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### REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

#### LAUNCHING OF GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT

#### DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

Letter dated 11 October 1982 from the Permanent Representative of  
Algeria to the United Nations addressed to the Secretary-General

As Chairman of the Group of 77, I have the honour to transmit to you herewith the Declaration by the Ministers for Foreign Affairs of the Group of 77 (annex I) and the Ministerial Declaration on the Global System of Trade Preferences among Developing Countries (annex II), adopted on 8 October 1982 by the Ministers for Foreign Affairs of the States members of the Group of 77.

I should be grateful if you would have these Declarations circulated as an official document of the General Assembly under agenda items 12, 38 and 71.

(Signed) Mohamed SAHNOUN  
Ambassador  
Chairman of the Group of 77

## ANNEX I

Declaration by the Ministers for Foreign Affairs of the  
Group of 77

The Ministers for Foreign Affairs of the Group of 77 held their sixth annual meeting at United Nations Headquarters, New York, on 6, 7 and 8 October 1982 to review the world economic situation and international co-operation for development since their last meeting in September 1981, and to prepare for the thirty-seventh regular session of the General Assembly. The Ministers also carried out an in-depth review of issues relating to the strengthening of co-operation among developing countries.

## I

1. The Ministers made an appraisal of the economic situation of the developing countries and the negative impact of the world crisis on their development process. In this connection, they reaffirmed that the slowing-down of activities and of economic growth, the increased deficit in the balance of payments of the developing countries, the deterioration of their terms of trade, the pernicious effects of high interest rates on the servicing of their external debt and on their access to international capital markets, the drying up of flows of multilateral assistance on concessional terms, the harshening of the terms of financial and technical assistance, the uncertainty, precariousness and inadequacy of food aid, the protectionist barriers constantly being raised against the exports of developing countries and the subsidies that cause a disruption of the markets, seriously hampering the export possibilities of the developing countries, the inequitable terms of transfer of technology, the increasing outflow of trained personnel towards developed countries, the impediments and restrictions imposed on the access of developing countries to the international capital markets, the organized manipulation of prices of raw materials, constitute serious obstacles to the economic growth of the developing countries, to the servicing of their external debt, to the procurement of their essential imports of food, industrial products, energy and technology and to fair remuneration for their exports. These were symptoms of deep crisis requiring urgent and effective measures on the part of the international community.

2. The Ministers expressed deep concern at the alarming deterioration of the international situation in both the political and the economic fields and reiterated their conviction that what the international community is facing is a structural crisis with a global impact in that it affects all sectors of activity and all countries. In this connection, they noted with concern that this crisis, which is immune to traditional cures, remains one of the most serious political problems of the day and a potential source of instability and insecurity.

3. The Ministers noted with grave concern that the world economic crisis is aggravated owing to an accelerated arms race, which constitutes a serious threat to international security, to world economic stability and, most of all, to the development of developing countries. They reaffirmed the existence of the

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undeniable link between peace and development and the imperative need to halt the arms race, thereby releasing valuable additional resources which could be used for the development of the developing countries and could contribute to the well-being and prosperity of all.

4. The Ministers deplored the fact that, at a time when the deepening and widening of the world economic crisis demands a concerted and systematic search for innovative and lasting solutions, some developed countries, which are among the most powerful, persist in resorting to arbitrary unilateral decisions which have an adverse affect on the world economy and refusing to enter into genuine negotiations. The Ministers noted with concern that such a refusal found expression at both the global and the sectoral levels, as is abundantly clear from the undue delays in launching the global negotiations, and the lack of decisive progress in a number of ongoing sectoral negotiations and in the serious decline in the level of the resources of the various international development and financial institutions. They were of the view that this refusal contravenes the very spirit of multilateral economic co-operation and the goals which the international community set itself through the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the International Development Strategy for the Third United Nations Development Decade.

5. The Ministers regretted the negative attitude of some developed countries in not acknowledging and accepting that the emergence of the developing countries as full partners in world economic relations would constitute a positive and significant contribution to the solution of the present crisis.

6. The Ministers were concerned at the hardening of certain negative trends which run counter to the objectives of multilateral co-operation and weaken the United Nations system, which is the framework for the organization and conduct of such co-operation. In this connection, they expressed particular concern at the excessive emphasis being given by a few industrialized countries to bilateralism at the expense of multilateral co-operation, at the so-called free play of international market forces and at the role of transnational corporations. The Ministers denounced attempts to subordinate international co-operation to strategic objectives or to considerations connected with East-West relations, thus aggravating the existing tensions and creating even more impediments to the development of developing countries.

7. The Ministers noted with concern that the tendency of certain developed countries, taking advantage of their predominant position in international economy, to adopt economic measures to exert coercive or political pressures against members of the Group of 77, was adding an element of injustice and insecurity in international economic relations.

8. The Ministers strongly affirmed the legitimacy of the intensification, adoption and application of economic sanctions and other measures in the struggle against apartheid, racism, all forms of racial discrimination and colonialism which constitute major obstacles to the emancipation of developing countries and peoples. In this regard, they emphasized the rights of developing countries, individually and collectively, to adopt such sanctions and other measures.

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9. The Ministers reaffirmed their strong belief that urgent, more vigorous and concrete steps and actions still remain to be taken, collectively and individually, by all the members of the international community to end without delay colonialism, imperialism, neo-colonialism, interference in internal affairs, apartheid, racism, all forms of racial discrimination and all forms of foreign aggression, occupation, domination, hegemony, expansionism and exploitation which constitute major obstacles to the economic emancipation of the developing countries. They stressed again that it is the duty of all States to support effectively and extend assistance to the countries, territories and peoples still subjected to, and affected by, these practices so as to restore their national sovereignty, territorial integrity and all other inalienable and fundamental rights, including the right to self-determination, in order to enable them to achieve independence, and to promote development and international co-operation, peace and security. They urged all countries to refrain from participating in, encouraging or promoting, in any way, any investment or economic activities aimed at trade, or exploitation of any resources, or investments in economic activities in the territories subjected to the aforementioned practices. The Ministers reiterated their unswerving support for the heroic struggle of the peoples of Namibia, South Africa, Palestine and the occupied Arab territories to achieve their liberation and to regain effective control over their natural resources and economic activities. The Ministers also declared their solidarity with the front-line States that, as a consequence of their support to the liberation movements of southern Africa, suffer military aggressions from the racist régime.

10. The Ministers expressed deep concern at the undermining of international co-operation for development, an adverse trend expressed most strongly in the form of policies pursued by some developed countries with regard to multilateral development financing institutions, a decrease in official development assistance and a steady decline in voluntary contributions to United Nations funds and programmes, particularly the United Nations Development Programme. The Ministers reaffirmed the imperative need for a renewed commitment to the strengthening of multilateral economic co-operation, particularly through a substantial increase in the flow of multilateral official development finance.

11. The Ministers urged that international financial institutions, such as the International Monetary Fund and the World Bank, play a larger catalytic role in assisting the process of recovery in developing countries through such measures as a substantial increase in structural adjustment and programme lending, expanded balance-of-payments support with low conditionality and the institution of a medium-term facility on concessional terms.

12. The Ministers deeply regretted the present policies of credit restrictions and withdrawal of bank funds applied by some developed countries in their financial-credit relations with the developing countries, which, together with the increase in interest rates to unforeseen levels, as a result of national policies which are incongruent with the international economic situation, has aggravated the critical lack of financial resources of the developing countries and seriously jeopardizes the continued functioning of the international financial system.

13. The Ministers reaffirmed that inherent in the diversity of the developing countries were prospects and opportunities for economic complementarity that were

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as yet unexplored. They noted that that factor made for greater unity among the members of the Group of 77 and stressed that it should not be used by the developed countries to create arbitrary or discriminatory divisions among developing countries. The Ministers reiterated their condemnation of attempts to do so, such as graduation and differentiation, which constitute a real threat to international co-operation for development and the negotiations themselves.

14. The Ministers drew attention to the extremely important political initiative taken by the developing countries in their proposal for global negotiations. The Ministers reaffirmed their commitment and expressed regret that, after three years, no consensus had been reached in this regard. They also reaffirmed that the global negotiations, as accepted by the entire international community at the thirty-fourth session of the General Assembly, remained the appropriate framework for dealing with world economic and development problems in a coherent, integrated and simultaneous manner through a process of genuine negotiation in which the General Assembly would have a central role.

15. The Ministers recalled the proposal submitted by the Group of 77 on 31 March 1982 and stressed the special importance of that proposal as a basis for realistic compromise on the immediate launching of the global negotiations.

16. The Ministers welcomed as a favourable development the fact that developed countries, particularly those which had participated in the Summit Conference at Versailles, also considered the launching of global negotiations to be a major political objective. They expressed the hope that that declaration of intent would be accompanied by a real political will on the part of the developed countries for the effective launching of the global negotiations.

17. The Ministers took note of the amendments made by the industrialized countries to the proposal submitted by the Group of 77. They strongly appealed to the developed countries to respond favourably to the recent proposals of the Group of 77, submitted on 30 June 1982, the response to which they still await. The Ministers expressed the hope that such response will be received as soon as possible so as to enable the global negotiating process to get under way without further delay.

18. In that connection, the Ministers were of the opinion that the convergence of views expressed within the international community on the major political importance of the global negotiations should serve as a stimulus for the immediate launching of those negotiations and for removing the remaining obstacles to them during the thirty-seventh session of the General Assembly.

19. The Ministers pointed out that General Assembly resolution 34/138 provided that the global negotiations should not involve any interruption of, or have any adverse effect upon, the negotiations in various United Nations forums. In this context, the Ministers therefore reiterated the need for urgent concurrent efforts in fields that were of critical importance for the developing countries, such as raw materials, food, energy, financial flows and trade, at forthcoming conferences and meetings of the United Nations system. They stressed that, without prejudice to the adoption and the implementation of long-term and structural changes and the

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launching of the global negotiations, concrete emergency action, to benefit all developing countries, should be taken on the most pressing economic questions which present a short-term threat to the international community. The Ministers pledged their intention to continue to participate in the search for negotiated solutions, thus enabling the developing countries to participate more effectively in the reactivation of international economic activities. They urged the developed countries to take the necessary initiatives to remove the external bottle-necks that now tend to asphyxiate the economies of the developing countries.

20. The Ministers once again drew the attention of the international community to the critical economic situation of the least developed countries, which are facing serious socio-economic difficulties and profound structural problems. They reaffirmed the imperative need for urgent and effective implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. In this context, the Ministers renewed their urgent appeal directed to all countries and multilateral institutions to take immediate concrete and adequate measures to implement the Programme with a view to promoting a self-sustained process of socio-economic development of the least developed countries. The Ministers likewise recommended that sufficient resources be ensured for the competent United Nations bodies so as to make possible their contribution to the effective implementation of the Substantial New Programme of Action.

21. In view of the evident and increasing dangers threatening the world, the Ministers urged the other members of the United Nations to resolve together to discharge our common responsibility in reaffirmation of the spirit of international solidarity. They are convinced that in order to avert the breakdown of the international economy, it is necessary more than ever to take determined convergent steps towards the laying down of a sound basis for the world economy. The Ministers emphasized that such a joint endeavour should bring about mutual trust, as they share the conviction that it could only lead to an outcome that would be beneficial to every nation, and would result in a genuine convergence of positions which would be action-oriented and would aim at ensuring the survival and betterment of mankind. This rallying call is voiced by the developing countries at the United Nations because it aims at uniting the efforts of all at this crucial moment.

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22. The Ministers also discussed questions of specific interest to the States members of the Group of 77. As a result of those discussions:

- (i) The Ministers emphasized the particular importance of the forthcoming sixth session of the United Nations Conference on Trade and Development to be held at Belgrade in 1983, as it would undertake an integrated review of world development and its impact on the trade and development of developing countries. They also attached importance to active participation in the Ministerial Meeting of the Group of 77 to be held in Buenos Aires prior to the sixth session, in order that the Conference might find constructive responses to all of the important issues

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concerning trade, development and related issues in their interactions and their interrelationship on the basis of the provisional agenda adopted by the Trade and Development Board at its twenty-fourth session. The Ministers appealed to all developed countries to adopt a positive and constructive attitude and, in the spirit of co-operation, interdependency and mutual benefit in particular, requested those among them which had thus far blocked the adoption of decisions during major negotiations to demonstrate the necessary political will in order to make the sixth session a genuine success. The Ministers expressed their appreciation to the Government of Argentina for hosting the Ministerial Meeting of the Group of 77 to prepare for the sixth session and to the Government of Yugoslavia for hosting the Conference.

- (ii) The Ministers stated that the Ministerial Meeting of the Contracting Parties to GATT provided an opportunity to focus the attention of the international community on the functioning of the multilateral trading system and to improve it in the interest of all nations. They invited every country to take advantage of that meeting in order to begin a restructuring of GATT, so as to reverse the negative trends which had emerged in that institution. In the context of the forthcoming Ministerial Meeting, they affirmed that GATT should not become involved in new normative tasks in the services, investment policy and high-technology goods sectors, which would not only be detrimental to the interests of developing countries in international markets, but would hamper efforts aimed at reforming GATT in order to adapt it more closely to the needs and interests of the developing countries.

The Ministers urged the developing countries to intensify their preparations for the Ministerial Meeting of GATT, so as to ensure that their problems would be given priority attention and would receive appropriate and lasting solutions.

- (iii) The Ministers endorsed the Ministerial Communiqué of the Intergovernmental Group of Twenty-Four regarding international monetary and financial matters, issued at Toronto on 3 September 1982.

They noted with satisfaction that despite the regrettable failure of a major donor country to meet its commitment, several countries have moved positively towards funding the sixth replenishment of the International Development Association. They urged that the third installment be fully released and that negotiations on the seventh replenishment should ensure a substantial increase of resources in real terms without any distortions in the original framework of the Association.

The Ministers emphasized that the International Monetary Fund must respond adequately to the requirements of the developing countries, inter alia, by at least a doubling of its quotas, and by reversing the trends towards stricter conditionality often unsuited to the needs of the developing countries.

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The Ministers emphasized the importance of a substantial expansion in concessional lending by multilateral financing and development institutions, particularly the World Bank, for the development of energy resources of developing countries, not merely a reallocation of existing resources. They also stressed the importance of the establishment of the Energy Affiliate of the World Bank, with a rational decision-making structure. The Ministers stressed that developing countries should take collective initiatives in this regard.

- (iv) The Ministers reaffirmed their support of the Consensus of 1970 of the Governing Council of United Nations Development Programme. In this regard, they expressed their deep concern at the negative position of some developed countries regarding, inter alia, the financial resources and mode of operation of the Programme, as expressed in the first meeting of the Intersessional Committee of the Whole of the United Nations Development Programme Governing Council, and agreed to closely co-ordinate the position of the developing countries.
- (v) The Ministers emphasized the importance of food and agriculture as an area of high priority for the developing countries in their efforts to achieve self-reliant development and expressed deep concern over the worsening of the already critical food situation faced by most of the developing countries, particularly the least developed countries. In this regard the Ministers noted with great concern the continuing deteriorating food situation in Africa. They reiterated the urgent need for eradication of hunger within the shortest possible time both by the early establishment of a global food security system and by increased assistance to developing countries in the food and agricultural sector by developed countries and relevant international organizations. The Ministers reaffirmed the need to resume talks on an International Grains Agreement and to pursue efforts to set up developing countries-owned food reserves. The Ministers further expressed deep concern at the disruptive market practices applied by certain developed countries against developing countries through a system of trade barriers and export subsidies which continue to prevent the full utilization of the food production capacity of the developing countries and cause a serious decrease in global food production.
- (vi) The Ministers expressed their profound regret that once again no agreement had been reached on the long-term arrangements for the United Nations Financing System for Science and Technology for Development, established by the General Assembly on 1 January 1982. They deplored the fact that an increasing number of developed countries were manifesting opposition towards the establishment of such a system, which has been adopted by consensus and which represented one of the principal attainments of the United Nations Conference on Science and Technology for Development, held at Vienna in August 1979. They expressed the view that such opposition which had developed, despite the solemn appeal of the Secretary-General of the United Nations, was deeply injurious to international co-operation for development and constituted a serious obstacle to United Nations action.

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The Ministers made a further urgent appeal, aimed especially at the developed countries which had adopted a negative attitude towards the establishment of the Financing System, to reconsider their position in a constructive and positive light so as to allow a final agreement on the long-term arrangements for the Financing System to be reached in the early weeks of the thirty-seventh session of the General Assembly. In this context, the Ministers commended the continuing efforts of the Goodwill Mission to facilitate the agreement on the establishment of the United Nations Financing System for Science and Technology for Development.

- (vii) The Ministers reaffirmed the importance of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy as a framework for international action to develop and promote new and renewable sources of energy in developing countries. In taking note of the recommendations of the Interim Committee on New and Renewable Sources of Energy, which had met at Rome from 7 to 18 June 1982, the Ministers again emphasized the importance of mobilizing additional financial resources, especially within the United Nations system, and of developing institutional structures to ensure that responsibility for the new and renewable sources of energy sector would be specifically exercised through, inter alia, an identifiable Intergovernmental Committee, a secretariat and appropriate co-ordination machinery.
- (viii) The Ministers, without prejudice to and with due respect for the positions of the Members of the Group of 77, took note of the prevailing tendency in favour of the signature and early entry into force of the United Nations Convention on the Law of the Sea, which established a new legal order for the rational use of the seas and the oceans as an instrument of justice, peace, development and international co-operation of States. The Ministers, at the same time, reiterated that any unilateral action or multilateral agreement concerning activities in the area of the international sea-bed in disregard of the legal régime contained in the Declaration of Principles Governing the Sea-Bed and the Ocean Floor of 1970 and of the rules agreed to by the United Nations Conference on the Law of the Sea, would be devoid of international validity and would lead to appropriate measures in defence of the interests of all States in the utilization of that area as a common heritage of mankind. The Ministers urged that the General Assembly allocate the necessary resources to enable the Preparatory Commission and the International Tribunal for the Law of the Sea to discharge their mandate under the Convention, effectively and expeditiously.
- (ix) The Ministers underlined the importance of international co-operation in the field of peaceful uses of nuclear energy, on the basis of the inalienable right of all States, without discrimination, to develop, acquire and use nuclear technology, equipment, materials and services for the peaceful uses of nuclear energy and to determine their peaceful nuclear programmes in accordance with their national priorities, needs and interests. The Ministers recognized the political and economic

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significance of the United Nations Conference for the Promotion of International Co-operation in the Peaceful Uses of Nuclear Energy, to be held in August/September 1983, and reaffirmed the need to expedite preparatory work for the Conference. The Ministers resolved that the developing countries should continue to take an active part in preparations for the Conference and hoped that it would adopt the principles and appropriate ways and means for international co-operation in the peaceful uses of nuclear energy.

- (x) The Ministers reaffirmed the need for all countries that had not yet done so to take expeditiously the necessary measures towards the early entry into force of the Agreement Establishing the Common Fund for Commodities and individual commodity agreements. The Ministers welcomed the agreement reached at the High-Level Conference on Economic Co-operation among Developing Countries, held at Caracas, that the headquarters of the Common Fund for Commodities should be located in a developing country. The Ministers took note of the standing offer by the Government of the Philippines of a permanent site for the headquarters of the Common Fund for Commodities.

## II

1. The Ministers reaffirmed the increasing importance of and their full political support for economic co-operation among developing countries. They expressed their strong support for the strategy of collective self-reliance as both a dynamic factor for developing the distinctive potential of the developing countries and a means of enhancing their negotiating power vis-à-vis the developed countries.

2. The Ministers emphasized that economic co-operation among developing countries, while neither a pre-condition nor a substitute for the negotiations between developing and developed countries, was an essential part of the efforts of the developing countries to establish the New International Economic Order.

3. They expressed their profound belief that the diversification and expansion of economic relations among developing countries with the aim of strengthening their collective self-reliance had become all the more necessary with the worsening of the structural crisis besetting the world economy, which hit the developing countries particularly hard.

4. The Ministers noted with satisfaction the progress made in implementing the Caracas Programme of Action on Economic Co-operation among Developing Countries, in particular the encouraging results of the 11 meetings of high-level officials/experts held during 1982, the sizeable initial contributions to the Group of 77 Account for ECDC, the activities of the Core of Assistants to the Chairman of the Group of 77 in New York and the designation by more than 50 Member States of national focal points for ECDC.

5. They also noted with satisfaction the "Manila Follow-up Action for ECDC" adopted at the first meeting of the Intergovernmental Follow-Up and Co-ordination Committee for ECDC and endorsed the recommendations contained therein aimed at full and effective implementation of the Caracas Programme of Action.

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6. The Ministers emphasized the need for the holding at an early date of the sectoral follow-up meetings as envisaged in the Caracas Programme of Action and called on all member countries to come forward to offer venues for these meetings as well as other meetings which might arise from the follow-up of those already held. They also reiterated the importance of the participation of the largest possible number of interested countries in those meetings. The Ministers agreed that a revised calendar of meetings relating to the implementation of the Caracas Programme of Action should be drawn up by the Chairman of the Group of 77 in New York in close co-ordination with Chairmen of other Group of 77 chapters. The Ministers emphasized the need for further strengthening of co-ordination between the Group of 77 in New York and other chapters through the establishment of effective channels of communication and distribution of information. The Ministers appealed to the members to contribute generously to the "ECDC Account" in order to facilitate full implementation of the Caracas Programme of Action. They also emphasized the importance of the work of the Core of Assistants to the Chairman of the Group of 77 and, reiterating their thanks to the Governments which have facilitated their availability and participation, they endorsed the recommendations made by the Intergovernmental Follow-up and Co-ordination Committee regarding the work of the Core.

7. The Ministers adopted a "Ministerial Declaration on the Global System of Trade Preferences Among Developing Countries" and invited all developing countries to participate fully in the system, which is aimed at promoting a substantial expansion in trade relations among developing countries. In this context, the Ministers urged the UNCTAD secretariat to provide all necessary administrative and technical support for the conduct of the negotiations on the global system of trade preferences and its implementation.

8. The Ministers underlined the importance of promoting collective self-reliance among developing countries in the field of energy by way of concrete regional and subregional arrangements among them.

9. Taking into account that the non-aligned countries have also been undertaking ECDC activities, the Ministers took note with satisfaction of the full support given to the implementation of the Caracas Programme of Action on ECDC by the Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries, held at Havana in June 1982. The Ministers noted with satisfaction the recommendations concerning the harmonization of the implementation of the Caracas Programme of Action and the Non-Aligned Action Programme for ECDC contained in the final declaration of the Havana Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries and in the report of the "Manila Follow-Up Action" adopted in August 1982. They recommended that the Chairmen of the Group of 77 and of the Non-Aligned Movement should act together to undertake a study of ways and means for facilitating effective co-ordination and harmonization of the implementation of the two Programmes.

10. The Ministers reiterated that ECDC was a matter within the purview of the developing countries, but that, at the same time, the support of developed countries and international organizations was necessary for its implementation. Those concepts were recognized in relevant United Nations resolutions, in

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particular United Nations Conference on Trade and Development resolution 127 (V), which had been adopted by consensus and endorsed by the General Assembly in resolution 34/196 of 19 December 1979.

11. The Ministers considered the question of ECDC activities in the United Nations system, particularly in UNCTAD and reviewed the problems raised by developed countries in this respect. In this connection, the Ministers reiterated their support for ECDC activities in UNCTAD, particularly in the three priority areas, Global System of Trade Preferences, State Trading Organizations and Multinational Marketing Enterprises. They deplored the position taken by some developed countries in UNCTAD on ECDC activities, and strongly urged these countries to respect their commitments under the various resolutions and decisions on ECDC adopted within the United Nations system.

12. They reaffirmed the importance which the Group of 77 attached to action to ensure that decisions taken within organizations of the United Nations system for the support of ECDC activities were respected, and reiterated their confidence that the developed countries which were members of those organizations would give full effect to such decisions.

13. The Ministers emphasized that the implementation of ECDC required sustained and vigorous attention and reiterated their decision to carry out an in-depth review of the subject every two years.

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ANNEX II

Ministerial Declaration on the Global System of Trade Preferences  
among Developing Countries (GSTP)

Developing countries members of the Group of 77,

Mindful that economic co-operation among developing countries is a key element in the strategy of collective self-reliance and an essential instrument to promote structural changes contributing to a balanced and equitable process of global economic development and the establishment of the New International Economic Order,

Bearing in mind General Assembly resolutions 3201 and 3202 (S-VI) of 1 May 1974 on the establishment of the New International Economic Order, General Assembly resolution 3281 (XXIX) of 12 December 1974 on the Charter of Economic Rights and Duties of States, General Assembly resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation, resolution 127 (V) of 3 June 1979 of the United Nations Conference on Trade and Development and General Assembly resolution 34/196 of 19 December 1979,

Bearing in mind also resolution No. 7 on policy guidelines on the reinforcement of collective self-reliance between developing countries adopted at the Sixth Conference of Heads of State or Government of Non-Aligned Countries meeting at Havana, Cuba, from 3 to 8 September 1979,

Determined to proceed with the utmost urgency in taking all necessary and appropriate steps for fostering closer economic co-operation among themselves, based on the programme of work of the Mexico City Conference on ECDC of May 1976, the Manila Declaration and Plan of Action of February 1976, the Arusha Programme for Collective Self-Reliance and Framework for Negotiations of February 1979 and particularly the Caracas Programme of Action on Economic Co-operation among Developing Countries of May 1981,

Recognizing that a global system of trade preferences would constitute a major instrument for the promotion of trade among developing countries, and the increase of production and employment in these countries,

Conscious of the need to create an appropriate framework for a global system of trade preferences among the developing countries members of the Group of 77,

Conscious also of the useful preparatory work that has already been carried out on the establishment of a global system of trade preferences among developing countries (GSTP), including the Meetings of Governmental Experts of Developing Countries on the GSTP held within the framework of UNCTAD,

Hereby decide to commence negotiations for the establishment of a global system of trade preferences among developing countries, in accordance with the following principles, rules and time-table:

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1. The principles contained in paragraph 5 (iii) a/ of the Arusha Action Plan, and in particular the following specific principles, shall provide the basic guidelines for the GSTP:

- (a) The GSTP shall be reserved for the exclusive participation of developing countries members of the Group of 77. Rules of origin should be devised to ensure that the benefits of the GSTP accrue only to participating countries;
- (b) The GSTP shall be negotiated step by step, improved and extended in successive stages, with periodic reviews;
- (c) The GSTP should be based on the principle of mutuality of advantages in such a way as to benefit equitably all participants, taking into account their respective levels of economic and industrial development, the pattern of their external trade and their trade policies and systems;
- (d) The GSTP should not replace but supplement and reinforce present and future subregional, regional and interregional economic groupings of developing countries, and shall take into account the concerns and commitments of such economic groupings;
- (e) The special needs of the least developed countries should be clearly recognized and concrete preferential measures in favour of these countries should be agreed upon; the least developed countries will not be required to make concessions on a reciprocal basis;
- (f) All products, manufactures, and commodities in their raw and processed forms should be covered in the negotiations;
- (g) Intergovernmental subregional, regional and interregional groupings for economic co-operation among developing countries members of the Group of 77 may participate, fully as such, if and when they consider it desirable, in any or all phases of the work on the GSTP;
- (h) In negotiating tariff concessions, reduction of non-tariff barriers, etc., participants may explore various approaches, including linear, product-by-product, sectoral, or a combination thereof, or combinations of tariff concessions, non-tariff concessions, para-tariff concessions, and direct trade measures, including long-term contracts, as appropriate;
- (i) The GSTP participants may consider all other measures likely to increase trade, including possibilities for expanding, where appropriate, the scope of bilateral arrangements as agreed by the parties thereto.

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a/ For the corresponding reference in the printed version, see Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and annexes (TD/269), annex VI, First Short Medium-term Action Plan for Global Priorities on Economic Co-operation among Developing Countries, para. 5 (c).

2. The first phase of the negotiations should include a limited number of components such as tariff concessions, non-tariff barriers, in particular major ones, and para-tariff barriers; direct trade measures, including long-term contracts; rules of origin and safeguards.

3. Participants should establish, at the national level, non-binding indicative targets for the expansion of their trade with other developing countries over a given period. Such targets would include all trade increases within subregional, regional and interregional groupings of developing countries.

4. Developing countries members of the Group of 77 desirous of participating in the negotiations shall so notify the UNCTAD secretariat in writing by 31 January 1983. Such countries shall also notify the UNCTAD secretariat by 30 March 1983 of their tariff schedules and trade régimes currently in effect. Any subsequent changes in trade régimes shall be notified to the UNCTAD secretariat immediately after the changes are brought about. They should endeavour to include in this notification all information on trade measures relevant to the process of negotiations and related to the components listed in paragraph 2 above.

5. Developing countries members of the Group of 77 which have not notified the UNCTAD secretariat by 31 January 1983 should also be enabled to participate in the negotiations at any time thereafter by notifying the GSTP Negotiating Committee, following the procedure referred to in paragraph 4 above.

6. Subregional, regional and interregional economic groupings of developing countries of the Group of 77 wishing to participate in the negotiations should also notify the UNCTAD secretariat or the Negotiating Committee, as the case may be directly or through member Governments, of their wish to participate, following the procedures mentioned in paragraphs 4 or 5 above.

7. A GSTP Negotiating Committee is hereby established, open to Governments of developing countries members of the Group of 77 having notified their desire to participate in the negotiations. It is also open to subregional, regional, and interregional groupings of developing countries for participation in the work of the Committee whenever they consider it desirable.

8. The Negotiating Committee has authority to take all the necessary steps, in keeping with the principles mentioned in paragraph 1 above, for the establishment of the GSTP and for the negotiations therefor, including, inter alia, to:

(a) Establish mechanisms for bilateral/plurilateral/multilateral negotiations on components mentioned in paragraph 2 above. Offers/requests relating to preferences and other trade concessions could involve linear or product-by-product or sectoral approaches or combinations thereof or combinations of tariff concessions, non-tariff concessions, para-tariff concessions and direct trade measures, including long-term contracts, as appropriate, depending on the interests and dispositions of the countries concerned;

(b) Establish such mechanisms and procedures as may be agreed upon for extension of negotiated concessions;

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- (c) Establish procedures for evaluating periodically the impact of the concessions, keeping in view the principles mentioned in paragraph 1 above;
- (d) Establish a reference date to determine the tariff schedules and other trade barriers applicable in each participating country to be the subject of negotiated concessions;
- (e) Establish procedures for introducing and putting into effect negotiated concessions, as agreements are reached;
- (f) Establish procedures for the provision of special treatment for least developed countries, as referred to in paragraph 1 (e) above;
- (g) Prepare the legal instruments which will embody the results of the GSTP, procedures for adopting these instruments and provisions for possible modifications;
- (h) Establish rules of origin;
- (i) Establish rules of safeguards;
- (j) Establish procedures for negotiating long-term contracts among interested participants providing for, inter alia, guaranteed markets, supplies, and prices, with respect to specific commodities or products;
- (k) Establish such subsidiary bodies as it may deem appropriate for the effective conduct of its work;
- (l) Establish an appropriate permanent mechanism for overseeing and monitoring the implementation of the results of negotiations.

9. The GSTP Negotiating Committee shall hold its opening meeting not later than 30 April 1983 and it is intended that the first phase of the negotiations be concluded by 1985.

10. The UNCTAD secretariat is requested to provide technical, secretariat and other support to the Committee and generally for the conduct of negotiations and for implementation of the GSTP. Other competent organizations and bodies, such as GATT, ITC, UNDP, UNIDO, FAO, the Customs Co-operation Council and the regional economic commissions may also be requested to provide their support for the negotiations.

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