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PROGRESSIVE DEVELOPMENT OF THE PRINCIPLES AND NORMS OF
INTERNATIONAL LAW RELATING TO THE NEW INTERNATIONAL
ECONOMIC ORDER

Report of the Secretary-General

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I. INTRODUCTION

1. On 15 December 1980, the General Assembly adopted resolution 35/166, entitled "Consolidation and progressive development of the principles and norms of international economic law relating in particular to the legal aspects of the new international economic order".

2. In paragraph 1 of that resolution, the General Assembly requested the United Nations Institute for Training and Research (UNITAR) to prepare a list of the existing and evolving principles and norms of international law relating to the new international economic order concerning the economic relations among States, international organizations, other entities of public international law, and the activities of transnational corporations, as contained, *inter alia*, in the instruments referred to in the resolution. The Assembly also requested UNITAR to prepare an analytical study, on the basis of the list referred to above, on the progressive development of the principles and norms of international law relating to the new international economic order. The Assembly further requested UNITAR to complete the study in time for the Secretary-General to submit to the Assembly at its thirty-sixth session.

3. In paragraphs 2, 3 and 4 of the resolution, the General Assembly urged Member States to submit relevant information with respect to the study not later than 31 July 1981; requested the United Nations Commission on International Trade Law, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the regional commissions, the United Nations Centre on Transnational Corporations and other relevant intergovernmental and non-governmental organizations active in this field, as determined by UNITAR, to submit relevant information and to co-operate fully with the Institute in the implementation of the resolution; and requested the Secretary-General to submit to the Assembly at its thirty-sixth session a report on the study made by UNITAR for its consideration on a priority basis, under an item entitled "Progressive development of the principles and norms of international law relating to the new international economic order" to be included in the provisional agenda of that session.

4. The present report is submitted pursuant to paragraph 4 of resolution 35/166. It includes sections II and III, which contain, respectively:

(a) A list of the existing and evolving principles and norms of international law relating to the new international economic order concerning the economic relations among States, international organizations and other entities of public international law, and the activities of transnational corporations, prepared by the United Nations Institute for Training and Research pursuant to paragraph 1 (a) of the above resolution. 1/

1/ The substantive texts, to which this list relates, are contained in a compendium prepared by UNITAR which, for reasons of length, could not form part of the present document.

(b) Information received pursuant to paragraph 2 of resolution 35/166 from the following Member States: Chile, Czechoslovakia, Mexico, Qatar and Romania, and reproduced in document A/36/143/Add.1.

5. Additional information which might be received from States will be published in further addenda.

II. LIST OF EXISTING AND EVOLVING PRINCIPLES AND NORMS OF INTERNATIONAL LAW RELATING TO THE NEW INTERNATIONAL ECONOMIC ORDER CONCERNING THE ECONOMIC RELATIONS AMONG STATES, INTERNATIONAL ORGANIZATIONS AND OTHER ENTITIES OF PUBLIC INTERNATIONAL LAW, AND THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS

(prepared by the United Nations Institute
for Training and Research)

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A. UNITAR'S MANDATE

1. At its thirty-fifth session, the General Assembly adopted resolution 35/166 on 15 December 1980, entitled "Consolidation and progressive development of the principles and norms of international economic law relating in particular to the legal aspects of the new international economic order". By operative paragraph 1 (a) the Assembly requested the United Nations Institute for Training and Research (UNITAR):

"To prepare a list of the existing and evolving principles and norms of international law relating to the new international economic order concerning the economic relations among States, international organizations and other entities of public international law, and the activities of transnational corporations, as contained, inter alia, in the following texts:

- (i) Declarations on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations [General Assembly resolution 2625 (XXV), annex];
- (ii) Declaration and Programme of Action on the Establishment of a New International Economic Order;
- (iii) Charter of Economic Rights and Duties of States;
- (iv) General Assembly resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation;
- (v) International Development Strategy for the Third United Nations Development Decade [General Assembly resolution 35/56, annex];
- (vi) Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices [TD/RBP/CONF./10];
- (vii) Final Acts of the United Nations Conference on Trade and Development and declarations adopted by all United Nations Conferences relevant to the new international economic order." 2/

2/ Proceedings of the United Nations Conference on Trade and Development, vol. I, Final Act and Report (United Nations publication, Sales No. 64.II.B.11); ibid., Second Session, vol. 1 and Corr.1 and 3 and Add.1 and 2, Report and Annexes (United Nations publication, Sales No. E.68.II.D.14); ibid., Third Session, vol. I, Report and Annexes (United Nations publication, Sales No. E.73.II.D.4); ibid., Fourth Session, vol. I, Report and Annexes (United Nations publication, Sales No. E.76.II.D.10 and corrigendum); and ibid., Fifth Session, vol. I, Report and Annexes (United Nations publication, Sales No. E.79.II.D.14).

2. Further, on the basis of the above list, the General Assembly requested UNITAR in paragraph 1 (b) of the resolution:

"To prepare an analytical study ... on the progressive development of the principles and norms of international law relating to the new international economic order."

3. In paragraph 1 (c), UNITAR was requested:

"To complete the study ... in time for the Secretary-General to submit it to the General Assembly at its thirty-sixth session."

1. Time-Frame: Phase I of the Study

4. It will be recalled that this task had been entrusted to the Secretary-General by General Assembly resolution 34/150 of 17 December 1979, and one of the points that the Secretary-General emphasized in his report of 10 October 1980 (A/35/466, para. 12) was that "the task of studying this question is a long-term one, requiring adequate time and resources ..." UNITAR is also of the same opinion: indeed, by letter of 9 December 1980 the Director of the Research Department, who was then Acting Executive Director, informed the Secretary-General that between January 1981 and the convening of the thirty-sixth session of the General Assembly, UNITAR would be able to complete only the first part of the request, i.e., "a list of the existing and evolving principles and norms of international law relating to the new international economic order ..." This report is therefore Phase I of the Study, or to use the words of the delegate of the Philippines (A/C.6/35/SR.68, para. 18), it is "a consolidated list, or compendium, by topics or issues, of the principles and norms of international economic law relating to the new international economic order."

5. Phase II of the Study, i.e., the analytical study on the progressive development of these principles and norms, would require a further year's work and funding in order to be prepared with the intellectual rigour that a study of such magnitude and importance deserves.

2. Views of States

6. In addition to adequate time and resources, guidance particularly from States is necessary for a meaningful study of the new international economic order. Indeed paragraph 2 of resolution 35/166 urges Member States "to submit relevant information with respect to the Study not later than 31 July 1981". Since this process involves direct communication with Sovereign States, UNITAR requested the Secretary-General to invite Member States to submit their views on the Study. At the time of preparation of this report, UNITAR had received five replies from the following States: Chile, Czechoslovakia, Mexico, Qatar and Romania. The views of those States are reproduced in an addendum to this report (A/36/143/Add.1). This material will particularly be invaluable to UNITAR during Phase II of the Study. It may be noted, however, that last year the Secretary-General's invitation produced nine responses from the following States: Byelorussian Soviet Socialist Republic, Germany, Federal Republic of, Hungary, Netherlands, Norway, Philippines, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, and United Republic of Cameroon (A/35/466, annex).

3. Oral comments of States

7. UNITAR sought further guidance from a number of States particularly on the following questions: the issues to be covered by the Study; the instruments that these issues ought to be tested against; the definitional problems of the words "norms", "principles" and "progressive development"; and the time-frame of the study. These States are Afghanistan, Bangladesh,* Belgium,* Canada,* Chile,* China, Egypt,* Germany, Federal Republic of,* India, Kuwait,* Mali, Netherlands,* Philippines,* Sierra Leone,* Sudan,* Sri Lanka, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland,* United States of America,* Venezuela,* Yugoslavia,* and Zaire.

* Indicates States that responded to UNITAR's request for oral comments.

4. Co-ordination with specified United Nations agencies

8. The new international economic order has been the subject of great interest to many other United Nations agencies apart from UNITAR. Co-ordination is therefore extremely important to avoid duplication of work. This point is recognized in resolution 35/166 in operative paragraph 3 by which the General Assembly "Requests the United Nations Commission on International Trade Law, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organisation, the regional commissions, the United Nations Centre on Transnational Corporations ... to submit relevant information and to co-operate fully with (UNITAR) in the implementation of the present resolution." Accordingly, UNITAR requested these agencies to submit information on the Study. The co-operation and support that UNITAR has received from these agencies is extremely encouraging.

5. Co-ordination with other relevant intergovernmental and non-governmental organizations

9. There is probably no single subject that has attracted more scholarly interest than the new international economic order; thus apart from the work of the agencies of the United Nations, extensive research has been done by other institutions and scholars. Indeed in paragraph 3 of resolution 35/166, the General Assembly "Requests ... (in addition to the specified United Nations agencies) other relevant intergovernmental and non-governmental organisations active in this field, as determined by the United Nations Institute for Training and Research, to submit relevant information and to co-operate fully with the Institute in the implementation of the present resolution." Accordingly, UNITAR requested the following organizations to submit information on the study:

Asian African Legal Consultative Committee; Asian Productivity Organisation; Asian and Pacific Coconut Community; Association of Iron Ore Exporting Countries; Association of Natural Rubber Producing Countries (ANRPC); African Development Fund; African and Mauritian Union of Development Banks; Afro-Asian Rural Reconstruction Organisation; American Society of International Law; Andean Development Corporation (ADC); Arab Bank for Economic Development in Africa; Arab Fund for Technical Assistance to Arab and African Countries;

Colombo Plan for Cooperative Economic Development; Committee on Disarmament; Common Afro-Mauritian Organisation; Commonwealth Secretariat; Council of Arab Economic Unity; Council on Mutual Economic Assistance (CMEA);* Caribbean Development Bank (Caribank);* Caribbean Free Trade Association (CARICOM); Caribbean Investment Corporation; Central African Customs and Economic Union; Central American Bank of Economic Integration; Central American Common Market; Central American Research Institute for Industry (ICAITI); East Caribbean Common Market; Secretariat of the European Economic Communities and African Caribbean Pacific States; Development Bank of Central African States; Hague Academy of International Law; Food and Agriculture Organisation (FAO);* General Agreement on Tariffs and Trade (GATT);* Group of 77;* International Bauxite Association; International Development Association; International Finance Corporation;* International Financial Corporation for Investment and Development in Africa; International Monetary Fund; Institute of Comparative Law; Institute for Latin American Integration; Intergovernmental Committee on the River Plate Basin; Intergovernmental Council of Copper Exporting Countries; Intergovernmental Maritime Consultative Organisation (IMCO);* International Atomic Energy Agency;* International Bank for Reconstruction and Development;* International Tin Council;* Junta of Cartagena Agreement (JUNAC);* Kuwait Fund for Arab Economic Development; International Labour Organisation;* National Bar Association; Latin American Economic System (SELA);* Law of the Sea, Secretariat of the Third United Nations Conference of the;* Latin American Free Trade Association (LAFTA); League of Arab States; Secretaria Permanente de Tratado General de Integracion Economica Centroamericana; South Pacific Bureau for Economic Cooperation;* South Pacific Commission (SPC); South Pacific Forum; OPEC Secretariat;* Organization of African Unity; Organization of American States (OAS);* United Nations Environment Programme (UNEP); World Intellectual Property Organization;* The U.S. International Trade Commission;* Yugoslavian Society of International Law; Organization for Economic Co-operation and Development (OECD).

* Indicates organizations that provided UNITAR with information.

This list may not be exhaustive; although resolution 35/166 in paragraph 3 gives UNITAR discretion to select the organizations, the Sixth Committee as part of its guidance to UNITAR for Phase II of the Study, may wish to suggest additional organizations.

B. THE STUDY

1. The compendium

10. UNITAR's major task under paragraph 1 (a) of the resolution is "To prepare a list of the existing and evolving principles and norms of international law relating to the new international economic order ..." In order to draw up such a list, UNITAR has found it necessary to prepare a compendium which takes the form of a list of the specific articles, sections, paragraphs, clauses, et cetera, of the instruments that are relevant or applicable to each topic or issue covered by the

study (the topics or issues are listed in paragraph 16). Under the topic "international trade", for instance, for each aspect of the topic - such as the general system of preference (GSP) - there is a list of relevant articles of treaties, paragraphs of resolutions, etc. It is clearly indicated what kind of instrument is being cited as a possible source. This compendium is issued as a UNITAR document, and will be available to Member States in conjunction with the present study.

11. Paragraph 1 (a) itself lists the instruments that the study should cover. But that this list is not intended to be exhaustive is evidenced by the words "inter alia". UNITAR therefore did not restrict its study to the listed instruments. Thus the study covers multilateral conventions and other treaties; transregional agreements; regional agreements; subregional agreements; resolutions adopted by multilateral bodies, transregional bodies, regional bodies and subregional bodies; and, in the rare instance, major instruments under negotiation. This inclusiveness is justified by the purpose of Phase I, which is to prepare a reference compendium of all possible sources. It follows, however, that this compendium is a broad spectrum of sources of norms and principles which may be evolving in the direction of law. To permit Governments to make their own evaluations of the normative weight to be attributed to each cited source these are clearly cited in the compendium.

12. This is the first stage of the Study and consequently not embrasive. Noticeably missing from the compendium are decisions of tribunals: national and international courts as well as arbitral bodies. This omission is intentional and inevitable. To extract the principles of law from these decisions involves extensive analysis of cases, a task that UNITAR has all along indicated would only be feasible in a second phase of the Study. Similarly, the studies on the new international economic order that have been produced by highly qualified publicists of the various nations and intergovernmental and non-governmental bodies have been omitted but will, of course, be very valuable for the analytical part of the Study. No attempt has been made to evaluate the extent to which principles and norms contained in various instruments have been implemented in the actual practice of States. Such data is essential to any attempt to assess the transit of a statement of intent to a law binding on States.

2. Proposals for phase II

13. As stated above (para. 12), this Study is incomplete in very important respects. What has been prepared in Phase I constitutes the first systematic attempt to draw together the dispersed mass of international sources into a schematic compendium. This makes it possible to see what principles are most frequently reiterated and to trace the root network of various concepts. However, before it can be determined whether, and which of, these principles are flourishing, it is necessary to look beyond the paper on which they are written, to the real world of actual state behaviour and of disputes resolved by established or ad hoc tribunals. This is the task which should be addressed in Phase II. If authorized and financed by the General Assembly, phase II of the Study will address the "Progressive development of the principles and norms of international law relating to the new international economic order" by examining the decisions of tribunals, state practice, works of publicists, and relevant reports of the practice of intergovernmental and non-governmental organizations.

14. UNITAR would like to emphasize not only its interest in the study but also the importance it attaches to its successful completion. UNITAR has come to learn that while States may agree on the fundamental objectives of the new international economic order, there are definite and serious differences as to implementation that cannot be ignored. As such, to use the Secretary-General's words (A/C.6/35/SR.68, para. 16), "utmost sobriety and realism" is required, including sensitivity to these disparate views. UNITAR remains convinced that political differences can be narrowed, or, at least that the negotiation of differences can be expedited, by more complete data presented in usable form.

15. For these reasons, UNITAR intends to seek guidance from experts from various geographical regions representing the main legal systems.

3. Topics or issues covered by phase I of the Study

16. On the basis of the "travaux préparatoires" to resolution 35/166, particularly the proceedings of the Sixth Committee (A/C.6/35/SR.68-75), and the guidance UNITAR received from the oral comments of a number of Member States, the information submitted by specified United Nations agencies, and the information submitted by intergovernmental and non-governmental organizations, the study focuses on the following topics: International Trade, International Monetary Issues, International Development Financing, Industrialization, and Global Commons. These broad topics are in turn broken down into subtopics. This listing can only be set out in bare form in this report due to length limitations. The compendium, i.e. Annex I, as already discussed above (see paras. 10 to 12), sets out the exact places in each of the instruments examined, where the issue is treated. The breakdown is as follows:

3/ The following abbreviations are used in this list:

DC	- developing countries;
LDC	- less developed countries;
LDLC	- least developed among developing countries;
ECDC	- economic co-operation among developing countries;
RCDC	- regional co-operation among developing countries;
TCDC	- technical co-operation among developing countries;

1. International Trade

- (a) Importance of international trade for the economic and social development of developing countries.
- (b) Generalized, non-reciprocal, non-discriminatory system of preferences:
- (i) General principle
 - (ii) Generalized System of Preferences
 - (iii) Non-reciprocity
 - (iv) Non-discrimination between individual developing countries.
- (c) Favourable treatment to meet the trade needs of developing countries:
- (i) Improved access to the world market for developing countries' products in order to increase their share of world trade
 - (ii) Removal of tariff and non-tariff barriers to exports of developing countries
 - (iii) Deviations from trade agreements permitted in certain cases for developing countries
 - (iv) Special consideration to be given to the social and economic effects in developing countries, when applying safeguard measures
 - (v) Principle of stand-still
 - (vi) Reimbursement of taxes, custom duties on imports from developing countries.
- (d) Preferential treatment for developing countries in fields of interest to them:
- (i) Transportation -
 - General principle
 - Maritime transportation
 - (ii) Insurance
 - (iii) Other fields.
- (e) Special preferential treatment for LDDCs, developing land-locked and island countries:
- (i) General principle
 - (ii) LDDCs

- (iii) Developing land-locked countries
- (iv) Developing island countries.
- (f) Commodities:
 - (i) Special arrangements needed for improved export earnings and the prices of goods imported from DCs -

General principle

The stabilization of export earnings at fair and remunerative prices

- (ii) Commodity Agreements
- (iii) Common Fund
- (iv) Producers' associations
- (v) The adverse effect of synthetics.
- (g) Increasing semi-manufactures and manufactures in the exports of developing countries.
 - (h) Intensifying trade relations among developing countries.
 - (i) Increasing trade between developing countries.
 - (j) Restrictive business practices:
 - (i) General principles
 - (ii) National, regional and subregional measures
 - (iii) International measures
 - (iv) International institutional measures.

2. International Monetary Issues

- (a) Participatory equality between LDCs and DCs in the decision-making process concerning world economic, financial and monetary problems.
 - (i) Need for reorganization of the international monetary system
 - (ii) Quotas
 - (iii) Voting

- (iv) Tripartite negotiations
- (v) The Group of 24
- (b) Prevention and safeguards against transfer of inflation from DCs to LDCs, particularly in commodity trade:
 - (i) Objectives - Reduction of inflation
 - (ii) Objectives - To prevent erosion of the real value of LDCs' financial assets
 - (iii) Objectives - Tripartite negotiations
 - (iv) Measures - Elimination of restraints on international trade
 - (v) Measures - Expansion and diversification of LDCs exports (growth)
 - (vi) Measures - Tripartite negotiations
 - (vii) Pricing
 - (viii) Imports and exports
 - (ix) Supplementary financing
 - (x) Duties of the member States
 - (xi) The Group of 24.
- (c) Elimination of monetary instability due to uncertainty in exchange rates, especially for purposes of maintenance of the real value of the LDC's currency reserves:
 - (i) Objectives - Stable yet flexible exchange rates
 - (ii) Objectives - Monetary arrangements which promote the use of national currencies and aid in the development of LDCs
 - (iii) Objectives - Tripartite negotiations
 - (iv) Measures - Establishment of a clearance system and reciprocal credits
 - (v) Measures - Elimination of restraints on international trade
 - (vi) Exchange arrangements
 - (vii) Currency and its uses
 - (viii) Repurchases (of currency)

- (ix) Par values
 - (x) Pricing
 - (xi) General calls for reform of the international monetary system
 - (xii) The Group of 24.
- (d) Demand for increases in the liquidity of LDCs through revision in the system of allocation of Special Drawing Rights (SDRs):
- (i) Objectives - SDRs should become the principle reserve asset
 - (ii) Objectives - Creation of SDRs with particular regard to the needs of LDCs
 - (iii) Allocation of SDRs based on global need
 - (iv) The operation of SDRs under the IMF
 - (v) SDR/Aid link
 - (vi) The Group of 24.
- (e) Reform of the methods of operation of the International Monetary Fund (IMF):
- (i) Objectives - Reform of the monetary system, yielding flexibility towards LDCs
 - (ii) Objectives - Establishment of a new fund facility which would provide for longer-term balance of payments for LDCs.
 - (iii) Commodity buffer stocks
 - (iv) Compensatory financing - The oil facility
 - (v) Stand-by extended arrangements
 - (vi) Supplementary financing
 - (vii) Trust fund
 - (viii) Financing - Other measures
 - (ix) The Group of 24.
- (f) Implementation of General Assembly resolutions.

3. International Development Financing

3.1 International Development Assistance

- (a) Entitlement of LDCs to aid by the international community:
 - (i) General statements
 - (ii) Aid from developed countries
 - (iii) Aid from Socialist countries
 - (iv) Aid from multilateral agencies.
- (b) Principles of aid relationships:
 - (i) Equality
 - (ii) Free of political conditions
 - (iii) Self-reliance
 - (iv) Participation of LDCs in international decision-making.
- (c) Forms of aid:
 - (i) Grants
 - (ii) Loans
 - (iii) Food
 - (iv) Other commodity aid
 - (v) Emergency
 - (vi) Technical assistance (including studies)
 - (vii) Other.
- (d) Terms and conditions of aid:
 - (i) Need for improvement
 - (ii) Unified aid criteria
 - (iii) Interest
 - (iv) Assessment of importance of project in the scheme of priorities of the recipient country.

- (e) **Goals and targets of aid:**
 - (i) **0.7 per cent of GNP**
 - (ii) **5 per cent growth rate for LDCs**
 - (iii) **Annual food aid target**
 - (iv) **International Emergency Food Reserve Minimum**
 - (v) **Aid from DC's 1 per cent of GNP**
 - (vi) **General statements.**
- (f) **Special resources**
 - (i) **Disarmament**
 - (g) **Aid to particular categories of countries:**
 - (i) **General statements**
 - (ii) **LDDC**
 - (iii) **Developing land-locked countries**
 - (iv) **Developing island countries**
 - (h) **Aid in special fields:**
 - (i) **Tourism**
 - (ii) **Communications (including shipping)**
 - (iii) **Railways, highways - transport.**
 - (i) **Co-operation among developing countries:**
 - (i) **Importance**
 - (ii) **Principles**
 - (iii) **Need for support of ECDC**
 - (iv) **RCDC - general**
 - (v) **Industry**
 - (vi) **Transit**
 - (vii) **Other**

3.2 Debt

(a) Public Loans:

- (i) Debt renegotiation
- (ii) Moratorium
- (iii) Cancellations
- (iv) Rescheduling.

(b) Private Loans:

- (i) Need for private financing
- (ii) Refinancing
- (iii) Rescheduling.

(c) Economic co-operation among developing countries:

- (i) Close co-operation in field of credit relations
- (ii) Special terms for LDCCs to be given by LDCs in a position to do so.

(d) Additional financing for countries experiencing debt-servicing difficulties:

- (i) Official development assistance increase
- (ii) Untied resources from developed countries
- (iii) From multilateral or transregional development financial institutions
- (iv) Increased access to international capital markets.
- (e) Fora for countries facing difficulties involving debt:
 - (i) International institutions agreed upon by debtor and creditor
 - (ii) Consultation from appropriate international institutions
 - (iii) General statements.

4. Industrialization

4.1 Technology

- (a) Role of technology in the process of development:
 - (i) Need to increase the international flow of technology adapted to developing countries
 - (ii) General principles.
- (b) Need for an international code of conduct for transfer of technology.
- (c) International co-operation in transfer of technology and technical assistance irrespective of political, economic and social systems:
 - (i) Co-operation of developed countries
 - (ii) Co-operation of/and between developing countries
 - (iii) Co-operation of international organizations
 - (iv) General principle.
- (d) Assistance to developing countries to improve the transfer of technology:
 - (i) By developed countries -
 - By means of encouraging private enterprises to transfer technology to developing countries
 - By promoting research and transfer of technology centres and information networks
 - By facilitating access to technology
 - Other means
 - (ii) By international organizations -
 - Through development of an international information network
 - Other means.
- (e) Assistance to developing countries for development of appropriate technology:
 - (i) By developed countries
 - (ii) By international organizations
 - (iii) General principle.
- (f) Assistance to developing countries for development of indigenous technological capacities. Through, inter alia, the promotion of research and information centres and the training of personnel:

- (i) By developed countries
 - (ii) By international organizations
 - (iii) General principle.
- (g) Importance of the interests of the developing countries in the negotiation and conclusion of multilateral or bilateral agreements concerning transfer of technology or development assistance.
- (h) Special treatment for LDDCs, developing land-locked and island countries:
 - (i) LDDCs
 - (ii) Developing land-locked countries
 - (iii) Developing island countries
 - (i) Recognition of the protection of industrial property rights.
 - (j) Improvement of the systems of protection of industrial property:
 - (i) Revision of the international Patent System (Convention of Paris)
 - (ii) In general
 - (k) Fair and equitable treatment in transfer of technology transactions and development assistance:
 - (i) Fair, equitable and non-discriminatory conditions of access
 - (ii) Fair, equitable and non-discriminatory application of governmental measures.
 - (l) Elimination of restrictive business practices in transfer of technology.
 - (m) Respect for the sovereignty and laws of the technology acquiring country by the technology supplying parties.
 - (n) Need of mutual benefits for technology supplying and acquiring parties in transfer of technology transactions.
 - (o) Fair and honest business practices in negotiation and conclusion of transfer of technology agreements.
 - (p) Utilization, whenever possible, of local resources of the technology acquiring party:
 - (i) Natural resources and materials
 - (ii) Personnel

- (iii) Technologies
- (iv) Others.
- (q) Prevention of Reverse Transfer of Technology.

4.2 Foreign Direct Investment and Transnational Corporations

- (a) Sovereign right of every State to choose its own social and economic system:
 - (i) General principle
 - (ii) Right of every State to regulate entry and role of FDI, including TNCs, in its territory.
- (b) Need for the formulation and adoption of legislation and regulation of TNCs appropriate to the needs of developing countries:
 - (i) Code of conduct
 - (ii) Other measures.
- (c) Importance of role of FDI, including TNCs, for the economic and social development of LDCs.
- (d) Respect on the part of foreign investors, including TNCs for the sovereignty of LDCs:
 - (i) Respect for laws, regulations, etc.
 - (ii) Non-interference in internal affairs
 - (iii) Respect for socio-cultural values
 - (iv) Respect for development policies and goals
 - (v) Non-interference in external affairs.
- (e) Full permanent sovereignty of every State over its natural wealth and Resources.
- (f) Treatment of foreign enterprises, including TNCs, by the countries in which they operate:
 - (i) National treatment in comparable situations -
 - National treatment to all Foreign Enterprises
 - National treatment to foreign enterprises of particular countries on the basis of international agreement

(ii) Non-discriminatory treatment as between foreign enterprises

(iii) Fair and equitable treatment.

(g) Right of States to expropriate, nationalize or otherwise transfer ownership or control of property in their territory, with payment of appropriate compensation:

(i) General principle

(ii) Payment of compensation taking into account -

The Laws and regulations of the nationalizing State
International obligations
All pertinent circumstances

(iii) Settlement of disputes by National Tribunals of States and other agreed means of settlement of disputes.

(h) Respect on the part of foreign investors, including TNCs of human rights and fundamental freedoms:

(i) General principle

(ii) Non-discrimination

(iii) Non-collaboration with racist régimes or colonial administrations

(iv) Right of restitution

(i) Operation of foreign enterprises including TNCs, in conformity with laws and policy objectives of host countries:

(i) Regarding financial transactions, including balance of payments, foreign exchange regulations, etc.

(ii) Regarding taxation

(iii) Obligation to supply complete and relevant information in order to allow equitable assessment of taxes.

(j) Obligation of TNCs to pursue policies designed to increase employment opportunities and to assist in acquisition of skills by local nationals in the countries in which they operate.

(k) Obligation of TNCs to conduct their operations in accordance with national laws and relevant international standards in the field of consumer protection.

(l) Obligation of private enterprises, including TNCs, to conduct their operations in manners least harmful to the natural environment.

(m) Obligation of Governments and TNCs to refrain from restrictive business practices, corrupt practices and illicit payments.

- (n) Obligation of TNCs to disclose to competent authorities and the public relevant information concerning their activities.
- (i) In general
- (ii) Regarding operation in other countries
- (iii) To trade unions or other representatives of their employees in their entities.
- (o) Co-ordination and co-operation with local business and enterprises in Host Country.

5. Global commons

- (a) General Principles:
 - (i) General obligation of States to protect and preserve the environment.
 - (ii) Common heritage -
 - The Area (the sea-bed and ocean floor and subsoil thereof beyond national jurisdiction)
 - Outer space.
 - (iii) International régime with appropriate machinery to govern the Area -
 - Establishment and general features
 - Moratorium on exploitation of resources of the Area pending establishment of régime
 - Prohibition of national appropriation or acquisition of rights incompatible with régime.
 - (iv) Use for benefit of mankind as a whole -
 - The Area
 - Outer space.
 - (v) Use exclusively for peaceful purposes -
 - The Area and high seas
 - Outer space
 - The Antarctic
 - Protection of environment from military and other hostile activities -
 - In general
 - Nuclear tests and weapons
 - Chemical and biological weapons
 - Environmental modification

(vi) Access to global commons -

General freedoms of the sea
Navigation and transportation
Special treatment for land-locked States
Exploration of outer space.

(vii) Rational management of resources -

In general
National efforts and international co-operation
Resources shared by two or more States

(viii) Development and the environment -

Environmental considerations in development efforts
Enhancement of development
General promotion of development and avoidance of adverse economic effects on developing countries.
Participation of developing States in Area activities and equitable sharing of benefits derived therefrom.
Respect for particular requirements and value systems of developing countries.
Special assistance to enable developing countries to meet international environmental standards during the process of development.

(b) Rational utilization and conservation of living resources:

(i) Marine living resources -

In general
Areas beyond national sovereignty and sovereignty rights
Special treatment for developing, land-locked and geographically disadvantaged States, and
States overwhelmingly dependent on coastal fisheries

(ii) Natural conservation -

In general
Flora and fauna (wildlife)
National habitats (parks, preserves).

(c) Rational utilization and conservation of non-living resources:

(i) Resources of the sea-bed, ocean floor, and subsoil -

Areas beyond national sovereignty
Areas under national sovereignty and sovereign rights
Special treatment for developing, land-locked and geographically disadvantaged States (see also (viii), "Enhancement of development")

(ii) Basic non-living resources -

Soil
Water

(iii) Coastal and landscape management

(iv) Preservation of cultural resources (archeological and historic).

(d) Control and prevention of pollution:

(i) General principles -

Co-operative actions to control and prevent pollution (including protection standards)
Duty not to transfer damage or hazards or transform one type of pollution into another.
Legislation and Jurisdiction in relation to transfrontier pollution: equal right of access and non-discrimination.

(ii) Marine pollution -

General obligation to co-operate in prevention of marine pollution
Land-based sources
Non-land-based sources (vessels, atmosphere)
Dumping
Exploitation of sea-bed and the Area
Oil and pollution emergencies.

(iii) Air pollution.

(iv) Radioactive waste.

(e) Science and technology:

(i) Marine scientific research

(ii) Utilization of science and technology for environmental purposes -

In general
Environmental monitoring and assessment
Scientific research and investigation
Dissemination of data and exchange of information
Environmental education and training

(iii) Technical assistance and special consideration to developing, land-locked and geographically disadvantaged States.

- (f) Demographic issues:
 - (i) Population
 - (ii) Human settlements (urban and rural).
- (g) Natural disasters (including desertification).

17. This list may not be exhaustive, too inclusive or, in some respects, both. In any case, it is expected that the Sixth Committee will give guidance to UNITAR for implementation in phase II.

C. Financial problems

18. UNITAR informed the Secretary-General as early as December 1980 (letter dated 9 December 1980 from the Director of the Research Department who was Acting Executive Director of UNITAR), that "While deeply interested in the new international economic order, UNITAR is financially in no position to undertake such a study unless the necessary funding is provided by a specific grant of the General Assembly". The Secretary-General responded favourably by committing \$86,500 from his discretionary fund and these are the resources that UNITAR utilized for the preparation of phase I of the study.

19. Admittedly, UNITAR did not exhaust the resources authorised for phase I of the study, but the balance is very small. Above all, UNITAR's critical financial position remains unchanged. The General Assembly and the Administrative Management Service have enjoined UNITAR to balance its budget and to refrain from new activities not covered by new resources. UNITAR, therefore, draws the attention of the General Assembly to the need to provide financing to cover the full costs of phase II if it desires to have the project completed.

20. In assessing the amount of this grant, the General Assembly ought to take into account that phase II will involve more complex research including, as stated in paragraph 15, consultations with experts from various geographical regions.
