenly allocated between the spring and autumn sessions.

Main Committees

6. The permanent committees, the main instrument to fulfil effectively the functions of the Board, should be strengthened. Problems should therefore be passed to the Trade and Development Board for further consideration only when solutions cannot be reached at the committee level.

7. Sessions of the main committees should be planned in such a manner that they are evenly spread throughout the existing two-year cycle, taking into account that sessions of committees dealing with related subjects should be scheduled in appropriate proximity in order to help due consideration of these subjects by the Trade and Development Board.

8. Pursuant to paragraph 7 (a) of Conference resolution 114 (V), detailed discussion and negotiation should be pursued by the main committees themselves rather than through the establishment of ad hoc groups or subsidiary bodies.

Working Party on the Medium-Term Plan and the Programme Budget

9. The Working Party on the Medium-Term Plan and the Programme Budget should, among other things, examine UNCTAD's work programme more closely and report to the Trade and Development Board.

10. The Working Party should, taking into account the views of the UNCTAD secretariat, the relevant documents prepared by the Joint Inspection Unit, and presentation by relevant bodies of the United Nations system, consider ways and means of achieving and strengthening effective evaluation in UNCTAD.

Expert groups

11. The number and frequency of all kinds of expert group meetings, particularly those attended in a personal capacity, should be kept to a minimum.

Negotiating conferences

12. Negotiating conferences should be held only when existing permanent bodies of UNCTAD are not sufficient to handle the subjects under negotiation, after thorough preparation by the relevant permanent body, and when issues seem to be ripe for intensive consideration with a view to reaching positive results.

Calendar of meetings

13. (a) A stable schedule of meetings in UNCTAD should be re-established and the calendar of meetings for the coming year should be adopted at the autumn regular session of the Board.
- (b) Once a calendar of meetings has been approved, every effort should be made to adhere to it.
- (c) As a general rule, no more than two meetings in UNCTAD should be scheduled simultaneously.
- (d) Consideration should be given to the idea of an overall limit on the number of meetings in UNCTAD on an annual basis, which are then distributed by the Trade and Development Board among the relevant bodies, with due regard to their requests.
- (e) The time allocated for UNCTAD meetings should be used in the most efficient way, particularly through more order and greater discipline.

B. SECRETARIAT

14. (a) To improve the present performance of UNCTAD and its secretariat in general, and to improve the deliberative function of UNCTAD, the management should be strengthened in order to (a) give greater and more coherent guidance to the divisions on general trade policy; (b) improve and harmonize more effectively the output of the divisions; (c) encourage divisions to offer, where possible, alternative solutions in their proposals, and to make efforts to take into account the interests and positions of all groups of countries; (d) improve the method and efficiency of evaluation within the secretariat; and (e) co-ordinate more effectively the research activities carried out in the different divisions.
- (b) The top-level management of the UNCTAD secretariat in particular, and the secretariat in general, should be more representative in accordance with equitable geographical distribution, so as to help fulfil its mandate as provided for in General Assembly resolution 1995 (XIX).
- (c) The technical assistance activities of UNCTAD should not distract the organization from its main responsibilities.
- (d) In recruiting consultants, the secretariat should respect the principle of equitable geographical distribution.

C. INFORMATION AND CONSULTATION

15. (a) The Secretary General of UNCTAD should take necessary steps in order to issue a monthly listing of all personnel vacancies.
- (b) Administrative and budgetary questions should be included within the framework of the existing consultative machinery between the Secretary-General of UNCTAD and member States.
- (c) When the secretariat prepares a proposal that has financial implications, those financial implications should be included in the document describing the proposal.

D. DOCUMENTATION

16. (a) Consultations on the calendar of meetings should be planned with the documentation issue clearly in mind, and meetings should be scheduled only in exceptional cases if it is clear that documentation cannot be made available. The secretariat should therefore indicate, when documentation is requested, the earliest approximate date when such documentation can be expected to be available in all languages. The state of availability of documentation for various meetings should also be made known and discussed at non-calendar consultations.
- (b) Documentation should be requested only when necessary and should be kept to a minimum compatible with efficient conduct of work and within the limits of the available resources of the secretariat.
- (c) Delegations should reach early decisions on provisional agendas so that key issues, on which documentation will have to be provided, can be identified early.
- (d) All documents should have a limit of 32 pages, and requests for waivers to the 32-page rule should be obtained ex ante. Where possible, documents should contain not more than 15-20 pages. Documents should be action-oriented and concise, and historical introductions should be minimized. Each document should contain a succinct indication of points for discussion and/or action suggested, and paragraphs of special importance should be highlighted. All documents should include a summary, as requested in Conference resolution 114 (V).

Rationalization of the permanent machinery of UNCTAD d/

Draft resolution submitted by Ethiopia on behalf of
States members of the Group of 77

[TD/B(XX)/SC/L.3 and Corr.1]

The Trade and Development Board,

Recalling that UNCTAD has a major role to play in the achievement of the objectives of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, 3281 (XXIX) of 12 December 1974 and 3362 (S-VII) of 16 September 1975, and in the periodic evaluation of progress accomplished in this regard, and that appropriate steps should be taken to improve its own effectiveness in order to enable it better to fulfil this role,

d/ See para. 128 above.

Recognizing the major and evolving role of UNCTAD as an organ of the General Assembly for deliberation, negotiation, review and implementation in the field of international trade and related issues of international economic co-operation,

Desiring that appropriate steps should be taken to improve UNCTAD's effectiveness and responsiveness in order that UNCTAD more effectively and efficiently fulfil its important role,

Recalling further Conference resolutions 90 (IV) of 30 May 1976 and 114 (V) of 3 June 1979,

Recalling also General Assembly resolution 32/197 of 20 December 1977 on restructuring the economic and social sectors of the United Nations system,

Recalling further General Assembly resolution 33/154 of 20 December 1978,

Confirming the importance that all States members attach to the responsibilities flowing from the mandate of UNCTAD,

I. MACHINERY (CONFERENCE, TRADE AND DEVELOPMENT BOARD,
MAIN COMMITTEES, ETC.)

Conference

1. Notes that some of the functions of the Conference are generating new ideas, launching new programmes, finding solutions for negotiations facing deadlocks, and promoting, directing and facilitating the work of the entire system of UNCTAD.
2. Decides that very thorough preparation and timely availability of documents is a prerequisite for the success of the Conference and require adequate co-ordination and consultations in and among Regional Groups before the opening of the Conference.
3. Decides that the first week or days of the Conference should be given to high-level officials who would, on the basis of the preparatory work done as set out in the above paragraph, prepare a technically sound negotiating document incorporating the major political and economic issues requiring ministerial decision. Ministers might therefore wish to make their policy statement, or any other relevant statement bearing in mind the document prepared for them by the meeting of high-level officials or experts and on which they might wish to negotiate among themselves; this might thus enable the session of the Conference to be concluded by the Ministers themselves.

Trade and Development Board

4. Notes that the Board, which acts for the Conference between sessions of the latter, has the role of monitoring, directing and supervising the organization's activities as one of its main functions.
5. Decides that, in the exercise of its decision-making functions, the Trade and Development Board should, in particular with a view to finding solutions, concentrate on issues where continuing negotiations and negotiating conferences faced deadlocks.

6. Decides that the co-ordinating function of the Trade and Development Board should be strengthened in order to give its subsidiary bodies more effective guidance and ensure an over-all coherence among their varied activities.

7. Decides that part of one of the two Board sessions should be used for house-keeping and the customary review of routine recurrent agenda items. The other part of the first session, e/ and the second session of the Board, should be used for the deliberation of a very few and carefully selected substantive issues and negotiations on any particular issue on which negotiations in subsidiary bodies have reached an impasse.

8. Decides that the Board should, through the Working Party on the Medium-Term Plan and the Programme Budget, consider the Secretary-General of UNCTAD's budgetary proposals prior to their submission to the Secretary-General of the United Nations. It should also examine voluntary contributions and trust funds, whose expenditure should be more transparent, and report to the Board.

Main committees f/

9. Decides that the main committees should be substantially revitalized, their negotiating function should be strengthened and they should review regularly the elaboration of work programmes and the implementation of their decisions.

10. Decides that consideration should be given to renaming the Committee on Shipping.

11. Decides that issues relating to the least developed countries should be dealt with by all the committees and programmes, within their competence.

Subsidiary bodies of the permanent main committees and subcommittees

12. Decides that the main committees should review their respective institutional structure with a view to promoting their efficiency, including the consideration of a possible reduction in the number of their subsidiary bodies, and should report to the Board the result of their review.

Expert groups and consultants

13. Decides that less use should be made of expert groups financed by UNCTAD and chosen by the Secretary-General of UNCTAD to serve in their personal capacity and greater use should be made of expert groups financed by UNCTAD whose members were chosen by the Secretary-General of UNCTAD from candidates nominated by Governments.

e/ The first session of the Board should normally be held early in September of each year, just before the General Assembly session.

f/ With regard to the possible merging or regrouping of the main committees, the examination of the question in the intersessional Working Party and its working groups had not produced conclusive reasons for believing that the problems which had led to the establishment of the Ad Hoc Committee stemmed from the existence of too many committees; rather, it was apparent that such problems were due mainly to the lack of adequate technical preparation on the part of the secretariat and, consequently, of governmental delegations and groups. Delegations were therefore unable to reach agreement in one session and were forced to meet repeatedly on the same issue. This situation, experienced by all the committees and subcommittees, had led to a multitude of meetings every year in UNCTAD with which delegations and the secretariat were unable to cope. Moreover, they were unable to achieve the aims they sought by these meetings.

14. Decides that the availability of posts, of consultants and experts in their personal capacity should be made known to States members of UNCTAD on a regular basis and their recruitment should respect the principle of equitable geographical distribution.

Bureaux

15. Decides that the Bureau of the Trade and Development Board and the bureaux of the subsidiary organs of the Board, as well as the bureaux of the negotiating Conferences who are elected on the basis of equitable geographical distribution, should be consulted by the Secretary-General of UNCTAD on a regular basis in areas of their specific competence during their entire tenure of office.

16. Decides that the President of the Trade and Development Board should have more regular consultations with his Bureau, for which appropriate service should be provided.

Calendar of meetings

17. Decides that, in fixing the calendar of meetings, no more than two simultaneous UNCTAD meetings may be held, except in exceptional cases, and upon an explicit request by the bodies concerned, for consideration by the Trade and Development Board.

II. INFORMATION, CONSULTATION AND EVALUATION

Information

18. Decides that a distinction should be made between information for the public and for the more practical work of delegates.

19. Decides that a daily bulletin should be produced, briefly reviewing the progress of work in the previous day's meetings, in all official languages of UNCTAD.

20. Decides that an annual report should be published which could create an impact similar to the reports of the World Bank and the International Monetary Fund.

21. Decides that a monthly list of all vacancies in the UNCTAD secretariat should be provided to States members of UNCTAD.

Consultation

Noting that there is a need for automaticity and greater transparency in consultations,

22. Decides that a mechanism should be established that would facilitate contact among representatives of Governments or between them and the heads of divisions and programmes, who also act as representatives of the Secretary-General of UNCTAD.

23. Decides that, in addition to the consultations referred to in decision 143 (XVI) of the Trade and Development Board, consultations shall be held prior to each meeting, preferably one month before its commencement. Such consultations should be held with the Secretary-General of UNCTAD, or his appointed representatives, the Bureau, regional co-ordinators and representatives of interested States members

of UNCTAD and should aim at (i) getting information on, and informally discussing, substantive matters on forthcoming meetings, and (ii) exchanging views on specific problems arising from the negotiating processes conducted within the competence of UNCTAD. Such consultations should also include house-keeping matters regarding scheduling of meetings; e.g., election of officers, documentation, etc., in order to secure a smoother start to formal meetings.

Evaluation

24. Decides that evaluation of the implementation of resolutions and decisions adopted by UNCTAD must take place regularly in the Trade and Development Board and its subsidiary organs.

III. OFFICE OF THE SECRETARY-GENERAL OF UNCTAD, THE SECRETARIAT, SUPPORTING SERVICES, USE OF RESOURCES

Office of the Secretary-General of UNCTAD

Noting that the role of the Secretary-General of UNCTAD in the management and co-ordination of the secretariat, as well as in assuring the smooth functioning of its various organizational units should be strengthened,

Recruitment

25. Requests the Secretary-General of UNCTAD to ensure that the principle of equitable geographical distribution is strictly followed in the recruitment of the staff of UNCTAD, in particular for the top level management posts which involve participation in the formulation of sensitive policy issues in the different divisions or programmes that service the intergovernmental bodies of UNCTAD.

Budget estimates and voluntary contributions

26. Requests that the Secretary-General of UNCTAD submit UNCTAD's budgetary proposals to the Working Party on the Medium-Term Plan and the Programme Budget prior to their submission to the Secretary-General of the United Nations. The Voluntary Contributions and Trust Funds should also be submitted to the Trade and Development Board for its consideration annually.

Research

27. Requests the Secretary-General of UNCTAD to take measures to strengthen substantially research on long-term issues and develop new ideas that fall within the competence of UNCTAD, with a view to enabling UNCTAD's intergovernmental machinery to deliberate and/or negotiate on them as appropriate.

IV. DOCUMENTATION INTERPRETATION AND TRANSLATION

28. Decides that the monitoring, co-ordination and control function of the Office of the Secretary-General of UNCTAD and other sections of the secretariat should be strengthened in the field of documentation. This monitoring function is both substantive and technical.

29. Decides that, upon the adoption of the calendar of meetings, the Secretary-General of UNCTAD shall make a statement confirming or otherwise the availability of the documentation for the meetings as scheduled in the calendar, observing the relevant rules relating to the timing, languages, as well as the length, nature and content of the documents.

30. Decides that consultations on the calendar should be planned with the documentation issues clearly in mind. If it is clear that documentation cannot be made available partially or totally, meetings should be held only exceptionally and upon consultation between the Secretary-General of UNCTAD and regional co-ordinators.

31. Decides that all documents and reports prepared by the UNCTAD secretariat should be submitted to the respective UNCTAD bodies by the Secretary-General of UNCTAD.

32. Decides that documents should be action-oriented and concise and historical introductions should be minimized. They should contain a succinct indication of points for discussion and/or action suggested, and paragraphs of special importance might be highlighted.

33. Requests the Secretary-General of UNCTAD to circulate the annotated provisional agenda in all official languages of UNCTAD eight weeks before the opening of the meeting concerned.

34. Requests the Secretary-General of UNCTAD, before notifications of meetings are sent out, to review whether the necessary documentation is in a sufficiently advanced state of preparation to warrant the holding of the meeting at the planned date and to consult with regional co-ordinators in this respect.

35. Decides that all documents of various groups, particularly those of the Group of 77 members of UNCTAD, should be translated into all the relevant official languages expeditiously, and delivered simultaneously, so as to assist groups to reach agreement on issues that are before them.

United Nations Office at Geneva: Production, translation, typing reproduction and distribution

36. Decides that consideration should be given to ensuring that, over time, sufficient conference rooms are equipped to handle six languages.

37. Decides that weekend and night meetings of UNCTAD should be held only exceptionally. If such meetings become necessary, translation should be available and flexible and rapid delivery of translation services in all languages should be ensured.

38. Decides that pre-session documentation in all official languages should reach governments six weeks before the relevant meeting starts, as provided for in rule 18 of the rules of procedure of the Trade and Development Board.

In-session documentation

39. Decides that UNCTAD should be provided with a specific task force or forward echelon of translators, who would be assigned specifically to work on UNCTAD meetings, while remaining under the control of the United Nations Office at Geneva.

40. Decides that the unit responsible for translation and interpretation should regularly take part in the consultations on UNCTAD's calendar of meetings.

Implementation of the Declaration on the Granting of Independence
to Colonial Countries and Peoples by the specialized agencies
and the international institutions associated
with the United Nations g/

Draft decision submitted by El Salvador on behalf
of the States members of the Group of 77

[TD/B/L.562]

The Trade and Development Board,

Recalling General Assembly resolution 34/42 of 21 November 1979,

1. Takes note of the report by the Secretary-General of UNCTAD (TD/B/789);
2. Recognizes the importance of the proposals contained in that report on assistance by UNCTAD to the peoples of the colonial Territories and their national liberation movements recognized by regional intergovernmental organizations;
3. Recommends that these proposals be given high priority and that necessary resources, particularly from the United Nations Development Programme, be made available to UNCTAD for the implementation of the proposed programme.

Transnational corporations and international commodity trade h/

Draft resolution submitted by the German Democratic Republic on
behalf of Bulgaria, the Byelorussian Soviet Socialist Republic,
Czechoslovakia, the German Democratic Republic, Hungary, Mongolia,
Poland, the Ukrainian Soviet Socialist Republic and the Union
of Soviet Socialist Republics

[TD/L.195]

Debt problems of developing countries i/

Draft resolution submitted by Cuba on behalf of
the States members of the Group of 77

[TD/L.196]

Interdependence of problems of trade, development finance
and the international monetary system j/

Draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya, the
Libyan Arab Republic, k/ Madagascar, Mauritius, Nigeria, Rwanda,
Senegal, the Sudan, Uganda, the Upper Volta, Zaire

[TD/B/L.360]

g/ See para. 320 above.

h/ See para. 246 above. The text of this draft resolution is contained in TD/268/Add.1, annex I, section D.

i/ See annex I above, decision 209 (XX). The text of this draft resolution is contained in TD/268/Add.1, annex I, section C.

j/ See annex I above, decision 208 (XX). The text of this draft resolution is contained in the report of the Board on the first part of its fourteenth session, Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), annex II.

k/ Now Libyan Arab Jamahiriya.

ANNEX III

Provisional agenda for the twenty-first session of the Board^{a/}

1. Procedural matters:
 - (a) Election of officers;
 - (b) Adoption of the agenda and organization of the work of the session;
 - (c) Adoption of the report on credentials;
 - (d) Provisional agenda for the twenty-second regular session of the Board and organization of the work of the session.
2. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fifth session requiring attention or action by the Board at its twenty-first session.
3. Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations.
4. Interdependence of problems of trade, development finance and the international monetary system.
5. Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries.
6. Rationalization of the permanent machinery of UNCTAD.
7. Trade relations among countries having different economic and social systems and all trade flows resulting therefrom.
8. Sixth session of the United Nations Conference on Trade and Development: place, date and duration.
9. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies.
10. Other particular matters in the field of trade and development:
 - (a) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its thirteenth session;
 - (b) Progressive development of the law of international trade: thirteenth annual report of the United Nations Commission on International Trade Law;
 - (c) Trade and economic aspects of disarmament;

^{a/} As approved by the Board at its 535th meeting, on 25 March 1980 (see paras. 357-359 above).

(d) Progress in the implementation of:

- (i) Specific action related to the particular needs and problems of developing island countries;
- (ii) Specific action related to the particular needs and problems of land-locked developing countries.

11. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.

12. Institutional, organizational, administrative and related matters:

(a) Treatment of new States members of UNCTAD for purposes of elections;

(b) Announcement of any changes in the membership of the Board and election to membership of main Committees;

(c) Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure;

(d) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure;

(e) Review of the calendar of meetings;

(f) Financial implications of the actions of the Board;

() ... [To be completed, as necessary].

13. Other business.

14. Adoption of the report of the Board to the General Assembly.

ANNEX IV

Financial implications of the actions of the Board

In accordance with rule 31 of its rules of procedure, the Board was advised, in the course of its discussions, of the administrative and financial implications of any proposals that involved expenditure. The substance of the statements circulated by the UNCTAD secretariat in this connexion are summarized below.

A. Resolution 213 (XX) Trade and trade-related aspects of industrial collaboration arrangements a/

1. The Ad Hoc UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements considered that it would be useful to have a further meeting, in Vienna, at a date to be agreed upon by UNIDO and UNCTAD. Following consultations between the two secretariats, it is proposed that the second session of the Group be held in Vienna from 6 to 17 October 1980.
2. It is assumed that the Ad Hoc Group of Experts would require similar services to those provided at its first session, that is, interpretation in four languages, one conference room and altogether 75 pages of documentation. On this basis, the direct conference servicing cost is estimated to be \$60,000.
3. Approximately twenty experts would be invited to participate in the meeting, in their personal capacity. They would thus be entitled to reimbursement of travel and subsistence expenses, estimated at \$40,000 for the Group.
4. The total cost of the proposed second session of the Group is therefore estimated to amount to \$100,000, to be shared between UNCTAD and UNIDO.

B. Decision 210 (XX) Rationalization of the permanent machinery of UNCTAD b/

1. In accordance with the agreed conclusions contained in document TD/B(XX)/SC/L.5, the Trade and Development Board would decide to establish a working group of its twenty-first session to consider the draft resolutions referred to in those conclusions and to prepare a final text for action by the Board.
2. It is assumed that the working group would be established during the twenty-first session of the Board, and within the servicing structure of the Board, and would thus not require additional services.

a/ Substance of TD/B/774/Add.1.

b/ Substance of TD/B(XX)/SC/L.5/Add.1.

C. Resolution 216 (XX) Economic Co-operation among
Developing Countries c/

1. In draft resolution TD/B(XX)/SC/L.12 the Board would decide that a total of up to four weeks of meetings be allocated to economic co-operation among developing countries in order to convene and organize between its twentieth and twenty-first sessions, as required, future meetings of governmental experts of developing countries as envisaged in paragraph 15 of Conference resolution 127 (V).
2. It is assumed that the meetings envisaged would be held in Geneva, require one conference room, one team of interpreters in four languages and a total of 200 pages of documentation. On this basis, the cost of four weeks of such meetings is estimated to be \$148,000.
3. Should the meetings be held within the established calendar of UNCTAD meetings, a rescheduling of certain other meetings would probably be required in order to accommodate these additional ones.

D. Decision 217 (XX) Protectionism and structural adjustment d/

1. The draft resolution contained in TD/B/L.566 provides for the establishment at the twenty-first session of the Trade and Development Board of a sessional committee to consider specific proposals for the implementation of Conference resolution 131 (V).
2. The establishment of a new sessional committee, in addition to those normally provided for sessions of the Board, is estimated to cost \$114,000 on the assumption that it would require one additional conference room, one additional team of interpreters for six languages and an additional 100 pages of documentation.

E. Decision 218 (XX) Review of the calendar of meetings e/

1. In paragraph 3 (a) of the note by the UNCTAD secretariat (TD/B/L.555) it is stated that the Working Group on Rules of Origin at its seventh session referred to the desirability of holding another session before the end of 1980 and that the secretariat has tentatively included a one-week session of the Working Group in the draft calendar of meetings to be held in the last quarter of 1980.
2. Should this meeting be convened, the financial implications are estimated to be \$83,000, on the assumption that it would be held in Geneva for one week in 1980, require two conference rooms, be serviced in six languages by 1½ teams of interpreters and require altogether 80 pages of documentation.

c/ Substance of TD/B(XX)/SC/L.12/Add.1.

d/ Substance of TD/B/L.566/Add.1.

e/ Substance of TD/B/L.555/Add.1.

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم . استلم منها من المكتبة التي تتعامل معها
أو اكتب إلى : الأمم المتحدة ، قسم البيع في نيويورك أو في جنيف .

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