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ON TRADE AND DEVELOPMENT**

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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/-
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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), 85 (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 to the tenth special session as follows:

<u>Supplement No.</u>		<u>Document No.</u>
1	Decisions	TD/B/745
2	Report of the Committee on Economic Co-operation among Developing Countries on its second session	TD/B/732
3	Report of the Committee on Invisibles and Financing related to Trade on the second part of its eighth session	TD/B/733
4	Report of the Committee on Transfer of Technology on its second session	TD/B/736

and Supplement No. 1 (Resolutions and decisions (TD/B/771)) to the nineteenth regular session.

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ABBREVIATIONS

CMEA	Council for Mutual Economic Assistance
DAC	Development Assistance Committee
ECE	Economic Commission for Europe
EEC	European Economic Community
ESCAP	Economic and Social Commission for Asia and the Pacific
FALPRO	Special Programme on Trade Facilitation
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
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association
ILO	International Labour Organisation
IMCO	Inter-Governmental Maritime Consultative Organization
IPC	Integrated Programme for Commodities
ITC	International Trade Centre UNCTAD/GATT
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum-Exporting Countries
SDR	Special drawing rights
UNAPEC	United Nations Programme on Economic Co-operation among Non-Aligned Countries
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme

UNEP United Nations Environment Programme
UNIDO United Nations Industrial Development Organization
WIPO World Intellectual Property Organization
WHO World Health Organization

PREFATORY NOTE

The fifteenth 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 18 September 1978 to 23 November 1979 and consists of the reports on the tenth special session held from 19 to 27 March 1979, 3/ and the first and second parts of the nineteenth regular session, held from 8 to 20 October 1979 and on 23 November 1979. 4/

1/ The 14 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

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

3/ Originally issued as TD/B/744.

4/ Originally issued as TD/B/770 and TD/B/773 respectively.

During the period covered by the present report, the following subsidiary bodies of the Board held sessions, of which particulars are given below:

<u>Title</u>	<u>Session</u>	<u>Dates</u>	<u>Report in document</u>
Intergovernmental Preparatory Group on a Convention on International Multimodal Transport	Fifth and sixth sessions	18 September- 6 October 1978 21 February- 9 March 1979	TD/B/731 and Corr.1 TD/MT/CONF/1 and Add.1
Committee on Economic Co-operation among Developing Countries	Second session	2-11 October 1978	TD/B/732
Committee on Invisibles and Financing related to Trade	Eighth session, second part	23 October- 3 November 1978	TD/B/733
Committee on Transfer of Technology	Second session	4-15 December 1978	TD/B/736

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART
OF ITS NINETEENTH SESSION

Held at the Palais des Nations, Geneva, from 8 to 20 October 1979

INTRODUCTION

1. The first part of the nineteenth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 8 to 20 October 1979, in accordance with the revised calendar of meetings for the remainder of 1979 adopted by the Conference in its decision 134 (V).

2. The session was opened on 8 October 1979 by Mr. D. L. Castellanos (Venezuela), President of the Board during its eighteenth session. In his opening statement, he observed that the preceding year had witnessed significant developments in the negotiation of the new international economic order although, in view of the divergence between expectations and achievements, a sense of dissatisfaction continued to prevail in the developing countries. There had been two major events affecting the work of UNCTAD, the first being the fifth session of the Conference, at which a programme of activities to be pursued by the Board had been laid down. The second had been the Sixth Meeting of Heads of State or Government of the Non-Aligned Countries at Havana, at which the developing countries had demonstrated the political will to consolidate their unity and collective negotiating strength. The decision taken at those two gatherings had already borne fruit in the negotiations within UNCTAD, and he cautioned against the scepticism current in certain countries regarding the future.

3. There was general agreement that the world economic crisis was structural rather than cyclical. It was also a fact that the institutional framework established in the 1940s was no longer adapted to international economic realities so that new structures had become necessary. The political, economic and technological characteristics of the world of the 1980s were substantially different from those of previous decades so that a corresponding restructuring had become necessary if a mutually beneficial world economy was to be established. In that context, he observed that the notion of global negotiations implied the participation of all States on an equal footing, to ensure that economic relations would be more equitable, together with the selection of specific areas for action on the basis of an integrated approach.

4. It was also clear that global consultations on structural change implied universal democratic consultations with particular attention to policies affecting trade, development and monetary and financial questions.

5. While the notion of interdependence had never been scientifically defined, the interdependence of developing and developed countries was increasingly evident. Although the developing countries could not progress in the absence of growth in the developed countries, the fact was that the latter's possibilities of growth depended to a great extent on the expansion of the former. The growth of countries on the periphery was, moreover, an essential condition for the relief of the inflationary pressures which were one of the main impediments to the economic growth of the developed States. It was thus urgently necessary to work resolutely towards the formulation of mutually beneficial policies in the framework of a new international order whose inauguration would not only benefit the developing countries but also foster the balanced growth of the developed countries.

6. At the 518th (opening) meeting, on 8 October 1979, Mr. E. Farnon (New Zealand) was elected President of the Board by acclamation.

7. In a statement made on assuming office, the President said that the Board was meeting at a time when the world economic outlook was bleak and when the international community - developed and developing countries alike - faced pressing and dangerous problems, as was made clear in the secretariat report on the world economic outlook (TD/B/756 and Corr.1). The situation revealed in that report had been echoed recently at the World Bank/IMF meeting at Belgrade, where the Managing Director of the Fund had stated that the world economy may be entering a very difficult phase for at least the next few years.

8. While all had been less than satisfied with the outcome of the fifth session of UNCTAD, there had been some solid achievements in such areas as assistance for least developed countries and those geographically disadvantaged, economic co-operation among developing countries, the commodities field, protectionism, and the transfer of technology. But much remained to be done if the North/South dialogue was to be given the impetus it required. The present session of the Board could make a significant contribution towards bringing a new sense of purpose to the unfinished task of formulating strategies for global economic management. A subject of central importance at the session would be consideration of the range of issues surrounding the evaluation of the world trade and economic situation and the facilitation of structural change, which the Conference had remitted to the Board, and on which some believed that positions at Manila had not been so far apart as might have appeared at the time.

9. Another major task before the Board concerned the contribution of UNCTAD to the preparation of the new international development strategy, and it might be useful for the Board to concentrate its attention on the institutional arrangements by which UNCTAD might make that contribution. Similarly, the Board was to assess the progress made by UNCTAD, within the area of its competence, towards the establishment of the new international economic order as well as to indicate the obstacles which impeded its establishment. Once again, it might prove fruitful to continue to look closely at the mechanisms which might be involved in carrying out the detailed preparation of the report on the new international economic order to be submitted by UNCTAD to the General Assembly at its special session. The Board also had to review or act on a number of items flowing from the decisions of the fifth session of UNCTAD, in particular the question of making provision for certain important meetings concerned with economic co-operation among developing countries, and the organization in an appropriate existing body of an annual review of the patterns of production and trade in the world economy.

10. The present session was taking place against a complex background of developments in other forums since the fifth session of UNCTAD, including the recent work of the Preparatory Committee for the New International Development Strategy, the summit meeting at Havana of the Non-Aligned Countries, and recent developments in the Committee of the Whole of the General Assembly. The task before the Board was not easy and it would therefore be necessary to face it with energy and determination.

11. At the same meeting, the Secretary-General of UNCTAD made a statement. 1/ He reviewed the issues facing the Board in the light of the decisions taken by the

1/ The text of this statement was subsequently circulated under the symbol TD/B(XIX)/Misc.3, pursuant to a decision by the Board at the 518th meeting, the Board having taken note of the financial implications thereof.

Conference at its fifth session, in particular those affecting the areas of commodity structure, protectionism, and money and finance, together with other issues which the Conference had referred to the Board and the permanent machinery for follow-up action. He also examined the question of the restructuring of the international economy and the role of UNCTAD in the formulation of a new international development strategy for the Third United Nations Development Decade and the implications of the proposed global consultations to be organized within UNCTAD.

12. The present report contains an account of the Board's proceedings during the first part of its nineteenth session. 2/

2/ For a fuller account of the proceedings in plenary meetings of the Board, see the summary records of the 518th to 525th meetings (TD/B/SR.518-525).

CHAPTER I

GENERAL STATEMENTS MADE ON BEHALF OF REGIONAL GROUPS AND OTHER STATEMENTS 3/

A. General statements on behalf of regional groups

13. The spokesman for the Group of 77 said that, in the short period since the fourth session of UNCTAD, the turmoils in the world economy had clearly brought out the fact that the international economic system suffered from underlying structural maladjustments which, inter alia, led to increasing imbalances and inequities operating to the detriment of the developing countries. The rates of inflation in many developed countries had increased significantly; the currencies of some of these countries had become highly unstable once again; the terms of trade for most developing countries continued to deteriorate and the balance-of-payment deficits of a large number of developing countries were reaching staggering dimensions.

14. Progress since the fifth session of UNCTAD on many fundamental questions had been disappointing; notably in the negotiations relating to commodities, with one exception, and the failure in the multilateral trade negotiations to evolve a code on "safeguards". The exports of developing countries in many sectors continued to face restrictions or further intensification of barriers.

15. The Group of 77 wished to bring to the notice of the Board the concerns expressed by the Heads of State or Government of Non-Aligned Countries at their recent Havana meeting, on issues relevant to the work of UNCTAD, and the perspective of the non-aligned developing countries on these questions, as also the Declaration adopted by the Ministers for Foreign Affairs of the States members of the Group of 77, at New York in September 1979 (A/34/533, annex).

16. The present session of the Board was part of a series which would lead up to the special session of the General Assembly in 1980 to assess progress in the establishment of the new international economic order and adopt a new international development strategy for the 1980s. In both these areas the contribution of UNCTAD would be of importance. The Group of 77 was very concerned over the negligible progress that had been made in the negotiations for the implementation of the Declaration and the Programme of Action on the Establishment of the New International Economic Order contained in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974. The obstacles that had impeded this establishment needed to be identified, and they hoped that in the months to come greater evidence of political will on the part of the developed countries would be seen. The contribution of UNCTAD to the development strategy had always been an important one. A major concern of the international community and UNCTAD was to help create an international environment and establish a framework oriented towards an accelerated, self-sustaining process of development of developing countries which would improve their standard of living and quality of life. Within the framework of viable, consistent and specific goals, which would, inter alia, reduce the disparities in incomes between the developed and developing countries, it should define the role and agreed commitments of all countries for

3/ In certain cases, these statements refer to items 3-6 of the agenda (see chap. II below).

adoption and implementation of policy measures for achievement of these goals within a set time-frame. In view of the fact that the present economic situation stemmed from basic inadequacies of the system, the strategy would have to provide for, in addition to the quantitative targets, a process leading to restructuring of the economic relationships between the developed and the developing countries over the entire range of trade and economic activities. It should incorporate the comprehensive New Programme of Action for the Least Developed Countries and contribute to the control of the developing countries over their natural resources. Besides policies designed to achieve a more equitable economic relationship between developing and developed countries, and to promote a more efficient functioning of the world economy, there had to be a new dimension based on the principles of collective self-reliance of developing countries. The strategy also had to provide for a recasting of the rules and principles governing such economic relations and for a greater voice by the developing countries in international institutions. The Group of 77 hoped that at the present session it would be possible to agree on the guidelines for intensive work in this area in order to be able to make an effective contribution to the Strategy.

17. Among the unfinished business of the fifth session of UNCTAD, the Group of 77 attached great importance to item 3 of the Board's agenda (item 8 at UNCTAD). It was more than ever convinced of the need for concerted action in the areas of trade, development, money and finance which was supportive of the development process of the developing countries, and that it was necessary to ensure that short-term policies promoted and did not obstruct or distort the longer-term goals of the international economy conducive to the establishment of the New International Economic Order and the evolving of a dynamic new set of rules of international economic relations. The Group of 77 would, therefore, hope that it would be possible at the current session to reach an agreement with regard to consultations to be organized within the framework of UNCTAD on a regular basis for these purposes. It also believed that consultations or negotiations in any one forum should not be allowed to impede the progress of substantive negotiations in another forum.

18. The views of the Group of 77 regarding the conduct of the multilateral trade negotiations and inadequacies in certain areas had been expressed in its Declaration at Manila. ^{4/} There had been little progress in the substantive areas and some setbacks since. The concern, therefore, remained. The Group viewed with particular concern the failure of negotiations in the safeguards area, due to the insistence of a few developed countries on seeking provisions which would allow unilateral discriminatory action. The Group very much hoped that, in putting into operation the results achieved so far, nothing would be done which would affect adversely the interests or the rights of the developing countries, and that efforts would be continued to make progress in the areas mentioned in the Declaration of the Group of 77 at Manila.

19. The Group of 77 continued to view with concern the implementation of Board resolution 165 (S-IX) concerning reorganization of debt and evolution of guidelines for future debt operations. The urgency and importance of this issue had increased in the light of the mounting debt burdens of several developing countries and

^{4/} 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), part two, para. 27.

further worsening of the balances forecast for 1979 and 1980. In the over-all context of the problems of monetary and financial systems, consideration of ways and means to make the present system of financial co-operation more effective also assumed great importance. The Group of 77 believed also that there was potential for expansion of exports of developing countries to the socialist countries, and enlargement of economic co-operation with them for the full realization of which certain proposals had been presented by the Group of 77 at Manila. The present session of the Board should make an advance in this area.

20. Equally as important as reaching agreement on unresolved questions was the implementation of the decisions reached at the fifth session of UNCTAD, in particular the decisions relating to protectionism and adjustment assistance; implementation and follow-up action on the Integrated Programme for Commodities, including the need to bring the Common Fund into early operation and the conclusion of commodity agreements; and action on resolutions in the area of technology, the least developed, island and land-locked developing countries, and economic co-operation among developing countries.

21. Given its heavy agenda, it was to be hoped that the Board, in line with the recommendations adopted by UNCTAD at its fifth session, would focus clearly on the issues of substance and provide greater direction to its permanent bodies. UNCTAD was entering a very intensive phase of negotiations, with important conferences on transfer of technology, restrictive business practices, multimodal transport and the Common Fund taking place within the next few weeks. The issues before these conferences had been discussed for a long time. Positive results would be a step towards the establishment of the New International Economic Order and the Group of 77 hoped, therefore, that the necessary political will on the part of developed countries would be evident at those conferences.

22. The spokesman for Group B congratulated the Secretary-General of UNCTAD on the balanced and business-like way in which he had outlined the issues before the Board in his introductory statement (see para. 11 above). Group B also largely shared the views expressed by the spokesman for the Group of 77 concerning the importance of these issues, and was prepared to work in a constructive and positive manner to make further progress on the three areas outlined by the Secretary-General of UNCTAD - i.e. the continuing work from the fourth session of UNCTAD, the new mandates from the fifth session of UNCTAD, and the unfinished business of Manila.

23. The Group B countries had listened with attention to the suggestions of the Secretary-General of UNCTAD concerning the follow-up to the discussions at Manila on item 8 of the Conference agenda (item 3 of the agenda for the present session). They had participated actively in those discussions and had advanced proposals in Manila that they had considered to be constructive. Agreement on the operative paragraphs of a draft had indeed been close in Manila, and Group B intended to pursue discussions on the issue at the present session of the Board in a spirit of co-operation. While the Group B countries agreed that the inability to reach agreement on item 8 at the fifth session of UNCTAD was often seen as one of the principal reasons why UNCTAD had not been regarded as an over-all success, they continued to believe that that fact should not be allowed to overshadow the substantial progress made on other agenda items. All had their own interpretations, individual or collective, as to why agreement had not been reached on item 8 of the Conference agenda. One reason had been that it had not been possible to reach a common view of the origins, trends and prospects of the global economic situation.

At its present session, Group B felt that the Board should concentrate on how it should react to the Secretary-General's proposal for the establishment of a consultative mechanism on interdependence. Group B saw value in having global consultations within the Board on trade and related issues of international economic co-operation, taking into account the interrelationships of problems in the areas of trade, development, money and finance. In line with what the Secretary-General had suggested, duplication between such consultations in the Board and a proposal for global negotiations which was being discussed within the General Assembly should be avoided. Rather, the Board should undertake its own review of world economic trends to help to identify problems and priorities, to exchange information and perspectives, and thus to facilitate identification of appropriate action. Group B was, furthermore, prepared to discuss favourably the mandate of a group which would help to prepare for such consultations, and hoped that the convening of such a group could be resolved at the present session.

24. With regard to the second major area for discussion, namely, the international development strategy, most Group B countries had considerable difficulty with the relevant report by the UNCTAD secretariat (TD/B/758). Group B remained prepared to discuss constructively the procedures that might best be followed by UNCTAD, within its mandate, to make its essential contribution to the important work under way in New York of constructing an international development strategy for the 1980s.

25. The representative of China said that the present session of the Board was to tackle many issues that remained pending after the fifth session of UNCTAD. At the Conference, the developing countries had endeavoured to advance matters in a positive direction with a view to reaching agreement on such important issues as the transformation of world economic structures, monetary and financial issues, and resistance to protectionism. However, to their disappointment, only limited progress had been achieved, and the resolutions adopted at the fifth session of UNCTAD had not contributed to the solution of urgent problems in the international economic field.

26. The old economic order established on the basis of monopoly and exploitation had increasingly shown its decadent features in the economic life of the 1970s and recurrent crises in the capitalist economy had done great damage to the economies of the developing countries. Moreover, the gap between the developed and developing countries was further widening. The developing countries had pointed out at the fifth session of UNCTAD that the existing international economic system was not only inequitable but also inefficient, and had failed to promote reasonably the development of international economic relationships, with disastrous consequences to the developing countries, particularly to the least developed countries. At its present session, the Board should adopt positive resolutions in order to create favourable conditions for the convening of the special session of the General Assembly in 1980.

27. In recent years very limited progress had been made in the implementation of the Declaration and the Programme of Action on the Establishment of the New International Economic Order and many negotiations in international economic areas had reached an impasse. Some economic powers were still holding immense decision-making power in international economic affairs. It was precisely the existence of the old world economic structure that had aggravated the frequent economic recession of capitalism. Consequently, transformation of this structure was required for the development of the world economy. In a situation where the

super-Powers were struggling for control of energy resources and strategic raw materials, the establishment of a new order on the basis of equality and mutual benefit would improve North/South relations, promote co-operation and facilitate the cause of safeguarding world peace and the struggle against hegemony, and would also promote development of the world economy in the interests of all. China continued to support the proposals of the developing countries concerning structural changes in the world economy and global consultation on interrelated problems in the areas of trade, development, money and finance, with a view to making the measures and policies to be taken in all these areas suited to the objectives of the new economic order and the economic development of all countries, particularly the developing countries.

28. The formulation of a new international development strategy was an important component in the establishment of a new international economic order. UNCTAD, as an important forum for the discussion and promotion of structural changes in the international economy, should do more within its mandate to contribute to the formulation of the new strategy. The new strategy should take as its objective the implementation of the principles set forth in the Declaration and the Programme of Action as regards the development of the developing countries. It should be devoted mainly to the formulation of international measures and the adoption of effective measures, focusing attention on the crucial issue of basic change in the unequal and inequitable international economic structure. In the field of international trade, the new strategy should specify practical and effective policies and measures to promote the economic development of developing countries, strengthen their export capability, increase their foreign-exchange earnings and enhance their purchasing power, provide greater access to markets for their industrial products and control the protectionist practices of developed countries. It should also seek a feasible means to establish an association between import and export commodities, in order to reduce price fluctuations. It should counter monopoly and exploitation in order to develop international trade on the basis of equality and mutual benefit.

29. China welcomed the recent establishment of an international agreement on natural rubber, the first international commodity agreement under the Integrated Programme for Commodities. Compared with other existing commodity agreements, that agreement marked obvious progress in respect of protecting the rights and interests of developing producing countries, and should help to impart a positive impetus to the work on further commodity agreements under the Integrated Programme for Commodities.

B. Other statements

30. The representative of Colombia pointed out that, in the short time since the fifth session of the Conference, the famished army of the homeless in the developing world had increased, with frightening implications for the future, which offered dim prospects that the already feeble hopes that the under-privileged could live with dignity could be realized. It was not a matter of attributing responsibility for the world economic crisis to this or that group of countries but rather one of stating the facts and appealing to feelings of human solidarity, which appeared to be in reverse proportion to the accumulation of wealth. As his delegation had pointed out at Manila, the collapse of the Bretton Woods system, aggravated by the oil crisis, had meant that the Governments of the leading

industrialized countries had been wholly preoccupied by the fluctuations of their currencies, their domestic unemployment and the security of their sources of supply as well as with ways of transferring the burden of adjustment to economies separate from their own. His Government understood the concerns of the developed countries as well as the aspirations of the oil-producing countries. Nevertheless, it believed that the difficulties should not be overcome at the expense of less thriving economies. The burden of adjustments, transferred to the weaker economies, had had serious repercussions in the developing countries. The secretariat had indicated, for example, that more than \$30,000 million had been lost to those countries between 1974 and 1978 because of the worsening in their terms of trade. The developing countries had had to cope with an external payments deficit without precedence and had been obliged to reduce their development programmes accordingly. Those that had not done so had been obliged to turn to external borrowing with the result that an increasing number of them had to bear a burden of debt servicing which exceeded 25 per cent of their income from exports. The prospects were alarming; the non-oil-producing countries were doubly affected by the increases in the price of oil, paying more not only for oil but also for manufactures. The indifference of the developed countries to the need to restructure their economic relations with the developing countries openly conflicted with the basic principles of the new international economic order. That attitude, added to the negative effects on the problem of under-development resulting from continued increases in the price of oil, meant that the developing countries would inevitably suffer profound political social changes.

31. The representative of Malaysia observed that absolutely no progress seemed to have been made with regard to the restructuring of the international division of labour. Coupled with this situation were the sharp increase in the number of departures by the developed countries from the principle of standstill, affecting particularly the products of developing countries, and the compendium of restrictions - both legal and illegal - imposed by the developed countries on products from developing countries. Attempts had been made in the multilateral trade negotiations to introduce some discipline in those areas, but no agreement had been reached. While the inability of developing countries to accept new rules aimed at a selective application of safeguard restrictions might be a primary reason for that, the more fundamental reason was the refusal of certain developed countries to give a commitment to international discipline and surveillance of safeguard action. The failure to reach agreement on a safeguard clause meant that a key element in the fragile balance of the multilateral trade negotiations package had been lost as far as the developing countries were concerned.

32. A closer examination of "voluntary export restraints", "orderly marketing arrangements", "trigger price mechanisms" and the like, which had been introduced by the developed countries on products from the developing countries, gave the impression that free trade was viewed as obsolete. Politics tended to replace economics as the driving force in the international pattern of production. The absurd argument had now emerged that import restrictions had to be maintained to allow a sufficient level of domestic production for defence. The fact of the matter was that the system of liberal trade was under serious assault, with the developing countries bearing the brunt of the suffering. The case of textiles was a classic example of protectionism by developed countries of an industry in competitive trouble. It was also a standing example of the need for intensified restructuring of industrial production in developed countries in response to the industrialization in developing countries in the context of the new international

economic order. Industrial adjustment was clearly proceeding at a very inadequate pace in the developed countries. The latter should realize the extent of the world's growth potential, particularly as three quarters of the world's population was in the developing areas. There was an obvious need for a greatly expanded and more comprehensive strategy of adjustment assistance in the developed countries. Such assistance should not take the form of a perpetual subsidizing of inefficient producers. Without such a greatly expanded strategy there was every likelihood that there would be more economic conflicts in the future. The new development strategy should thus make adjustment one of its first priorities; without it there might be no progress towards a more just trading pattern. The developing countries should be meaningfully involved in evolving such a strategy.

33. In addition, there was a great and urgent need to educate the general public in the developed countries with regard, particularly, to their understanding of the need for structural change and adjustment in an interdependent world.

34. The representative of Chile, expressing his support for the statement by the spokesman for the Group of 77 (see paras. 13-21 above), said that little progress had been made in recent years in negotiations aimed at the establishment of the new international economic order. UNCTAD remained, in his view, the most appropriate forum for the complex range of issues in the North/South dialogue, and the present session should provide an opportunity of examining its existing machinery. Ideally, it should be possible to arrive at the level of the Conference with negotiated decisions requiring simply an expression of political will for their endorsement. Also, in his view, the provisions of Conference resolution 114 (V) concerning a reduction of the number of ad hoc groups might be taken as a starting-point for reducing the number of issues subject to negotiation. All members of UNCTAD, and the secretariat, should contribute to that end. In this connexion, thought might be given to entrusting a sufficiently broad and flexible mandate to the spokesman for regional groups in order to facilitate the negotiation process, even on an informal basis.

35. His delegation attached particular importance to three issues. The first was that of economic co-operation among developing countries, which constituted a necessary complement to North/South co-operation. Chile had established a Special Co-operation Fund in this area, and had also initiated a scheme of special preferences for the least developed and other developing countries. The second issue was that of protectionism. The efforts being made by developing countries to open their economies to international trade were now being thwarted by the barriers set up by the developed countries. In this connexion, particular attention should be paid to industrial restructuring as a means of bringing about a process of gradual and orderly adjustment, a task in which there should be suitable co-ordination with UNIDO. The third issue was that of energy. Development issues could not be discussed comprehensively if the energy issue was excluded, as the situation of non-oil-exporting developing countries was at present particularly critical. Furthermore, assurances of supplies should be given to these countries, in order to avoid the present situation in which a certain amount of such supplies had to be secured through the "spot" market. A multilateral approach was required to seek solutions satisfactory to both producers and consumers.

36. The representative of Venezuela said that the present session of the Board marked the beginning of a period of negotiations that should culminate in the establishment of the new international economic order. The recent negotiations

within UNCTAD on the Common Fund and the successful conclusion of an agreement on natural rubber represented progress towards that end, as should the forthcoming series of negotiating conferences in UNCTAD on such issues as a code of conduct on transfer of technology and on restrictive business practices. The developing countries were prepared to negotiate, and they had also decided to undertake measures of co-operation among themselves. It was for the developed countries to take the necessary positive steps so that the efforts of the developing countries did not encounter barriers that reflected short-term interests preventing the introduction of the structural changes required in the world economy. UNCTAD should assist in setting the right atmosphere for successful negotiations.

37. As the President of Venezuela had remarked at a recent meeting of the Andean Group, the major industrial Powers could not continue to subject the developing countries to the same rules as applied to relations among themselves or to political and economic conditions that rendered harmonious and joint development difficult. The new international order must be based on international social justice. Venezuela, as a member of OPEC would continue to co-operate in efforts to work out multilateral agreements to solve the financing problems of the developing countries which had been aggravated by the rise in oil prices. Its assistance to the developing world, compared with its GNP, was five times that of the developed countries.

38. He added that, at the current session of the General Assembly, the Foreign Minister of Venezuela had welcomed the fact that the sometimes irresponsible accusations of the past against OPEC were now giving way, on the part of the industrialized countries, to means to reduce excessive consumption and thus curb demand. This was a positive development which should pave the way for effective conservation means during the period of transition to alternative sources of energy. Venezuela was aware of the difficulties of many developing countries in the present circumstances and would continue to guarantee their oil supplies and to alleviate the financial burden resulting from price rises. However, these difficulties stemmed from structural disequilibria in the world economy. Venezuela had repeatedly expressed its support for a new round of international economic negotiations which would include the issue of energy. Such a dialogue should help overcome the obstacles created by a lack of political will on the part of the industrialized countries to make real progress in improving international economic relations.

39. The representative of India, after expressing her support for the statement by the spokesman for the Group of 77 (see paras. 13-21 above), said that, in a world economic situation marked by a resurgence of inflation, a slowing down of growth, deteriorating terms of trade, balance-of-payments disequilibria and rising protectionism, the need to accelerate structural change assumed primary importance. The establishment of the new international economic order implied a change in the relationships between developed and developing countries - the latter should have an effective voice in the management of the world economy - and collective self-reliance of the developing world.

40. The interrelationship of issues in the areas of trade, development, and money and finance emphasized the need for a global consultative mechanism to ensure that the related policies of developed countries were supportive of the development of the developing countries and that their short-term policies promoted restructuring. The international economic crisis was not cyclical but symptomatic of underlying structural maladjustment.

41. The International Development Strategy for the Third United Nations Development Decade should have a framework of both qualitative and quantitative goals. The Strategy for the Second Decade had specified mutually consistent goals and had attempted to lay down obligations and commitments by establishing quantitative targets and a time-frame. That approach must be further consolidated; the strategy for the 1980s must have two additional dimensions, providing for a process leading to restructuring and for the collective self-reliance of developing countries. The fact that large masses of people still lived at bare subsistence levels demanded that accelerated growth of developing countries constitute the core of the strategy. The targets of the new strategy should be higher than those of the previous one. The strategy should be a dynamic instrument incorporating specific policy measures, identifying priority areas for negotiations, and commitments to such negotiations, within a time-frame, under the aegis of the United Nations system. She envisaged it as a comprehensive framework for translating the agreement reached at the general political level into detailed commitments. The goals of the strategy must be shared by all, but different policy measures would have to be adopted by different groups of countries to achieve the goals.

42. The eradication of mass poverty in the developing countries needed an intensive international effort to double the per capita income of the poorest among them by the year 2000. That called for a very substantial flow of resources. Projections indicated that the magnitude of the financial flows required would be at least 1.2 per cent of the estimated GNP of the developed countries. Concessional finance in the total financial flows would need to be expanded and measures to enhance access for developing countries to private financing evolved. Measures for the reform of the international monetary system, which should support the development of developing countries, should be adopted as a matter of urgency. Similarly, the target of a 25 per cent share in world production and 30 per cent in world trade in manufactures for developing countries by the year 2000 should guide the formulation of policies.

43. The new strategy must emphasize the acceleration of the development of developing countries through enhanced economic and technical co-operation on the basis of collective self-reliance. The situation of the least developed countries should be given particular attention. The rules governing international relations needed to be recast to provide for special and differential measures in favour of developing countries. The special session of the General Assembly in 1980 provided the best opportunity for accelerating a decision on issues not settled in the Preparatory Committee.

44. The proposed new round of global negotiations should not involve any delay of negotiations in other forums of the United Nations system but should reinforce them. The global negotiations ought to make a significant contribution to the implementation of the International Development Strategy for the Third Development Decade and should not duplicate the negotiations involved in the formulation of that Strategy. Accordingly, the full vigour of the negotiations within UNCTAD should be maintained.

45. The representative of Israel observed that the economic structures elaborated in various international forums were still far from bridging the gap between the poor and the rich. The international community stood on the threshold of a new development decade and the developing countries still hoped that it would see

significant progress in socio-economic development. UNCTAD should continue in its vital role as a forum for discussion and instigation of new concepts. His delegation had attempted to contribute its own ideas in the field of development financing and the envisaged co-financing facilities, as well as on economic co-operation among developing countries. It would continue to do so. The world was interdependent; meeting its pressing economic and social problems would require new dimensions in international co-operation and a true and effective dialogue among all countries.

46. The representative of the USSR, recalling the joint document submitted by socialist countries to UNCTAD at its fifth session (TD/249), 5/ said that the secretariat reports now before the Board confirmed that the major trends described in that document continued to determine the course of world economic events. The results obtained by the two major economic and social systems showed that whereas the socialist system was a generator of growth, not only for itself but to some extent also for global growth, capitalism, by its very nature, continued to be a well-head of various phenomena which gave rise to economic and structural crisis. Some days previously the General Secretary of the Central Committee of the Communist Party of the Soviet Union, Leonid Brezhnev, had stated in Berlin that in today's unstable world the socialist community of countries had a firm and solid foundation. This had been created by these countries' own efforts in various fields of economic and social activity.

47. An important feature of the present world economic situation was that the growing instability in the main centres of the capitalist world negatively affected the whole structure of international economic relations. In many instances, the internal difficulties in capitalist countries were being used to justify policies detrimental to normal international economic co-operation. The "new protectionism" was only one example of that trend. The USSR fully shared the legitimate protests of the developing countries against such policies.

48. One of the main obstacles preventing progress towards the establishment of the new international economic order was the harmful activities of transnational corporations, which were creating their own "new economic order" and posed a threat to the independence even of developed countries. It must be a common concern that, as shown in document TD/B/756, during 1977-1980, private companies and banks of Western countries were likely to receive, in the form of interest and dividends earned in the developing countries, more than \$88 billion. Any attempt to bring about a democratic restructuring of world economic relations must therefore be aimed at countering the policies of transnational corporations. The restructuring of international economic relations would, however, essentially be decided through the efforts of developing countries to exercise their sovereignty over their natural resources, to control foreign capital effectively, to carry out progressive economic and social changes, and to mobilize their internal resources. His country was prepared to join the developing countries in their efforts to transform economic and external trade structures in the interest of all countries and of the long-term international division of labour, including measures to promote competitive exports of developing countries. A restructuring of the world economy would be possible only in a climate of mutual trust and détente and as a result of disarmament, which would make it possible to release resources for peaceful purposes.

49. The position of the USSR on proposals concerning a review of the rules and principles governing international economic relations was based on its efforts to

5/ Ibid., annex VII.

ensure the elimination of inequality, discrimination and exploitation in world trade and economic relations. The review must therefore be carried out in the general context of the normalization of international trade, taking into account the interests of the socialist countries. With regard to the contribution of UNCTAD to the preparation of a new international development strategy, the secretariat report on this issue (TD/B/758) appeared to present certain issues in a perspective broader than that required of an international body with a clearly defined field of activity. It was essential that, in preparing its contribution, UNCTAD should remain within the limits of its field of competence, in particular with regard to the conceptual framework for the future strategy.

50. The USSR considered that the future strategy would be truly beneficial only if it reaffirmed and strengthened the progressive elements in the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. The work on the formulation of the strategy should be carried out within the framework of existing UNCTAD bodies on a universal basis and due account should be taken of the interests and views of the main groups of countries. Similarly, the proposed global consultations should also be conducted within the framework of the existing UNCTAD machinery, particularly since the Board would henceforth meet twice a year. Those consultations should deal with problems which came directly within the competence of UNCTAD and should not jeopardize its regular activities.

51. The representative of Kenya said that the main tasks before the Board were to complete the unfinished business of the fifth session of UNCTAD and to implement the new mandates arising from the Conference. Most important among the unfinished business was item 3 of the Board's agenda. As the basic analysis of the problems involved had already been undertaken and all the possible solutions had been identified, what was called for now was the necessary political will on the part of the developed countries to speed up concrete progress in this area. Since the fifth session of UNCTAD, the state of the world economy had deteriorated considerably - the economic crisis was deepening, inflation was accelerating, the debt problems of developing countries were increasing and the gap between the rich and the poorer developing countries was widening. The economic problems of the developing countries taken as a group remained substantial, with growth rates remaining stagnant at the 1977 level, a severe deterioration in the terms of trade of the non-oil-exporting countries, and a worsening of the current account deficit of the developing countries, resulting in a substantial increase in the external debt of the non-oil-exporting developing countries. In 1978 once again African developing countries had the lowest rate of economic growth among the developing countries. Even more serious were the prospects confronting those countries in the years ahead, with no appreciable improvement expected over the next 10 years in per capita incomes in the low-income countries. The African countries had experienced a decline in their terms of trade owing to the instability of prices in their exports and a considerable rise in the prices of imported manufactures, which had led many to reduce their imports, to the detriment of growth and economic progress. Furthermore, the recent increase in protectionist measures in the developed countries had become a serious obstacle to policies to diversify exports; such measures should be abolished as soon as possible.

52. The time had come for all countries to recognize that interdependence had become a reality in the world economy. For this reason the developed countries should realize that they depend as much for their growth on the developing countries as the developing countries depended on access to the markets of developed countries

for their growth. The negligible results achieved in the recent multilateral trade negotiations and the failure to evolve an objective code on safeguards reflected the indifference of the developed countries to the problems facing the developing countries.

53. The solution to the current world economic crisis lay in the massive transfer of resources to the developing countries, which would have the advantage of contributing to the utilization of the idle production capacities of the developed countries, the reduction of unemployment in those countries, the restoration of growth to acceptable levels, as well as the expansion of the world trade.

54. Concerning the issue of the debt problems of the developing countries, his country welcomed the efforts made by some developed countries in providing some debt relief for the poorer developing countries. Those developed countries which had not yet done so should take steps as soon as possible to assist in alleviating the debt burden of the poorer developing countries, and in particular the least developed and the most seriously affected countries. His country continued to attach considerable importance to the need for establishing features for future debt reorganization of interested developing countries. Although a certain amount of progress had been made at Manila, the question of institutional machinery to implement the area of agreement should now be resolved. His country attached great importance to the establishment of the proposed system of consultations within UNCTAD on an annual basis to examine, inter alia, problems relating to the management of the world economy, especially policies in the field of trade, payments and finance and their relationship to development, and also to assess the consistency of those policies with long-term development objectives and especially the development of developing countries. Any recommendations from such consultations would enable political decisions to be taken in those areas with a view to promoting structural change in the world economy and thus providing a favourable environment for improvement of the functioning of the world economy in a manner that would be supportive of the development efforts of developing countries.

55. With respect to the important issue of economic and technical co-operation among developing countries, his country felt that the Board should make appropriate provision in the calendar of meetings for meetings of the Committee on Economic Co-operation among Developing Countries. As regards progress made towards the establishment of the new international economic order, there was a need to ensure real progress in the reform of the international and financial system and to promote consistency between the principles and rules governing the entire international economic system. The outline of a programme of action on the reform of the international monetary system submitted recently by the Group of 77 was a significant contribution towards the establishment of the new international economic order. In this continuing effort, there was also need to ensure that the decision-making process in the new international economic system reflected the economic interests of all parties involved and more particularly those of the 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)

CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY
(Agenda item 5)

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM
(Agenda item 6)

- 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. This item (item 8 of the agenda of the Conference) was remitted by the Conference to the Board for further consideration. 6/

57. The Conference had had before it two reports by the UNCTAD secretariat (TD/224 and Corr.1 and Add.1, and TD/225); 7/ the position of the Group of 77 as

6/ See ibid., part one, Other decisions (d).

7/ Ibid., vol. III, Basic Documentation (United Nations publication, Sales No. E.79.II.D.16).

set out in the Arusha Programme (TD/236) 8/ and a document submitted by Bulgaria, the Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics and Viet Nam (TD/249). 9/

58. In an introductory comment, the President of the Board noted that, as the Secretary-General of UNCTAD had indicated in his opening statement, while at the Conference the positions of the various groups had been far apart on the preamble to a possible draft resolution on the issue, positions had come closer as regards the operative parts of such a resolution. It was now for the Board to make every effort to bring consideration of the item to a successful conclusion.

59. In the course of their statements reported in chapter I above, spokesmen for regional groups and other representatives made reference to this item.

60. This item was referred to the Contact Group of the President for consideration and report.

61. At the 525th meeting, on 20 October 1979, the President stated that it had not been possible to reach agreement in the Contact Group on a draft resolution on this item and that he understood it was the general wish that the item should be transmitted to the Board at its twentieth session.

62. Resolutions TD/B/L.535 and TD/B/L.536 were withdrawn by their sponsors.

Action by the Board

63. At the same meeting, the Board decided to transmit agenda item 3 to the Board at its twentieth session.

64. The spokesman for the Group of 77 said that, as had been made clear earlier, members of his Group considered that item 3 was one of the most important items on the Board's agenda. The objective of the Group of 77 had been to secure the establishment within UNCTAD of regular global consultations on interrelated problems in the areas of trade, money, finance and development. A matter of equal importance to the Group of 77 was the question of defining the background of and the framework for such consultations, which had been expressed clearly and in detail in the Arusha Declaration and Programme of Action and which formed the basis for the resolution on this issue presented by the Group of 77 at the fifth session of UNCTAD. At Manila, it had not been possible to reach agreement owing to a lack of recognition by the developed countries of this perspective and direction. At the present session of the Board, the Group of 77 had put forward a considerably modified draft even though this had meant sacrificing some of the Group's essential concepts. It regretted, therefore, that it had still not been possible to reach agreement and thus had no option but to withdraw its draft. In consequence, the perspective and approach of the Group of 77 with respect to this issue remained as set out in the Arusha Declaration. The Group of 77 hoped that it would be possible to pursue the objective at the twentieth session of the Board as the crisis in the world economy was persisting and having ever more serious implications for the developing countries.

8/ Ibid., vol. I, annex VI.

9/ Ibid., annex VII.

65. The spokesman for the Group B expressed regret that it had not been possible to arrive at a mutually satisfactory resolution on agenda item 3. The members of Group B, in the light of experience at the fifth session of UNCTAD and subsequent developments at the United Nations in New York and elsewhere had given most careful consideration to the question of global consultations within the framework of UNCTAD and had sent senior officials from capitals particularly acquainted with the issue. As had been stated at the outset of the session, they had considered that the essential problem was to agree upon specific modalities of the consultations and had, accordingly, put forward a draft resolution which had set out their conception of effective consultations and a mechanism to support them. When it had become clear that the Group of 77 attached great importance to preambular language, Group B made sincere efforts to draft a resolution attempting to satisfy their principal occupations. Following upon what had been termed demanding but also co-operative negotiations, a text had been produced which, although Group B could not accept it in every particular, appeared to be within striking distance of an eventual agreement. Group B had therefore been disappointed that at a later stage the Group of 77 had indicated that insufficient time remained during the present session of the Board to reconcile the remaining differences. Group B regretted that, for a second time, an opportunity had been lost to initiate an approach to consultations in UNCTAD. While they were certainly prepared to take up the issue again at the twentieth session, they would of course do so in the context of developments during the intervening period.

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

66. The representative of the Secretary-General of UNCTAD in an introductory statement, said that since the concept of the new international economic order had been diversely interpreted, the report prepared by the secretariat on this issue (TD/B/757) began by making clear that the same definition had been given to the new international economic order as had been given in the secretariat's earlier report (TD/B/642), where reform of the institutional framework governing international economic relations had been identified as its essential element. Such reform had two aspects, namely reform of the institutional framework governing economic relations between developed and developing countries, and institutional change directed towards strengthening mutual economic co-operation among developing countries on the basis of the principle of collective self-reliance.

67. The second chapter of the report was therefore devoted to a factual account of the progress realized in international consultations, negotiations and agreements aimed at institutional change in these two areas. Its conclusion was that progress had been limited and uneven. While significant advances had been made in some areas, such as transfer of technology, control of restrictive business practices and as regards the setting up of the Common Fund under the Integrated Programme for Commodities, little or no progress had been made towards reform of the world trading, monetary and financial systems.

68. In the third and final chapter of the report, an attempt had been made to indicate some of the general obstacles to progress towards establishment of the new international economic order, with emphasis being placed on two in particular. One was the fact that the developed countries seemed to perceive little, if any, self-interest in reforming the institutional framework, and, in this connexion, it

was suggested in the report that there might be advantage in deeper study of the role which such reform might play in overcoming the present stagnation and malaise of the world market economy. The second obstacle lay in the vagueness with which priorities and procedures, and the commitments of Governments, had been stated in the General Assembly resolutions relating to the new international economic order. If, in making this first attempt to identify the obstacles to progress towards the new international economic order the secretariat's report succeeded in provoking a thoughtful and informed discussion, its preparation would have served a useful purpose.

69. In the course of their statements reported in chapter I above, spokesmen for regional groups and other representatives made reference to this item.

70. This item was referred for consideration and report to the Contact Group of the President.

71. At the 525th meeting, on 20 October 1979, the President stated that it had not been possible to reach a consensus in the Contact Group on this issue and that he understood it was the general wish that the item should be transmitted to the Board at its twentieth session.

Action by the Board

72. At the same meeting, the Board decided to transmit item 4 of its agenda to the Board at its twentieth session.

C. Contribution of UNCTAD to the preparation of the new international development strategy (Agenda item 5)

73. The representative of the Secretary-General of UNCTAD, in an introductory statement said that the report prepared by the UNCTAD secretariat on the contribution of UNCTAD to the preparation of the new international development strategy (TD/B/758) was intended essentially to raise some of the main issues, both those of a policy and substantive nature and those related to formulation and implementation, to which the Board would need to give detailed consideration. The report stressed that the formulation of the new strategy should be based on an appropriate conceptual framework. Since the strategy must be formulated within the framework of the new international economic order, it followed that it should be directed towards achieving the basic reforms of the existing institutional framework for international economic relations that were required in order to achieve the objectives of the new economic order. The Board would need to bear this in mind when formulating its contribution, as regards both the goals and objectives of the new strategy, and the essential institutional reforms required in each of the main policy areas of concern to UNCTAD. As regards formulation and implementation of the strategy, three issues required consideration by the Board. First, if there was general agreement that the central objective of the new strategy should be basic institutional reform, it followed that the main "targets" of the strategy should be the successful conclusion of international negotiations on specific issues, preferably within an agreed time frame. Secondly, consideration should be given to whether, and to what extent, Governments would be willing to undertake commitments to implement specific measures or policies within the framework of the new strategy. Thirdly, the policy recommendations of the new strategy would need to be stated in specific and unambiguous terms, with clear identification of responsibility for their implementation, in order to facilitate the process of review and appraisal.

74. In the course of their statements reported in chapter I above, spokesmen for regional groups and other representatives made reference to this item.

75. This item was referred for consideration and report to the Contact Group of the President.

76. At the 525th meeting, on 20 October 1979, the President introduced a draft resolution on the "Contribution of UNCTAD to the preparation of the new international development strategy" (TD/B/L.547), which he had submitted as a result of informal consultations, and noted an amendment thereto.

77. The representative of Ethiopia proposed an amendment to paragraph 1 of the draft resolution.

78. The representative of the Philippines said he took it that the term "high-level" in paragraph 1 of the draft resolution did not preclude participation by representatives at the ministerial level.

79. The representative of the Secretary-General of UNCTAD made a statement of financial implications. 10/

80. Draft resolutions TD/B/L.538 and TD/B/L.540, which had been submitted to the Contact Group, were withdrawn by their sponsors.

Action by the Board

81. At its 525th meeting, on 20 October 1979, the Board adopted draft resolution TD/B/L.547 (for the text, see annex I, resolution 189 (XIX)).

D. Interdependence of problems of trade, development finance, and the international monetary system (Agenda item 6)

82. In an introductory statement, the representative of the Secretary-General of UNCTAD referred to the report prepared by the UNCTAD secretariat on the world economic outlook (TD/B/756 and Corr.1). In his view, there was a consensus internationally that the world economy had entered a period of slowdown in 1979 which was expected to continue in 1980. More specifically, the real GDP of OECD countries was expected to grow by less than 2 per cent in 1980, the net material product (NMP) of socialist countries of Eastern Europe might increase at a rate between 4 and 5 per cent; and the socialist countries of Asia would experience a growth of NMP at a rate around 6 per cent. With regard to developing countries, their rate of GDP growth was expected to be around 5 per cent in 1980. The secretariat report was based on the work of research institutions participating in Project LINK and forecasts had been prepared on the basis of results available in late July. Since then, the consensus among forecasters was that the outlook for 1980 was becoming even more pessimistic, primarily owing to the fact that in the case of the United States the rate of growth of GDP might be close to zero in 1980.

83. He noted that the secretariat report focused on the problems of the non-oil exporting developing countries, which were expected to register a record current-

10/ For the text of this statement, see annex V, sect. C.

account deficit of \$52 to \$55 billion in 1980. Although developing countries as a group were expected to be able to finance a deficit of that order, the finance was likely to be on terms and conditions that would further accentuate the already severe debt-servicing problems of many developing countries. Moreover, a number of developing countries which did not have access to capital markets would have to adjust their ex ante current-account deficits by reducing even further their pace of development.

84. As regards the least developed countries, the outlook was that their GDP would grow by not more than 3.4 per cent in 1980. In that connexion, recent policies with regard to official development assistance were important and concern was being expressed in many circles about the possibility of retrenchment in aid policy by certain major donor countries which in the past had shown a relative increase in their ODA performance vis-à-vis other DAC member countries. In closing, he noted that over the years the UNCTAD secretariat had emphasized that short-term adjustment policies should be consistent with long-term development objectives and should be taken in the context of requirement of structural change in the world economy.

85. In the course of their statements reported in chapter I above, spokesmen for regional groups and other representatives made reference to this item.

86. This item was referred for consideration and report to the Contact Group of the President.

87. At the 525th meeting, on 20 October 1979, the President stated that it had not been possible to reach agreement in the Contact Group with respect to action on this item, and it appeared to be the general wish that it should be transmitted to its twentieth session, together with draft resolution TD/B/L.360 on "Interdependence of problems of trade, development finance, and the international monetary system", which the Board at its eighteenth session had remitted to its nineteenth session for further consideration.

Action by the Board

88. At the same meeting, the Board decided to transmit agenda item 6, together with draft resolution TD/B/L.360, to its twentieth session.

CHAPTER III

SPECIFIC MATTERS ARISING FROM RESOLUTIONS, RECOMMENDATIONS AND OTHER DECISIONS ADOPTED BY THE CONFERENCE AT ITS FIFTH SESSION REQUIRING ATTENTION OR ACTION BY THE BOARD AT ITS NINETEENTH SESSION (Agenda item 2)

A. Conference resolution 102 (V)

89. This agenda item was referred to Sessional Committee I for consideration and report.

90. In connexion with paragraph 10 of Conference resolution 102 (V) the Board had before it a note by the UNCTAD secretariat (TD/B/L.529) containing suggestions regarding the provision of facilities for a multilateral exchange of views on the development aspects of the reverse transfer of technology.

Consideration in Sessional Committee I

91. The representative of the Secretary-General of UNCTAD made an introductory statement.

92. At the 6th meeting of the Committee, on 17 October 1979, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.4).

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

Consideration in plenary

Action by the Board

94. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.4 (for the text, see annex I, decision 193 (XIX)).

B. Conference resolution 107 (V)

Consideration in Sessional Committee I

95. The spokesman for the Group of 77 suggested that consideration of the generous offer of the Republic of Cuba to host the sixth session of UNCTAD be deferred to a later session of the Board.

96. At its 4th meeting, on 10 October 1979, the Committee took note of the statement by the spokesman for the Group of 77 and endorsed the proposal that the matter be deferred until a later session of the Board.

Consideration in plenary

Action by the Board

97. At its 525th meeting, on 20 October 1979, the Board, in taking note of the report of Sessional Committee I, endorsed the proposal of that Committee that consideration of the offer of the Republic of Cuba to host the sixth session of UNCTAD be deferred until a later session of the Board.

C. Conference resolution 112 (V)

Consideration in Sessional Committee I

98. In connexion with paragraph 24 of Conference resolution 112 (V) the Board had before it a note by the UNCTAD secretariat (TD/B/L.530) dealing with the organizing and convening of three meetings of experts to identify problems and issues concerning the transfer, application and development of technologies relating to food processing, energy and capital goods.

99. The representative of the Secretary-General of UNCTAD made an introductory statement.

100. The representative of Ethiopia expressed his appreciation for the suggestion by the secretariat in its note that the experts for the meetings in question should be nominated by Governments. However, he asked how the selection of such a limited number of experts would be made from the very much larger number of nominations made by Governments, since there appeared to be no regional mechanisms for making such a selection.

101. In reply, the representative of the Secretary-General of UNCTAD said that the experts, who would serve in their personal, individual capacity, would be appointed by the Secretary-General of UNCTAD from among the Government nominees on the basis of equitable geographical distribution and their knowledge of the subject, taking into account the views of interested regional groups.

102. At the 6th meeting of the Committee, on 17 October 1979, the Chairman introduced a draft decision which he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.3). In this connexion, he suggested that the Committee recommend that the third session of the Committee on Transfer of Technology be rescheduled for November 1980.

103. At the same meeting, the Committee recommended draft decision TD/B(XIX)/SC.I/L.3 for adoption by the Board and approved the proposal to reschedule the third session of the Committee on Transfer of Technology. It further recommended that, since it had not considered the note by the secretariat contained in document TD/B/L.530, that document should be discussed by the Committee on Transfer of Technology at its third session.

104. The spokesman for Group B, speaking on behalf of the States members of Group B other than Turkey, stated that his Group was pleased to join the consensus on this decision, which implemented an important provision of resolution 112 (V).

He noted that on the adoption of that resolution at Manila his Group had stated that possible approval of sectoral expert group meetings by the Board or the Committee on Transfer of Technology should be based on documentation as to the need, priority, feasibility and financial implications of convening such expert groups. Therefore, his Group expected that the secretariat would prepare such documentation on the food processing sector, the energy sector, and the capital goods and industrial machinery sector for consideration by the Committee on Transfer of Technology at its third session. At that session of the Committee, his Group would also welcome documentation on the other sectors listed in paragraph 23 of resolution 112 (V) if the secretariat could provide such documentation from within its existing resources.

105. The spokesman for Group D said that his Group had supported the adoption of resolution 112 (V) as in its view it was an important factor in strengthening the technological capacity of developing countries. However, it was concerned at the financial implications thereof, which it considered were extremely high and unjustified. It maintained its position expressed at Manila and reflected in the report of the Conference 11/ and considered that the implementation of the decision just recommended for adoption should be carried out within the existing budgetary allocation for this purpose.

Consideration in plenary

Action by the Board

106. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.3 (for the text, see annex I, decision 192 (XIX)).

107. At the same meeting, the Board, acting on the recommendation of Sessional Committee I, approved the proposal to reschedule the third session of the Committee on the Transfer of Technology and decided that the note by the secretariat contained in document TD/B/L.530 should be discussed by that Committee at its third session.

D. Conference resolution 114 (V)

Consideration in Sessional Committee I

108. For its consideration of matters arising from the adoption of Conference resolution 114 (V) the Board had before it a note by the UNCTAD secretariat (TD/B/763) drawing attention to some aspects of the resolution relating to the Ad hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery and a note by the Secretary-General of UNCTAD (TD/B/759) reporting on his consultations with the Secretary-General of the United Nations on possible arrangements to achieve appropriate flexibility for UNCTAD in budgetary, financial and administrative matters, pursuant to paragraphs 2-4 of the resolution. The Board's attention was also drawn to paragraph 7 of the resolution, in which the secretariat had suggested, in paragraphs 10-12 of its note (TD/B/763), that the Board might wish to defer action until the matters involved had been considered by the newly established Ad hoc Intergovernmental Committee.

11/ Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I (op. cit.), part two, para. 175.

109. The spokesman for Group B stated that Group B placed great importance on the effective implementation of resolution 114 (V). It would participate actively in the Ad hoc Committee, which provided an opportunity to examine ways of enabling UNCTAD to function more effectively and efficiently. It supported the proposal of the secretariat in its draft calendar of meetings for 1980 (TD/B/L.531, para. 4) to schedule a second session of the Committee in February 1980, following a first session in November 1979 on which the Board should take decisions at the present session.

110. In document TD/B/763 the secretariat had made useful suggestions with respect to the Ad hoc Committee and how its work might relate to that of the Board. Group B supported the proposal in paragraph 12 of that document that the Board defer action on paragraph 7 of resolution 114 (V) pending the findings of the Ad hoc Committee on related issues, on the understanding that such action would not defer the Board's implementation of the Conference decision to convene the Working Party on the Medium-term Plan and Programme Budget semi-annually. Furthermore, it believed that at the present session the Board should request the Ad hoc Committee to consider ways and means of improving the effectiveness of the Working Party and to include recommendations on this question in its final report to the Board.

111. Since the Ad hoc Committee would be considering how the provisions of resolution 114 (V) could most effectively be implemented, Group B did not expect a detailed discussion of the resolution at the present session, but it wished to draw particular attention to paragraph 10 of the resolution, in which the Conference affirmed that all documents in all official languages should be made available six weeks in advance of the relevant meetings and decided that documents should be prefaced, where appropriate, by a summary of the contents. Group B greatly regretted that most of the documents for the present session had not been issued in compliance with these provisions. It recognized that late documentation had become an increasingly serious problem in UNCTAD, and intended to address this problem in the Ad hoc Committee.

112. Group B had noted with interest document TD/B/759, in which the Secretary-General of UNCTAD reported on his consultations with the Secretary-General of the United Nations, pursuant to paragraph 4 of resolution 114 (V). It welcomed the intention of the Secretary-General of UNCTAD to submit a report on the outcome of these consultations to the Board at its twentieth session. Since those consultations dealt with questions that were also of interest to the Ad hoc Committee, he requested that the report by the Secretary-General of UNCTAD be made available also to that Committee, at its second session.

113. The spokesman for Group D, commenting on document TD/B/759, which he noted had been distributed on the eve of the session, pointed out that Conference resolution 114 (V) envisaged, inter alia, that the Secretary-General of UNCTAD should prepare a report on his consultations with the Secretary-General of the United Nations on the possible measures aimed at achieving greater flexibility for UNCTAD, where necessary and appropriate, and also at the strengthening of administrative and other relevant functions of UNCTAD. In that document it was indicated that a detailed review would be made of the existing machinery of UNCTAD, and of current administrative arrangements in the fields of budget, finance and administration, in order to identify specific areas where further delegation of administrative functions was really needed. The secretariat had concluded that this review would take a number of months to complete. For the present it was

obvious that Governments were not in a position to comment on the substance of these questions, as the exercise had not yet been completed. It was the understanding of Group D that the Secretary-General of UNCTAD would submit a full report on this subject to the Board at its twentieth session, which it hoped would contain more concrete and substantial information.

114. In general, Group D supported measures which aimed at the implementation of resolution 114 (V), with a view to the more effective utilization of the existing machinery of UNCTAD. Group D held strong views on the need to implement fully the resolution, i.e., on the systematic co-ordination of activities of different bodies, on the increasing importance of its main committees and of the Working Party on Medium-term Plan and Programme Budget and the reduction of the number of ad hoc groups, and on shortening the duration of meetings. All of that was closely related to the ongoing restructuring of the economic and social sectors of the United Nations system.

115. His Group believed that paragraph 6 of the resolution, dealing with the problem of documentation, should be implemented without delay, and regretted that the provisions of that paragraph had not been complied with in respect of documentation for the present session. It attached great importance to the work of the Ad hoc Committee. It considered that its mandate was clear and that the Committee should submit its final report to the Board at its twentieth session, in accordance with paragraph 12 of the resolution. However, to ensure the effectiveness and efficiency of the Ad hoc Committee, it was of utmost importance that the secretariat prepare in time adequate background documentation.

116. At the 7th meeting of the Committee, on 18 October 1979, the Chairman introduced a draft decision concerning the Ad hoc Intergovernmental Committee (TD/B(XIX)/SC.I/L.6), together with a draft decision concerning meetings of the Working Party on the Medium-term Plan and Programme Budget (TD/B(XIX)/SC.I/L.7), which he had submitted as a result of his informal consultations.

117. At the same meeting, the Sessional Committee recommended these decisions for adoption by the Board.

Consideration in plenary

Action by the Board

118. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.6 (for the text, see annex I, decision 194 (XIX)).

119. At the same meeting, also acting on the recommendation of Sessional Committee I, the Board decided to convene henceforth the Working Party on the UNCTAD Medium-term Plan and Programme Budget semi-annually in accordance with paragraph 7 of Conference resolution 114 (V) (see annex I, Other decisions (f)).

F. Conference resolution 127 (V)

Consideration in Sessional Committee I

120. In paragraph 13 of its resolution 127 (V) the Conference requested the Secretary-General of UNCTAD to take the measures that would enable the regional

groups, particularly the developing countries, to prepare for the special session of the Committee on Economic Co-operation among Developing Countries. To this end, and in view of the nature and importance of economic co-operation among developing countries, the Conference requested the Secretary-General of UNCTAD to provide the necessary technical support, conference and secretariat services for the holding at the headquarters of UNCTAD, in the four months preceding the special session, of three preparatory meetings of governmental experts of developing countries, as well as of other meetings of governmental experts that may be requested by other regional groups, in order to prepare the work in the following priority areas: (a) the establishment of a global system of trade preferences among developing countries; (b) co-operation among State-trading organizations of developing countries; and (c) the establishment of multinational marketing enterprises among developing countries. In paragraph 15 of its resolution, the Conference requested the Board to provide for such meetings of the Committee on Economic Co-operation among Developing Countries as it would deem necessary within the UNCTAD work programme on economic co-operation among developing countries and to decide on the convening and organization of 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.

121. In an introductory statement, the representative of the Secretary-General of UNCTAD noted that the question of providing for meetings of the Committee on Economic Co-operation among Developing Countries would be taken up in plenary in connexion with the calendar of meetings (agenda item 11). Regarding the three interregional meetings foreseen in paragraph 13 of the resolution, he stated that it would be proposed to the Board that they should be held at Geneva from 21 January to 8 February 1980. He noted that prior to these interregional meetings the developing countries would be holding the regional meetings foreseen in the Arusha Programme.

122. The spokesman for Group B, speaking on behalf of countries members of Group B other than Turkey, stated that resolution 127 (V) represented an important step towards the implementation of economic co-operation among developing countries and that his Group would follow closely the preparation by the secretariat of the work programme to be submitted to the forthcoming special session of the Committee on Economic Co-operation among Developing Countries. In order to enable Governments to prepare themselves for the special session of the Committee, the Board should determine at its present session the dates of the preparatory meetings mentioned in paragraph 13 of the resolution. It was the intention of his Group to request a preparatory meeting to be held two or three days before the special session of the Committee. As regards paragraph 15 of the resolution, Group B believed it was premature to adopt a decision during the present session.

123. The representative of Mexico stated that, as already noted by the Secretary-General of UNCTAD in his opening statement to the Board, the important work programme of the UNCTAD secretariat on economic co-operation among developing countries derived from Conference resolution 127 (V). Pursuant to what had been agreed at Manila, paragraphs 13 and 15 of that resolution should be adequately implemented in order to provide the developing countries with the requisite technical support from the UNCTAD secretariat and enable them to implement the decisions of the Arusha Programme for Collective Self-Reliance and Framework for Negotiations. He stressed the importance of economic co-operation among developing countries as an instrument for the establishment of a new international

economic order and the acceleration of global economic development. He added that the objectives of the Mexico City and Arusha Programmes could only be attained by recognizing the need to strengthen economic co-operation among developing countries and by providing the support measures required from the developed countries and from the various bodies of the United Nations system.

124. The spokesman for Group D stated that his Group viewed economic co-operation among developing countries first and foremost as an instrument for the economic liberation of developing countries. Economic co-operation among developing countries was the sovereign concern of developing countries and UNCTAD could deal with this question only within the limits of its competence, as defined by General Assembly resolution 1995 (XIX), as amended. He noted that Group D countries had expressed at Manila reservations concerning paragraphs 13 and 15 of resolution 127 (V), which referred to future work of the UNCTAD secretariat on the problems of economic co-operation among developing countries without any clear and precise definition of the limits and concrete nature of such work. The provisions of these paragraphs interpreted too broadly the possibilities of the UNCTAD secretariat in connexion with these problems. His Group, while maintaining these reservations, would not oppose the consensus to hold three preparatory meetings before the special session of the Committee on Economic Co-operation among Developing Countries in 1980, taking into account, inter alia, the wish of the Group of 77 to have them, but this should not be regarded as a precedent in regard to any decisions on future meetings of the same kind.

125. The representative of China noted that in recent years the developing countries had been closing their ranks and further strengthening their economic co-operation. His country was convinced that such strengthened co-operation would not only assist the development of the economies of the developing countries but also consolidate their position in their negotiations with the developed countries in the context of the establishment of a new international economic order. China had supported resolution 127 (V) at Manila and considered that the Board at its present session should make due arrangements, in accordance with the provisions of paragraphs 13 and 15 of that resolution, for the convening of meetings as required for the implementation of the work programme on economic co-operation among developing countries.

126. At the 8th meeting of the Committee, on 19 October 1979, the Chairman introduced a draft decision which he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.10).

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

128. The spokesman for Group B, speaking on behalf of members of Group B other than Turkey, said that, while the members of his Group had joined in the consensus on the decision, their position with regard to paragraph 15 of Conference resolution 127 (V) had not changed since Manila. They continued to believe that before their Governments could take a decision with regard to any new meetings of experts they should be in a position to benefit from the experience acquired in the course of the three preparatory meetings specified in paragraph 13 of the same resolution and the special session of the Committee on Economic Co-operation among Developing Countries in the spring of 1980. Furthermore, it went without saying that no new expert meeting could be envisaged until its precise purpose had been

established and the need for it to be held clearly demonstrated. Moreover, if such a meeting proved necessary, its organizational aspects - and thus the financing of it - should also be established. Group B also felt that all developing countries should be invited to participate in the meetings of experts from developing countries.

129. The representative of Turkey said that his delegation attached particular importance to the meetings of governmental experts referred to in paragraph 15 of the Conference resolution. That text was sufficiently precise for the meetings in question not to be subject to conditions which were not laid down in the resolution, whether with regard to their timing or to their necessity. Accordingly, he could not agree with the view that the convening of such meetings could be deferred beyond the twentieth session of the Board. As to participation in the meetings, a matter of equal importance, paragraph 13 of the same resolution referred explicitly to the regional groups and he felt that it was for such groups to decide what it should be.

130. The spokesman for Group D reiterated the strong reservations which his Group had entered at Manila concerning paragraph 15 of the Conference resolution as reflected in the report of the Conference. 12/

Consideration in plenary

Action by the Board

131. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.10 (for the text, see annex I, decision 202 (XIX)).

F. Conference resolution 131 (V)

Consideration in Sessional Committee I

132. The representative of the Secretary-General of UNCTAD made an introductory statement in which he drew attention to paragraph 2 of resolution 131 (V) whereby the Conference had entrusted to the Board the organization in an appropriate existing body of an annual review of the patterns of production and trade in the world economy.

133. The spokesman for the Group of 77 recalled the unanimous agreement reached at Manila to fight protectionist forces and the commitment to make conscious efforts to bring about adjustment. He reiterated the Group's continuing serious concern about the maintenance of, and increase in, protectionist measures adopted by the developed countries, especially against the exports of developing countries. He expressed alarm that the list of products facing such restraints was growing ever longer and that the manner of imposing such restraints was assuming newer forms, when exports of manufactures by developing countries to developed countries accounted for only 7.5 per cent of the latter's total imports, and hardly 2 per cent of their consumption of such manufactures, while at the same time developed countries found outlets for 30 per cent of their exports of manufactures in developing countries.

12/ Ibid., para. 250.

134. He stated that the present difficult situation in international trade and in the world economy, as well as the numerous forecasts which predicted the continuation of this situation for at least the immediate foreseeable future, contributed to a general apprehension that the protectionist forces in the developed world would find further support and sustenance for pursuing policies and programmes which would in the long run lead to a disruption of the international trading system and generate global problems of production, inflation and unemployment in both the developed and the developing countries which it would be virtually impossible to control. In this context, the Group of 77 was encouraged by the fact that the OECD Ministers continued to reiterate their commitment to an open multilateral trading system, as well as to reaffirm their readiness to adjust to changes in the pattern of world production and trade.

135. He expressed his Group's unequivocal support for a determined resistance to protectionist forces and asserted that during the present economic situation it was all the more crucial to ensure that the trade of developing countries was kept open. It was incomprehensible that developed countries should continue to persist in such measures, which not only disrupted the efforts of developing countries to improve the well-being of their people but also jeopardized their own long-term interests.

136. In this connexion, he referred to the important, if not crucial, role that developing countries had played in providing markets for the manufactures exported by industrialized countries. That role was particularly apparent from some of the following comparisons: in 1978 developing countries had absorbed 20 per cent of western European exports of manufactures to all destinations, twice as much as the North American and Japanese markets taken together. In the category of engineering products, developing countries had bought 25 per cent of western European exports, while North America and Japan taken together accounted for 9 per cent; developing countries had accounted for 46 per cent of Japanese total exports of manufactures, again more than North America and western Europe taken together. Even in textiles, the share of developing countries in Japanese total exports had amounted to nearly two-thirds, as compared with 20 per cent for North America and western Europe combined. Finally, developing countries had absorbed about 32 per cent of North America's exports of manufactures, as compared with 26 per cent taken by western Europe and Japan combined. He reiterated that the capacity of the developing countries for continued absorption of the manufactures of industrial countries would be severely eroded if their export earnings continued to be curtailed through increasing protectionist actions.

137. He noted that if adjustment measures were not effectively and vigorously pursued by the developed countries, the export potential of the developing countries would be adversely affected, particularly in the sectors in which developing countries had a comparative advantage. Protectionism had another serious consequence for developing countries; it discouraged diversification and thereby constituted a serious impediment to their industrialization efforts. Unless protectionism was effectively contained, the target of a 25 per cent share of world production for developing countries by the year 2000, as set out in the Lima Declaration and Plan of Action (see A/10112, chap. IV), would be made difficult to attain.

138. In conclusion, he stressed the Group's belief that resolution 131 (V), adopted at Manila, was of crucial importance and urgency and strongly urged its speedy

implementation. Conscious efforts at implementing adjustment measures had to be made, and detailed sectoral studies undertaken, to examine the operation of adjustment policies with respect to individual sectors of production with a view to deciding upon the modalities of action for reducing and eliminating the growing trend of protectionism in international trade.

139. The representative of Malaysia, expressing support for the statement by the spokesman for the Group of 77, stressed the seriousness of the subject of protectionism in view of the current state of economic affairs. Recalling the world depression 50 years ago, during which non-tariff barriers had played an important role in the decline in world trade, he drew parallels with the protectionist measures and arguments currently employed.

140. In particular, he stated that it was incorrect to argue that imports were responsible for the loss of jobs. He cited evidence from the period 1973-1976 which showed that the export of manufactured goods from developed countries to developing countries had increased more than their imports of manufactured goods from these countries. Moreover, published evidence indicated that in import-competing industries the loss of jobs due to increased imports had been relatively small compared to the effects of technological change. The so-called high rate of unemployment in the developed countries had rather been the result of policies applied by those countries which had unfavourably affected their domestic production and investment. For instance, the high proportion of firms in developed countries now reporting difficulties in obtaining sufficiently skilled labour indicated that incentives given in the recent past for the acquisition of needed skills had been misleading or ineffective.

141. He also reacted to the low wages argument which developed countries often used when they resorted to protectionism against developing countries, by noting that whilst, due to differences in socio-economic factors, wages tended to be generally low in developing countries, labour in high-wage countries was generally more productive, and hence the comparative advantage in the wage gap cancelled. What was important was not wage levels but innovation and adjustment. One should not penalize diligence, hard work and pragmatism. Contemporary protectionism was a manifestation of the refusal to carry out the adjustments indicated by the continuing change in the global supply-demand pattern.

142. He also stressed that protectionist demands created uncertainty, particularly for the exporters in developing countries. Moreover, there were many protectionist measures which did not find their origin in any legislation, and these presented a great danger for the developing countries because legal recourse was lacking and because they created additional uncertainty. What was even more disturbing was that current events tended to point towards the spread of protectionism through the example of retaliation. Even the concept of fair trade had been interpreted by some influential lobbies in the developed countries to mean - do unto others as they do to us, barrier for barrier, closed door for closed door.

143. He noted the inability of GATT and the recently concluded multilateral trade negotiations to stop the spread of protectionism against exports from developing countries and cited developments in the Multi-fibre Arrangement in this connexion. In conclusion, he looked forward to UNCTAD playing a more dynamic role on the subject of protectionism.

144. The spokesman for Group D noted that his Group's views concerning the problem of protectionism had been thoroughly explained in TD/257, 13/ submitted to the Manila Conference, and that as far as resolution 131 (V) was concerned his Group's position was expressed in the report of the Conference. 14/ He stressed that Group D delegations had on several occasions pointed to the negative effects of protectionist measures which had become widespread in the past years. He noted that exports from Group D countries had also been adversely affected by such measures. He emphasized that 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, and stressed that it was regrettable that this important position had not been explicitly and clearly reflected in the resolution.

145. In conclusion, he emphasized that UNCTAD faced immense new tasks and that this topic must be dealt with at sessions of the Board, as well as in the relevant subsidiary bodies, on a continuing basis. In order to enable UNCTAD to deal more effectively with this problem, he proposed that, in carrying out the tasks contained in paragraphs 5 and 6 of resolution 131 (V), the Secretary-General of UNCTAD should take into account, inter alia, the notifications from all countries concerning protectionist measures applied against them.

146. The representative of China noted that protectionism seriously affected today's international trade, particularly the exports of the developing countries. While the resolution adopted by UNCTAD at its fifth session was not satisfactory, it constituted a first step, and it was his delegation's view that in conformity with that resolution the Board and its Committee on Manufactures and Committee on Commodities should be assigned to proceed with deliberation on the protectionist measures prevailing in international trade. The purpose would be to examine the effect on the exports of the developing countries of the protectionist measures taken by the developed countries and to make recommendations to eliminate such measures and to urge countries concerned to implement the recommendations so as to maintain a liberalized system of trade in the interests of the development of the economies of the developing countries.

147. At the 8th meeting of the Committee, the Chairman introduced a draft decision (TD/B/L.543) on Conference resolution 131 (V) that he had submitted as a result of his informal consultations.

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

149. The spokesman for Group D said that his Group had been able to join in the consensus on the decision on the understanding that, in order to enable UNCTAD to deal effectively with the problem of protectionist measures, the Secretary-General of UNCTAD, the Board and its subsidiary bodies, in carrying out the tasks listed in paragraphs 5 and 6 of Conference resolution 131 (V), would take into account, inter alia, the notifications from all countries concerning protectionist measures applied against them.

13/ Ibid., vol. III.

14/ Ibid., vol. I, part two, para. 20.

Action by the Board

150. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B/L.543 (for the text, see annex I, decision 199 (XIX)).

G. Conference decision 132 (V)

Consideration in Sessional Committee I

151. The Board had before it a preliminary report by the UNCTAD secretariat reviewing developments in the multilateral trade negotiations since the fifth session of the Conference (TD/B/762 and Corr.1), pending submission of a fuller report to the Board at its twentieth session for purposes of the global evaluation called for by the Conference once the final results of the negotiations were known in their entirety.

152. The representative of the Secretary-General of UNCTAD made an introductory statement in which he referred to the report submitted to the General Assembly at its thirty-fourth session by the Secretary-General of UNCTAD (A/34/443), pursuant to General Assembly resolution 33/199. He stated that negotiations were in progress with a view to reaching agreement on common texts where alternative texts existed. He also drew attention to the apparent stalemate in the negotiations on a safeguard code. Indicating that failure to reach agreement in the safeguard area appeared to turn around the issue of non-discrimination, he noted that the negotiations on this issue were continuing on the basis of a proposal by the Director-General of GATT. Another issue which appeared to be outstanding concerned the legal form, status and relationship of the texts negotiated in the Framework Group.

153. The spokesman for the Group of 77 recalled the Declaration made by his Group at the fifth session of UNCTAD, 15/ which highlighted the shortcomings of the mechanisms for conducting the negotiations and the dissatisfaction of these countries over the results of the negotiations. He reiterated the proposals and aspirations of the Group of 77 as expressed at Manila, which were still valid, and reaffirmed the concerns of the developing countries that the objectives of the Tokyo Declaration in their favour had not been attained in the negotiations. In consequence, certain issues must be kept under consideration until satisfactory results were realized. Among these was the question of safeguards, on which no agreement on a code had been reached. Failure to achieve agreement on safeguards had introduced a serious imbalance into the results of the negotiations. There was urgent need for a multilateral safeguard system which would establish greater discipline in the rules of the world trading system by setting up objective, precise criteria for the introduction of safeguard measures on the basis of the most-favoured nation principle, with adequate provision for ensuring transparency in the operation of the system. He stressed the need to uphold the fundamental

15/ Ibid., para. 27, and annex VI.

principle of most-favoured-nation treatment. In this connexion, the proposal of the Director-General of GATT deserved considered attention especially concerning the accepted interpretations of the application of GATT article XIX.

154. Another area in which results had been unsatisfactory was tariff reductions in respect of tropical products. Also, the important areas of quantitative restrictions, including the so-called "voluntary" export restraints, and tariff and non-tariff liberalization of products of export interest to developing countries, had not been, or had been only inadequately, dealt with in the negotiations. Since paragraph 6 of the Tokyo Declaration had not received much attention in the negotiations, it was necessary to consider ways and means of ensuring special treatment for the least developed countries.

155. He noted that the report by the UNCTAD secretariat (TD/B/762 and Corr.1) was only a preliminary one and that the global evaluation requested by the Conference in decision 132 (V) would be carried out at the next session of the Trade and Development Board.

156. In conclusion, he expressed appreciation for the useful work done by the UNCTAD/UNDP technical assistance project and suggested that consideration should be given as to how this assistance could be continued for the evaluation and implementation of the Tokyo round of negotiations, as well as for future negotiations.

157. The representative of Malaysia, expressing support for the statement by the spokesman for the Group of 77, stated that the concerns of the developing countries were shared by many developed countries, as was clear from the Final Communiqué issued by the Heads of Government of Commonwealth countries at their meeting held in August 1979 at Lusaka, Zambia, when they had noted that the results of the negotiations "fell far short of the aspirations of the developing countries" (A/33/439 and Corr.1, annex, para. 47).

158. He added that, despite the importance of non-tariff barriers to the developing countries, the subject had not been adequately dealt with in the negotiations. Practically all requests made by developing countries regarding non-tariff barriers in the field of tropical products had not been satisfactorily responded to by the developed countries. No positive attempts had been made by the developed countries, in co-operation with developing countries, to work towards greater discipline concerning safeguards. While on the one hand developed participating countries wanted the right to select developing countries for import restrictions, on the other hand they were not prepared to accept international discipline and surveillance in this area. He maintained that the failure to reach agreement on a safeguards code rested with the developed countries.

159. The codes or agreements which had resulted from the negotiations did not deal meaningfully with the interests of developing countries. Two of the codes, namely, on civil aircraft and on anti-dumping, had been negotiated outside the negotiating machinery of the negotiations, largely without the participation of developing countries. The codes which were now before Governments were in fact codes which had never obtained the consensus or majority agreement of the countries participating in the negotiations. Furthermore, while the negotiations had been carried out in the framework of GATT, no agreed procedures concerning decision making had been followed. That was a mistake that had been made by all

concerned, and which should never be repeated. If international economic relationships and co-operation were to be improved, the need to ensure transparency in negotiations must be kept in mind.

160. It was his view that, after four years of negotiations, the new rules which had been agreed upon by the major trading countries were mostly to the advantage of developed countries, with little done towards achieving a more equitable sharing between developed countries and developing countries of the advantages from the expansion of world trade. Although the negotiations had been halted, it was necessary that the process of trade liberalization be pursued with respect to issues of concern to developing countries. He noted that the Contracting Parties to GATT would shortly be discussing the results of the negotiations, including the codes. It would be a grave mistake if the developed countries, in their keenness to implement the codes, were to discard the very principle which constituted the foundation of GATT. The most-favoured-nation principle embodied in GATT article I, which they themselves held so tenaciously, especially when viewing trade developments among developing countries, should be unconditionally upheld. In this connexion, he pointed out that some provisions in some of the codes implied a rejection of the most-favoured-nation principle. He reiterated that the General Agreement was founded on this very principle and that his country had no desire to see the dismantling of GATT.

161. The spokesman for Group D pointed out that the provisions contained in the basic documents embodying the results of the negotiations might involve a review of national legislation in the field of international economic and trade relations of the participating countries, but this possibility was of concern to all countries. Special attention should be paid to attempts aimed at the legalization of different measures of a discriminatory character in the area of international economic relations, inter alia, attempts to introduce a double-standard, for participants and non-participants in the negotiations, and to tendencies to limit or condition the principle of most-favoured-nation treatment. The results of the negotiations needed to be examined from the point of view of all participants in international trade, considering at the same time possible negative consequences for non-participants. The report of the Secretary-General of UNCTAD to the Board at its twentieth session should reflect this universal approach.

162. The spokesman for Group B, speaking on behalf of countries members of Group B other than Turkey, noted that Conference decision 132 (V) called for a global evaluation of the negotiations to be carried out by the Board at its twentieth session, on the basis of all the relevant facts and a complete analysis by the Secretary-General of UNCTAD. It was fortunate that the Board would thus have sufficient time to consider such a complex problem in depth, so that this evaluation could take place in an atmosphere of objectivity and equilibrium. By the time of its twentieth session the Board should be in a better position to evaluate both the immediate results and the longer-term impact.

163. Referring to comments made by previous speakers, he said no country could declare itself entirely satisfied with the results. However, the negotiations had contributed to the liberalization, stability and security of world trade. They constituted the widest and most comprehensive discussion of commercial problems, consisting not only of tariff negotiations, but also, and for the first time, of negotiations on several codes of conduct on non-tariff measures, on

arrangements concerning agricultural products and on an elaboration of the legal framework for the General Agreement.

164. He maintained that the developing countries, as exporters, would benefit not only from the more stable climate resulting from the agreements which had been reached, but also, and more specifically, from tariff reductions and improvements in GSP in the area of tropical products, tariff reductions of one-third by the developed countries as regards industrial products, and the harmonization of their customs duties, which would lessen the problem of tariff escalation. In the area of non-tariff measures, the developing countries would enjoy certain advantages resulting from increased flexibility, derogations from certain obligations under the codes, financial and technical assistance, and special measures in favour of the least developed countries. This commitment was particularly valid for the least developed countries.

165. One of the significant results of the Tokyo Round was the establishment of the "enabling clause", which would permit GSP to be placed on a secure basis. The clause would also be a basis for reciprocal preferences among developing countries, as well as for other forms of preferential treatment, in particular in favour of the least developed countries. In line with the explicit commitment contained in part IV of the General Agreement, the developed countries were not seeking to obtain any concessions which were incompatible with the needs of the developing countries.

166. He drew attention to the results achieved in the Framework Group: safeguard measures for development purposes, commercial measures for balance-of-payments purposes, and dispute settlement procedures. These results responded to the concerns of the developing countries and constituted a positive step in the evolution of international economic relations. Although the advantages in the field of non-tariff barriers were not quantifiable, he maintained that in the long term they would prove to be as important as many of the advantages resulting from the negotiations on tariffs and the lowering of other obstacles to trade.

167. The negotiations could be considered as a very important effort to maintain and improve the system of international trading. In spite of the difficult economic period in which they had been conducted, with increased protectionist pressures, developed country imports from the developing countries had maintained a steady rhythm and world imports of manufactured products from developing countries had continued to increase.

168. He concluded by stating that the stage of implementation was an important one, and that the developed countries wished to co-operate with the greatest possible number of developing countries in this respect.

169. The representative of Malaysia, commenting on the foregoing statement, welcomed the preparedness of the developed countries to co-operate with as many developing countries as possible. He hoped that before the next session of the Board a safeguard code could have been agreed upon, describing this as a question of prime importance to many developing countries.

170. At the 7th meeting, on 18 October 1979, the Chairman, reporting on his informal consultations on this item, stated that it had not so far been possible to reach a consensus. In view of the lack of time for further consultations within the

framework of the Sessional Committee, the Committee decided to refer this matter to the Contact Group of the President of the Board.

Consideration in plenary

171. At the 525th meeting, on 20 October 1979, the President introduced a draft decision (TD/B/L.548) concerning the evaluation of the multilateral trade negotiations which he had submitted as a result of informal consultations in the Contact Group.

Action by the Board

172. At the same meeting, the Board adopted draft decision TD/B/L.548 (for the text, see annex I, decision 201 (XIX)).

173. The spokesman for the Group of 77 referred to the declaration by the Group of 77 on the multilateral trade negotiations at the fifth session of UNCTAD and to the statement made on behalf of the Group of 77 in Sessional Committee I (see paras. 153-156 above). The procedural decision which the Board had just adopted represented an endorsement of Conference resolution 132 (V). However, when the Board at its twentieth session evaluated the report by the Secretary-General of UNCTAD together with other relevant documentation, the major part of the results of the multilateral trade negotiations would already be in effect. In consequence, it was the view of the Group of 77 that the interests and the rights of the developing countries should be fully safeguarded in the process of implementation of the results of the multilateral trade negotiations. Furthermore, it was urgently necessary to continue the negotiations, in an appropriate forum, with a view to ensuring that the interests of the developing countries, particularly the least developed among them, should be fully satisfied, in view of the fact that the objectives of the Tokyo Declaration had not been achieved, with the aim of bringing about a greater liberalization of trade in favour of the developing countries and of eliminating the trade barriers faced by their exports.

174. The spokesman for Group D stated that it was the understanding of his Group that the term "global" in the operative paragraph of the decision just adopted also included the problems of possible consequences in relation to countries not participating in the multilateral trade negotiations.

175. The spokesman for Group B regretted that it had not been possible to agree on a decision of substance, despite efforts by all. In this connexion, he referred to the statement made in Sessional Committee I on behalf of the States members of Group B other than Turkey (see paras. 162-168 above).

H. Matters remitted by the Conference to the permanent machinery of UNCTAD

1. Items 11 (a), 11 (c) and 11 (d) of the agenda of the Conference

Consideration in Sessional Committee I

176. The representative of the Secretary-General of UNCTAD made an introductory statement.

177. At the 6th meeting of the Committee, on 17 October 1979, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.2).

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

Consideration in plenary

Action by the Board

179. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.2 (for the text, see annex I, decision 191 (XIX)).

2. Items 12 (d) and 12 (e) of the agenda of the Conference

(a) Item 12 (d)

180. The Conference had referred this item to the Board, together with a draft resolution on debt problems of developing countries (TD/L.196) submitted by Cuba on behalf of the States members of the Group of 77.

Consideration in Sessional Committee I

181. The representative of the Secretary-General of UNCTAD made an introductory statement.

182. At the 7th meeting of the Committee, on 18 October 1979, the Chairman, reporting on his informal consultations on this item, stated that it had not so far been possible to reach a consensus. In view of the lack of time for further consultations within the framework of the Sessional Committee, the Committee decided to refer this matter to the Contact Group of the President of the Board.

Consideration in plenary

183. At the 525th meeting, on 20 October 1979, the President drew attention to a draft decision on agenda item 12 (d) of the agenda of the Conference (TD/B/L.549) which had been submitted by the Vice-Chairman of Sessional Committee I following informal consultations.

Action by the Board

184. At the same meeting, the Board adopted draft decision TD/B/L.549 (for the text, see annex I, decision 204 (XIX)).

185. The representative of Pakistan stated that the growing external debt burden of developing countries had been a matter of concern for several years, reflected in the fact that there had been a concentrated attempt to resolve the issue at the third (ministerial) part of the ninth special session of the Board. That session had agreed to resolution 165 (S-IX) which had been described at the time as a breakthrough in this area. While the resolution had resulted in a number

of steps being taken, the implementation of it had so far been inadequate and in the meantime the debt problems of developing countries had continued to grow. At the present session of the Board, his delegation, as it had on previous occasions, had participated actively in the search for a solution to the important question of the debt problem. The proposals put forward, and the negotiating positions maintained by the Group of 77, had shown a flexibility which had demonstrated a genuine and purposeful attempt to arrive at an equitable solution. It was thus a matter of extreme regret that, in the absence of a corresponding response on the part of members of Group B, no agreement of substance could be reached on the item. It was his sincere hope that circumstances would permit a more satisfactory outcome at the twentieth session of the Board.

186. The representative of Ghana said that he shared the regret voiced by the representative of Pakistan concerning the disappointing results achieved on this issue. The representatives of the Group of 77 had made every effort to seek a compromise but had not found a reciprocal attitude on the part of Group B, although they had recognized that the issue was one of the position of Group B as a whole and that a number of delegations in that Group sympathized with the position of the Group of 77. The members of Group B that had experienced the difficulties apparently had reservations regarding policy commitments and the financial implications involved. He expressed the hope that those members of Group B that had difficulties would be able to consult their respective authorities in the period before the twentieth session of the Board so as to facilitate some commitment to more serious negotiations at that session on the debt problems of developing countries as envisaged in parts A and B of Board resolution 165 (S-IX).

187. The representative of France, speaking on behalf of many members of Group B, said these countries shared the regret voiced by the representatives of Pakistan and Ghana that it had not been possible to reach agreement despite a serious effort to negotiate by all parties.

(b) Item 12 (e)

188. The Conference had referred this item to the Board, together with a draft resolution on an effective system of international financial co-operation (TD/L.197) submitted by Cuba on behalf of the States members of the Group of 77.

Consideration in Sessional Committee I

189. The representative of the Secretary-General of UNCTAD made an introductory statement.

190. At the 6th meeting, on 17 October 1979, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.9).

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

Consideration in plenary

Action by the Board

192. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.9 (for the text, see annex I, decision 196 (XIX)).

3. Draft resolution TD/L.195 (transnational corporations and international commodity trade)

Consideration in Sessional Committee I

193. At the 7th meeting of the Committee, on 18 October 1979, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.11).

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

Consideration in plenary

Action by the Board

195. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, decided to remit to its twentieth session the draft resolution entitled "Transnational corporations and international commodity trade" (TD/L.195).

4. Draft proposal TD/L.186 (Establishment of a multilateral guarantee facility)

Consideration in Sessional Committee I

196. The representative of the Secretary-General of UNCTAD made an introductory statement in which he suggested that this issue, which had been remitted to the permanent machinery of UNCTAD, be referred to the Committee on Invisibles and Financing related to Trade at its ninth session for further consideration and appropriate action.

197. There was general support for this proposal, and the spokesman for the Group of 77 requested the UNCTAD secretariat to prepare a paper summarizing the discussions that had already taken place, and the views put forward, on this matter, for consideration by the Committee at its ninth session.

198. At the 7th meeting of the Committee, on 18 October 1979, the Chairman introduced a draft decision that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.8/Rev.1).

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

200. The spokesman for Group D reiterated the reservation made by his Group at the eighth session of the Committee on Invisibles and Financing related to Trade. 16/

Consideration in plenary

Action by the Board

201. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.8/Rev.1 (for the text, see annex I, decision 195 (XIX)).

16/ Official Records of the Trade and Development Board, Tenth Special Session, Supplement No. 3 (TD/B/733), para. 59.

CHAPTER IV

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES (Agenda item 7)

202. This item was referred to Sessional Committee I for consideration and report.

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

1. Tungsten

203. The Board had before it the report of the Preparatory Working Group on Tungsten (TD/B/764), the first session of which had been held pursuant to Board decision 166 (XVII) and the second session pursuant to Board decision 175 (XVIII) and Conference resolution 104 (V).

Consideration in Sessional Committee I

204. The report of the Preparatory Working Group was introduced by the Chairman of the Preparatory Working Group. Drawing attention to the continuing divergence of views between most tungsten-producing countries and five major consuming countries, he noted that the Preparatory Working Group had concluded that it was not possible to reach consensus on a recommendation - as envisaged in Conference resolution 104 (V) - in relation to the convening of a negotiating conference on tungsten. That conclusion was reflected in paragraph 48 of the Group's report. It was once again for the Board to consider the continuing impasse in discussions on the stabilization of the world tungsten market and the question of what further steps could usefully be taken in the immediate future with a view to bringing stability to the market.

205. At the 7th meeting of the Committee, on 18 October 1979, the Chairman introduced a draft resolution that he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.13).

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

Consideration in plenary

Action by the Board

207. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft resolution TD/B(XIX)/SC.I/L.13 (for the text, see annex I, resolution 198 (XIX)).

2. Integrated Programme for Commodities

Consideration in Sessional Committee I

208. The representative of the United States of America said that a proposal which was being considered in informal consultations to extend the life of the Ad Hoc Committee for the Integrated Programme for Commodities for one more year was contrary to the agreement negotiated at Manila that the Ad Hoc Committee and the Committee on Commodities would not exist concurrently. That had been an important element in his delegation's agreement to section IV of resolution 124 (V). His delegation could accept the proposal with reluctance and only on the understanding that the calendar of meetings would list the Ad Hoc Committee as meeting concurrently with the Committee on Commodities.

209. With respect to the agenda for the session of the Committee on Commodities envisaged for June 1980, he called attention to section III, paragraphs 3 (b), 6 (b) and 7 of resolution 124 (V), which specified that studies should be presented to the Committee on Commodities. The preceding subparagraphs stated that the UNCTAD secretariat should undertake the studies in consultation with the relevant international organizations as well as relevant producer/consumer bodies. He recalled that on the adoption of resolution 124 (V) his delegation had stressed that further discussion would be necessary on the precise terms of reference for these studies and had encouraged the UNCTAD secretariat to consult with Governments. In his view, it would not be in conformity with the intent of the resolution for the Committee on Commodities itself to approve the UNCTAD secretariat's proposals for studies on a specific commodity. He therefore felt it would be useful for the Board at its twentieth session to review the desirability of the scheduled meeting of the Committee on Commodities on the basis of a status report on the ongoing work under resolution 124 (V).

210. At the 8th meeting of the Committee, on 19 October 1979, the Chairman introduced a draft decision on the Integrated Programme for Commodities which he had submitted as a result of his informal consultations (TD/B/L.544).

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

Consideration in plenary

Action by the Board

212. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B/L.544 (for the text, see annex I, decision 200 (XIX)).

B. Financing related to trade (Agenda item 7 (b))

213. At its tenth special session, the Board decided to transmit the report of

the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets on its third session (TD/B/646) to its nineteenth session for consideration (A/34/15, vol. I, paras. 48-49).

Consideration in Sessional Committee I

214. In an introductory statement the representative of the Secretary-General of UNCTAD drew attention to the proposal by the Group at its third session on the elements of its future work programme (see TD/B/646, para. 32), namely that:

"In this context, the future functions of the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets could be envisaged as the following:

- (i) to receive progress reports from the secretariat on the work of the various data collecting centres;
- (ii) to consider how best these data could be brought into a comprehensive framework;
- (iii) to discuss further desirable developments in such a framework;
- (iv) to consider appropriate analyses of this information, and to advise what implications such data and analyses might have for the International Development Strategy, including the concept of targets and of indicators to measure financial co-operation flows."

215. The Group had envisaged that the data which had been collected by various organizations with different objectives and concepts in mind should be put together internationally on a systematic and comprehensive basis so that the confusion that existed as to the figures and estimates relating to capital flows to developing countries would be eliminated and that gaps that might exist in the efforts of various institutions be appropriately reviewed. He noted that at its last session the Committee on Invisibles and Financing related to Trade had come close to an agreement concerning the terms of reference of the Group, its work programme for the fourth session and the timing of that session.

216. The spokesmen for the Group of 77 and for Group B acknowledged the importance of arriving at an agreement regarding the terms of reference of the Group and agreed that efforts should be made on the basis of previous work to come to such an agreement.

217. At the 7th meeting of the Committee, on 18 October 1979, the Chairman introduced a draft decision which he had submitted as a result of his informal consultations (TD/B(XIX)/SC.I/L.12).

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

219. The spokesman for Group D drew attention to the statement made on behalf of

his Group at the eighth session of the Committee on Invisibles and Financing related to Trade on the subject of international financial co-operation. 17/

Consideration in plenary

Action by the Board

220. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/R(XIX)/SC.I/L.12 (for the text, see annex I, decision 197 (XIX)).

C. Shipping
(Agenda item 7 (c))

Consideration in Sessional Committee I

221. Introducing the report of the Working Group on International Shipping Legislation on its sixth session (TD/B/C.4/184-TD/B/C.4/ISL/28), the Chairman of the Working Group drew attention to resolution 3 (VI) adopted by the Working Group, in which it invited the Board to advise the Committee on Shipping whether it agreed to the Group's recommendation to the Committee on Shipping that it authorize the Working Group to establish a subgroup of experts to continue studying the subject of marine insurance during the first two weeks of its next session, to be followed by a one-week plenary meeting of the Working Group as a whole. He indicated that the objective of this work would be to draw up a set of standard marine insurance clauses, as a non-mandatory model for international use. He noted that, while the Working Group had left it to the Committee on Shipping to choose between charter parties and marine insurance as the substantive item on the agenda for the Group's seventh session, the Group of 77 had indicated at the close of the sixth session that its preference was for marine insurance.

222. The spokesman for Group D stated that marine insurance was an important part of the work of UNCTAD. The countries of his Group did not object to the proposal of establishing a subgroup of experts, which could make a comparative analysis of the existing legislative provisions and insurance contracts, bearing in mind that the material prepared by such a subgroup could eventually be used for the elaboration of model provisions for marine insurance contracts. Group D also supported the inclusion of marine insurance as item 3 of the provisional agenda for the seventh session of the Working Group.

223. A draft decision was submitted by Indonesia on behalf of the States members of the Group of 77 (TD/B(XIX)/SC.I/L.1).

224. At its 5th meeting, on 16 October 1979, the Committee recommended the draft decision for adoption by the Board.

17/ Official Records of the Trade and Development Board, Tenth Special Session, Supplement No. 3 (TD/B/733), para. 42.

Consideration in plenary

Action by the Board

225. At its 525th meeting, on 20 October 1979, the Board, acting on the recommendation of Sessional Committee I, adopted draft decision TD/B(XIX)/SC.I/L.1 (for the text, see annex I, decision 190 (XIX)).

CHAPTER V

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS AND ALL TRADE FLOWS RESULTING THEREFROM (Agenda item 3)

226. This item was referred to Sessional Committee II for consideration and report.

Consideration in Sessional Committee II

227. Opening the discussion, the representative of the Secretary-General of UNCTAD referred to the continued growth of trade both between socialist countries and developing countries and between socialist countries and developed market-economy countries. New forms of economic co-operation had been introduced and various types of long-term intergovernmental agreements on economic, industrial, scientific and technical co-operation had been concluded between countries having different economic and social systems in the three regional groups. He underlined that the existing problems required additional efforts on the part of the partner countries to expand mutual trade and economic co-operation further. In trade between developing countries and socialist countries of Eastern Europe there was a need to expand considerably mutual trade and economic co-operation, in particular to increase exports from the developing countries. In East-West trade, socialist countries' purchases in the Western countries exceeded considerably the reverse flow of goods. As a result, trade deficits of socialist countries were growing and the problem of increasing their exports to the developed market-economy countries, and thus balancing trade and payments relations, was assuming considerable dimensions.

228. Referring to the documentation prepared by or for the UNCTAD secretariat to facilitate consideration by the Board of this agenda item, he said that the studies presented the experience of individual countries in, and prospects for, trade and economic co-operation with partners from countries with different economic systems, as well as such aspects of economic co-operation as the co-operation mechanism, planning, tripartite co-operation, and co-operation in third countries.

229. Drawing attention to the two draft resolutions (TD/L.189 and TD/L.190) referred by the Conference at its fifth session to the Board at its nineteenth session, he pointed out that a number of member countries had requested the secretariat to organize the holding of bilateral and multilateral consultations within the UNCTAD consultative machinery. He mentioned the forthcoming implementation of a comprehensive programme of technical assistance for the development of trade between developing countries and socialist countries of Eastern Europe and gave an account of the intensification of co-operation with the regional commissions and specialized agencies, such as the implementation of joint research projects and operational activities.

230. Representatives of all countries underlined the importance they attached to the expansion of trade and economic relations among countries having different economic and social systems, in particular between developing countries and

socialist countries of Eastern Europe, and they expressed their willingness to contribute actively to the implementation of the tasks entrusted to Sessional Committee II.

231. A number of representatives commented favourably on the various documents prepared by the secretariat for the nineteenth session of the Board, since they provided a comprehensive picture of the present state of trade between countries having different economic and social systems, and showed the existence of great potential for increasing trade and intensifying economic co-operation between these countries.

232. The spokesman for the Group of 77 stressed that his Group considered the question of trade relations among countries having different economic and social systems and all trade flows resulting therefrom to be of great concern and importance to the countries members of his Group. Therefore, the wish of his Group was not only to discuss the two draft resolutions (TD/L.18) and TD/L.190) which had been remitted to the Board at its current session for further consideration but also to finalize by consensus one resolution to be submitted to the General Assembly during its thirty-fourth session. He recalled that the Group of 77, being concerned with the course of implementation of earlier resolutions and, in particular, of Conference resolution 95 (IV), had tabled draft resolution TD/L.190 in Manila in the hope that, although progress had been made in trade relations between developing countries and socialist countries of Eastern Europe, there were none the less possibilities for doing more in several fields, such as the improvement and expansion of trade through preference schemes; better payments arrangements; strengthening of co-operation in finding markets for manufactures and semi-manufactures from developing countries in the socialist countries of Eastern Europe; intensifying joint ventures; accelerating financial and technical assistance to the developing countries as well as multilateral co-operation with them. He felt that this would contribute to the establishment of a new international economic order. Finally, expressing his gratitude to the UNCTAD secretariat for the documents it had prepared or commissioned, he said they gave ample proof of the progress achieved in these trade flows and demonstrated that there was still a great potential for increasing co-operation among countries belonging to different economic and social systems.

233. Speaking in support of the position of the Group of 77, the representative of a developing country said that his delegation was concerned at the prospect that no concrete results would be achieved on item 8 at the current session. The item showed distinct signs of stagnating, and he called for a spirit of co-operation and understanding in order to reach a meaningful compromise in the context of the new international economic order. While it could not be denied that economic relations had already been established between the developing countries and countries having different economic and social systems, it would be retrograde not to increase such relations or not to try out other possibilities. The position of the Group of 77 had been clearly outlined in the draft resolution it had submitted to the Conference at its fifth session. That draft resolution covered fully the various aspects on which the developing countries were keen to carry on a dialogue, with a view to increasing their exchanges with countries having different economic and social systems. It was in that context that his delegation felt the need to get down to the business of studying the draft resolutions tabled, which would enable the Sessional Committee to reach pragmatic conclusions.

234. The representative of a developing country, commenting on the study prepared by the UNCTAD secretariat on the relations between his country and the socialist countries of Eastern Europe, said he considered the study made a very positive contribution to the expansion of mutual trade. In his view, the socialist countries should make the necessary efforts to redress the imbalance in his country's trade by absorbing more of his country's manufactured and semi-manufactured products, which he felt was the best way to secure a further expansion of mutual trade.

235. The representative of another developing country, which until recently had had little experience in economic relations with the socialist countries of Eastern Europe, stressed the importance which his country attached to expanding trade with all groups of countries and, in particular, to expanding the economic, scientific and technical relations with the socialist countries of Eastern Europe. In this connexion, he reviewed briefly the steps taken by his Government, for example, the exchange of delegations and missions; the preparation and conclusion of trade and other agreements; the establishment in the Ministry of Foreign Affairs of an organizational unit to deal with relations with the socialist countries of Eastern Europe. Recently a seminar on economic relations with the socialist countries of Eastern Europe had been organized and was considered to have been useful for the further development of trade and in creating an appropriate atmosphere for relations with the socialist countries of Eastern Europe. UNCTAD's assistance in that seminar had been of fundamental usefulness.

236. Representatives of the socialist countries of Eastern Europe, noting that the subject covered by agenda item 8 was one of the important aspects of the activities of UNCTAD, stressed that the item embraced all trade flows between countries with different economic systems, in conformity with General Assembly resolution 1995 (XIX) and subsequent relevant decisions of UNCTAD, as well as with established practice over the 15 years of UNCTAD's activities. They pointed out that definite progress had been achieved in this area in recent years and that UNCTAD could do still more to promote further trade and economic relations both between socialist and developing countries and between socialist and developed market-economy countries.

237. They underlined the need to eliminate from international economic relations all manifestations of exploitation and inequality, to respect the principles of mutual advantage and most-favoured-nation treatment and to establish favourable international conditions for the developing countries to implement their development programmes. Mutually advantageous international economic relations required that the specificity of the socio-economic systems of socialist countries should be fully taken into account by their trading partners and, therefore, it would not be justified to apply to socialist countries the same criteria as those applied to the developed market-economy countries.

238. They observed that trade with developing countries had been gradually integrated in a comprehensive system of co-operation taking such various forms as trade, economic and industrial co-operation, and scientific and technical co-operation. This process of intensifying mutual relations was accompanied by the emergence and more and more frequent implementation of new forms of co-operation, including tripartite co-operation, co-operation on the markets of third countries, joint ventures in different production fields, and a variety of multilateral forms which often involved partners from the three regional groups.

239. Noting the steady growth in East-West trade and economic relations resulting from the further development of new forms of co-operation on a long-term, large-scale basis, they underlined that there were still substantial unused opportunities and that additional efforts by the partners concerned were necessary in order to take advantage of these opportunities. They regretted that developed market-economy countries had introduced new discriminatory and other artificial barriers in trade with socialist countries. The socialist countries, like the developing countries, were suffering from the protectionist measures recently introduced by the Western countries, especially by EEC, from the instability on world capital markets, and from the rise in import prices and rates of interest. All this rendered more difficult the participation of socialist countries of Eastern Europe in the international division of labour, and in the development of new forms of long-term and large-scale economic, scientific and technical co-operation.

240. They further noted the promotional role played by long-term trade and co-operation agreements and co-operation programmes, both in East-West trade and in trade between developing countries and socialist countries of Eastern Europe. In this respect, they referred to the preparation of their five-year plans for 1981-1985 which envisaged the steady development of international economic links. In addition to the above legal basis, the further expansion of trade and economic relations was facilitated by the established co-operation mechanism in this field.

241. The representative of a socialist country of Eastern Europe said that his Government had recently laid down guidelines for a global 10-year programme of co-operation with developing countries for the 1980s which provided for the comprehensive development of co-operation in the fields of industry, science, technology, trade, etc., and envisaged the doubling of his country's trade with developing countries every five years. His authorities placed particular emphasis on co-operation based on a complex pattern which included geological research, pre-investment and feasibility studies, designing of a given project, supply of capital goods, construction, putting the factory into operation up to the manufacturing stage, and the import of goods produced by these projects.

242. The representative of another socialist country of Eastern Europe noted that, since the fourth session of the United Nations Conference on Trade and Development, his country's trade with the countries members of the Group of 77 had increased more than one-and-a-half times, owing in large part to the development of his country's technical and economic co-operation with developing countries. During the same period, the deliveries by his country of complete plants within the framework of this co-operation had increased by more than 70 per cent. Currently, his country had economic co-operation agreements with more than 70 developing countries and over 1,000 projects had already been completed. His country was engaged in the construction of over 900 further projects in those countries. Intergovernmental long-term agreements and co-operation programmes were concluded for periods of 10-15 years and sometimes for even longer periods. They covered trade, economic, scientific and technical relations, and industrial and other forms of co-operation. In his opinion, such relations were in fact creating, in a planned way, an international division of labour, with industrial specialization and co-operation and the establishment of complementary economic structures.

243. The representative of a socialist country of Eastern Europe, speaking of the discriminatory restrictions imposed by the developed market-economy countries, gave, as a fresh example, the refusal by EEC to grant preferential treatment to

his country. In the view of this representative, the solution of the problems in East-West trade lay in the abolition of all kinds of restrictions introduced by the Western countries.

244. Commenting on the new UNDP-financed comprehensive programme of UNCTAD technical assistance activities for the development of trade between developing countries and socialist countries of Eastern Europe, the representatives of the socialist countries declared their countries' readiness to contribute to the implementation of this programme.

245. The representative of the Council for Mutual Economic Assistance (CMEA) said that the experience of multilateral economic co-operation among countries members of CMEA could be of interest in the solution of the problems faced by UNCTAD. The 30-year period of CMEA activities had been characterized by the highly dynamic economic development of the member countries. Important steps had recently been taken in promoting mutual economic co-operation, in particular, the long-term Special Purpose Programmes of Co-operation until 1990 in such fields as energy, fuel, raw materials, agriculture, and food industry, as well as in the engineering industry, in the production of industrial consumer goods and the development of mutual transport links. In co-operation with the CMEA member countries, over 3,000 projects, mainly in industry and agriculture, had been completed in developing countries. Substantial assistance was being given to those countries in the preparation of national cadres: over 40,000 students and post-graduates, including 2,300 students financed by the CMEA Fellowship Fund, were studying at universities of the CMEA member countries. In conclusion, he expressed satisfaction that co-operation between CMEA and UNCTAD had been intensified.

246. The representative of China expressed the hope that the Sessional Committee would accomplish the work begun at the fifth session of the Conference in Manila on the issue of trade among countries having different economic and social systems and all trade flows resulting therefrom. Of the two draft resolutions remitted by the Conference, he felt that draft resolution TD/L.190 had more merit and should be taken as the basis for discussion because it provided for constructive practical measures in the area considered. He noted that trade among countries having different economic systems should be based on sovereignty, independence, equality and mutual advantage. One of the most acute problems in international trade and economic relations was the struggle against poverty and backwardness in many of the developing countries that had resulted from the policies of colonialism, neo-colonialism, imperialism and super-Powers. To relieve the situation of the developing countries, international economic relations should be reconstructed and the new international economic order established. He called upon all member countries to contribute to the economic development of the developing countries and to the establishment of the new international economic order.

247. The spokesman for Group B noted that the current session of the Trade and Development Board presented the delegations with a challenge to complete the work initiated in Manila. In his view, recent developments in the North-South dialogue had further demonstrated the need for all groups of countries to be actively involved in substantive trade and aid measures that would help the developing countries to achieve real economic progress. Through the efforts of many international organizations, and particularly UNCTAD, more coherent and co-ordinated policy measures should be adopted which would improve the functioning of the world economy and which would enable further progress to be made in the establishment of an equitable international economic structure. He expressed the

hope that the significance of global economic interdependence was appreciated by all delegations and said that the concept of interdependence carried with it responsibility on the part of all parties in the world economy, i.e. developed market-economy countries, socialist countries and developing countries. The Group B countries had made and continued to make efforts to increase the flow of real resources to the developing countries.

248. Finally, he stated that Group B wished to see a steady increase in economic relations between the socialist countries of Eastern Europe and the developing countries, which would enhance the expansion of the flow of real resources to the latter, facilitate access to the markets of the socialist countries, especially for manufactures and semi-manufactures, and thus increase the competitiveness of the developing countries in the world economy. He said that Group B was willing to participate in the discussion of the two draft resolutions remitted by the Conference to the Trade and Development Board.

249. The spokesman for Group D emphasized the position of his Group with regard to the deliberations on both draft resolutions as part of the tasks transmitted to Sessional Committee II by saying that draft resolution TD/L.189 would be the point of departure for Group D in its approach to further discussion. He pointed out that the draft resolution tabled by Group D was of a comprehensive nature, contained constructive proposals concerning all aspects and flows of international trade, and was, therefore, in the best sense in conformity with the wording of and tasks implicit in agenda item 8.

250. At the closing meeting, the representative of a developing country expressed his appreciation to the UNCTAD secretariat for facilitating consultations between his country and the socialist countries of Eastern Europe. In his view all the consultations constituted a good framework for helping to solve any difficulties in trade between developing countries and the socialist countries of Eastern Europe.

251. The spokesman for Group B noted with concern that the discussions in the Sessional Committee, far from achieving tangible results, seemed to have taken a step backwards since the conclusion of the fifth session of the Conference. Progress in the field under discussion was very necessary if the economic capacity of the developing countries was to be improved. Despite much talk of concepts there had been little detailed discussion of the two draft resolutions before the Committee. Indeed, one regional group had laid down the condition that there should be agreement with its concept of the Committee's work before that Group could discuss the work. Group B found it difficult not to reach the conclusion that such an approach had been adopted in order to avoid discussing in detail the draft resolution tabled by the Group of 77. Group B continued to support the draft resolution submitted by the Group of 77 as the basis for discussions and continued to hold the view that this agenda item was concerned with trade and economic relations between developing countries and the socialist countries of Eastern Europe. Group B maintained that discussion of East-West issues in this forum was out of place. In this connexion, he quoted two passages from document TD/B/753 to the effect that the expansion in trade between developed market-economy countries and socialist countries of Eastern Europe over the last decade had not been in competition with trade between the socialist countries of Eastern Europe and the developing countries. This seemed to demonstrate that a discussion of East-West trade issues was not a prerequisite for the consideration of this agenda item and, indeed, might even detract from the developmental focus of the issue.

252. He added that Group B considered the Group of 77 text to be a logical extension of Conference resolution 95 (IV) in that it called for, inter alia an increase in exports from developing countries, especially in manufactures and semi-manufactures; accommodation of products from developing countries in all areas of the socialist countries' economic plans and programmes; improved market access in socialist countries; improvement of GSP schemes by socialist countries in favour of developing countries; greater multilateralism with regard to aid from socialist countries; and improved payments arrangements. The call for equitable international economic structures implied action by all countries and groups of countries in response to the needs of the developing countries.

253. The spokesman for the Group of 77 reiterated the view of his Group that the most important task before the Sessional Committee was the reconciliation of the two draft resolutions remitted to the Board by the Conference. It was regrettable that the Committee had not been able to accomplish that task. Nevertheless, the Group of 77 was ready to take up this issue at any level and in any forum, since it was convinced that trade and economic relations between the socialist countries of Eastern Europe and the developing countries needed to be explored, expanded and harmonized multilaterally in order to bring about the early establishment of the new international economic order.

254. The spokesman for Group D said that the Committee was entrusted with the task of deliberating on the present situation and trends in the development of trade relations between countries having different social and economic systems. In implementing Conference decision 116 (V), it had besides to discuss draft resolutions TD/L.189 and TD/L.190 tabled by Group D and the Group of 77 respectively. His Group attached positive importance to the exchange of views which had taken place between representatives of socialist countries, developing countries and the Council for Mutual Economic Assistance. The discussion had indicated ways and methods for tapping the as yet unused possibilities for further expansion of trade relations. His Group had made the same positive assessment of the numerous bilateral and multilateral consultations which had taken place with the assistance of the secretariat. Moreover, he considered that the valuable documentation prepared by the secretariat had made an important contribution to the activities in question and should be one of the bases of future work.

255. He said that, in the view of Group D, the deliberations on the draft resolutions had not had the same satisfactory results. Group D had come prepared to seek, jointly with other groups, solutions that would be acceptable to all parties and in conformity with the mandate given to UNCTAD. Group D continued to hold the view that the approved working method of a meaningful exchange of views should be maintained for the future meetings of the Committee, and that the draft resolution which it had submitted to the Conference at its fifth session (TD/L.189) served this purpose best. Despite the flexible and constructive approach adopted by Group D in the search for solutions, it had not been possible, because of the different position of some participants, to reach agreement on a text which was characterized by its comprehensive nature, which took into account the requirements of all sectors of trade between countries having different economic and social systems, and which reflected the interests of all participating groups. The statement just made by the spokesman for Group B showed clearly that it was not Group D which was to be blamed for the failure to reach an agreement on this important issue.

256. In conclusion, he said that, since all groups had underlined the importance of the questions under consideration, Group D was ready to continue the dialogue on these issues.

257. The representative of China expressed the view that the Sessional Committee had not achieved results because a certain group of countries had insisted on sticking obstinately to its position. His country regretted the meagre results achieved, and considered that the draft resolution submitted by the Group of 77 (TD/L.190) should be the basis for future negotiations.

258. At its 6th (closing) meeting, on 16 October 1979, Sessional Committee II decided to conclude its work on the understanding that the Chairman's consultations on the draft resolutions remitted to the Board by the Conference at its fifth session (TD/L.189 and TD/L.190) should continue and that the results of these consultations should be reported by the Chairman of the Committee directly to the plenary. 18/

Consultations on trade and economic relations

259. The Chairman of Sessional Committee II reported that he had been informed by the UNCTAD secretariat that, pursuant to Conference resolutions 15 (II), 53 (III) and 95 (IV), and at the request of interested parties, the secretariat had organized during the nineteenth session of the Board 25 bilateral consultations and a multilateral consultation between nine developing countries and six socialist countries of Eastern Europe. The secretariat had given substantive support in the preparation of these consultations and had provided in some cases concrete assistance in this respect.

260. With regard to the substantive issues dealt with in the course of the consultations, the parties to the consultations had discussed ways and means of expanding bilateral trade relations, seeking new forms of such co-operation, and identifying possibilities for establishing trade and economic relations. In cases where trade agreements between counterparts had already been concluded but not fully used, the parties to the consultations had discussed the possibilities of taking full advantage of available legal and institutional frameworks for the full utilization of existing instruments for promoting mutual trade and economic relations. In some cases the parties had consulted on the possibilities for promoting both exports and imports on a stable basis. In this connexion, possibilities for imports of specific goods had been considered. In some instances the discussions had been oriented towards the possibility of a socialist country enlarging the list of developing countries' products covered by its scheme of generalized preferences. In some other cases, discussions dealt with the utilization of one country's port services by the merchant marines and fishing fleets of the socialist countries of Eastern Europe.

261. During the consultations, a developing country had submitted to the socialist countries some proposals for the preparation of the session of the mixed intergovernmental commissions to be held between this country and the socialist countries. A representative of a socialist country of Eastern Europe

18/ For the action by the Board on this matter, see paras. 264-265.

had submitted to a counterpart from a developing country a draft long-term trade agreement and an agreement on economic, scientific and technical co-operation for consideration by the Government of this developing country. In some consultations various aspects of mutual trade relations had been discussed concerning, inter alia, promotion of direct trade exchanges and the need to eliminate intermediaries from mutual trade, exchange of trade information, further improvement of the institutional framework of trade, and possibilities of mutual participation in trade fairs.

262. The secretariat had been informed that there had been a direct follow-up to the consultations held during the eighteenth session of the Board between some socialist countries and developing countries, which had resulted in a number of long-term trade and economic co-operation agreements concluded between the countries concerned and direct contacts established between the Chambers of Commerce of these countries. All this was expected to have a direct positive bearing on the development of trade between the countries in question.

263. In the course of the consultations some delegations had expressed their appreciation of the technical activities of UNCTAD in this field and stressed the usefulness of the UNCTAD consultative machinery for promoting the mutual trade of their countries.

Consideration in plenary

264. At its 523rd meeting, on 17 October 1979, the Chairman of Sessional Committee II introduced the report of the Committee noting that, as a result of informal consultations following the adoption of that report, he had submitted a draft decision (TD/B(XIX)/SC.II/L.2) in which the Board would decide:

(a) To convene, at its second regular session each year, a sessional committee to consider problems pertaining to trade relations among countries having different economic and social systems and all trade flows resulting therefrom.

(b) To refer to its twenty-first session the draft resolutions contained in documents TD/L.189 and TD/L.190.

Action by the Board

265. At the same meeting, the Board adopted the draft decision submitted by the Chairman of Sessional Committee II (for the text, see annex I, decision 186 (XIX)).

CHAPTER VI

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (Agenda item 9)

A. Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twelfth session

266. The representative of Bangladesh, speaking on behalf of the Chairman of the twelfth session of the Joint Advisory Group, summarized the major recommendations contained in the report of the Group on its twelfth session (ITC/AG(XII)/64 - circulated under cover of TD/B/755). He noted that the Group's deliberations had dealt with six main themes, on which the following recommendations had been made:

(a) In reviewing the technical co-operation programme in 1978, the Group had called for continued efforts to secure the participation of an increasing number of experts from developing countries in the Centre's technical co-operation programme, and further recommended a greater reliance on short-term consultants in field projects, while maintaining a sufficient number of long-term experts to ensure continuing in-service training of national counterpart staff. It considered that particular attention should be focused on the multinational trade promotion of basic commodities and processed products, and that the Centre's initiatives in the field of fostering trade and economic co-operation among developing countries should be strongly supported. The Group also recommended increased activities by the Centre to promote trade development between developing countries and the socialist countries of Eastern Europe, and greater utilization of trade promotion experts from socialist countries.

(b) On the subject of the Centre's technical co-operation activities with least developed countries, increased co-operation by the Centre with other international organizations was recommended, particularly with FAO, UNIDO, UNCTAD and the ILO, within the policy framework provided by Economic and Social Council resolution 1819 (LV), with special attention to the development of production capacity for export among the least developed countries. The Group considered that the Centre should strive to develop an integrated approach in which United Nations organizations and intergovernmental bodies should work to avoid duplication of efforts, thus enhancing the impact of the assistance.

(c) The Group had considered extensively the Centre's proposals for its first medium-term programme (1979-1981) and strongly endorsed them. The three-year programme, valued at \$51.1 million, consisted of six on-going programmes: (i) assistance in the strengthening of national trade promotion institutions; (ii) export market development; (iii) specialized trade promotion services; (iv) multinational trade promotion; (v) manpower development; and (vi) import procurement, which together were expected to utilize 93 per cent of the total resources envisaged to be mobilized during the three-year period, 1979-1981; the three-year programme also included development of four new programmes, which sought to meet growing trade promotion needs in developing countries: (i) Special

programme of technical co-operation with the least developed countries; (ii) Trade promotion oriented to rural development; (iii) Follow-up activities on the multilateral trade negotiations; and (iv) Technical co-operation with national chambers of commerce. These new programmes accounted for the remaining 7 per cent of the total cost of the three-year programme. The Group attached particular importance to the programme for least developed countries and to that on trade promotion oriented to rural development, underlining the obvious relationships which existed between these two programmes. The Group had also appreciated the relevance of the programme of follow-up activities on the multilateral trade negotiations, and evinced keen interest in the close co-operation which was being established between the Centre, UNCTAD and GATT in the planning and implementation of the programme. In the view of the Group, the programme of technical co-operation with national chambers of commerce had the potential to provide an effective mechanism to enable the Centre to bring its work directly to the business community, and it therefore endorsed this programme as well as the proposed measures by the secretariat to translate it into detailed project proposals.

(d) In connexion with relations with United Nations organizations and other bodies, the Group had called for closer co-operation between the Centre and UNIDO in order to provide more effective assistance to the least developed countries in the establishment of industries having a high ratio of value-added to transport costs. Representatives of UNDP, ESCAP, the World Bank, UNIDO, the Commission of the European Economic Communities, the Commonwealth Secretariat, and the International Chamber of Commerce, had reviewed for the Group the progress of the working relationships maintained between their respective organizations and the Centre.

(e) A number of delegations had made statements concerning the extrabudgetary contributions that their Governments intended to make to the Centre in 1979, subject to legislative approval. Delegations from a number of developing countries had expressed their sincere appreciation for the contributions to the trust fund that had made possible the financing of the Centre's programmes in their own countries and welcomed the announcements made on further financial commitments to the Centre for 1979.

(f) Finally, the Group had recognized the efforts made by the Secretariat of the United Nations to improve the administrative arrangements of the Centre with a view to enhancing further its work programmes.

267. The representative of Norway, speaking on behalf of the Nordic countries, referred to the widespread lack among many developing countries of adequate trade and market information which impeded the efforts of these countries to increase their export earnings and their share in world trade. Trade promotion for developing countries should thus be seen as a vital complement to other trade policy measures within the general context of free trade and an expanding world economy. The twelfth session of the Joint Advisory Group marked a particularly important event in the history of the Centre and of international co-operation in the field of trade promotion. In the view of the Nordic countries the Centre was at present well equipped to meet the needs of the developing countries and to become a strong and important agency for the 1980s in the area of international trade promotion. However, major financial problems existed since, owing, inter alia, to the decline in the Centre's share of UNDP financing, the Centre had become increasingly dependent upon voluntary contributions, with a few donor countries providing a large share of its total programme resources, the Nordic countries currently

accounting for approximately two-thirds of the total. A major effort was therefore needed to place the financing of the Centre's programme on a sounder basis, through increased contributions from a larger number of donor countries and longer-term commitments by all donor countries, e.g. for a period of three years. Increased support for the Centre on a multiyear basis would greatly strengthen the role of the Centre as the international focal point within the United Nations system for technical co-operation in trade promotion and its capacity to assist the trade promotion efforts of the developing countries, especially the least developed among them. Noting that it had been agreed that marketing would be included among the various measures to be financed through the second window of the Common Fund, he suggested that there should be close collaboration between the Common Fund and the Centre with a view to ensuring efficiency in second-window activities on commodity-oriented market promotion.

268. The representative of Cuba observed that Latin American countries were apparently receiving a declining share of the resources available within the total technical co-operation programme of the Centre, and expressed the hope that a more equitable balance could be established in the distribution of programme resources amongst the respective regions. She further underlined the necessity to endow the Centre with more adequate funds to finance its over-all programme.

269. The representative of India expressed satisfaction with the excellent work of the Centre, particularly in the creation of specialized trade promotion services in developing countries, and in the effective dissemination of an export culture among developing countries. She emphasized the importance of the new programmes launched by the Centre in 1979 as part of the first medium-term programme (1979-1981), and expressed the hope that effective horizontal linkages would be established between the countries with which the Centre had co-operated most intensively with a view to fostering economic co-operation in trade promotion among these countries.

270. The representative of Egypt also expressed great interest in the work of the Centre and strongly endorsed the report of the Group.

Action by the Board

271. At its 522nd meeting, on 12 October 1979, the Board took note of the report of the Joint Advisory Group on its twelfth session, as well as of the comments made thereon.

B. Progressive development of the law of international trade: twelfth annual report of the United Nations Commission on International Trade Law
(Agenda item 9 (b))

272. For its consideration of this item, the Board had before it the report of UNCITRAL on the work of its twelfth session, 19/ which had been circulated under cover of TD/B/760.

19/ For the printed text, see Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 17 (A/34/17).

273. The representative of the USSR stated that the Commission had considered at its twelfth session several questions which concerned, inter alia, the activities of UNCTAD, in particular the legal implications of the new international economic order. He said that there were two different approaches to the problem. According to one approach, which his country shared, UNCITRAL should give priority attention to such questions of relations between States - where such relationships were connected with international trade - as the principle of non-discrimination, the principle of most-favoured-nation treatment, and the democratic and equitable basis of such relationships in counterweight to the policies of hegemonism and the subordination of other States. The other approach, a purely formal one in his view, was that the Commission should not touch upon the question of relations between States. He suggested that in its work UNCITRAL should take into account the activities of other international organizations, in particular of the United Nations system. He reiterated the position of his country's delegation at the twelfth session of the United Nations Commission on International Trade Law.

274. He especially underlined the importance of the most-favoured-nation principle and recalled in this connexion the "Principles governing international trade relations and trade policy conducive to development", adopted at the first session of UNCTAD, in particular, General Principle Eight. Most trade treaties and agreements between States had provisions for mutually according most-favoured-nation treatment, among other treaties and agreements between States having different economic and social systems.

275. In spite of the general recognition of most-favoured-nation treatment as a universal principle in international economic relations, in the foreign trade policy of a number of developed market-economy countries there were deviations from the generally recognized norm which brought about an element of discrimination. These trends were not to be bypassed by UNCTAD since they touched upon the interests of all States participating in international trade.

Action by the Board

276. At its 523rd meeting, on 17 October 1979, the Board took note of the report of UNCITRAL on its twelfth session and of the comments made thereon.

C. Trade and economic aspects of disarmament (Agenda item 9 (c)) 20/

277. In an introductory statement, the representative of the Secretary-General of UNCTAD noted that in accordance with Board decision 170 (XVIII) the secretariat had established close working contacts with the Group of Governmental Experts on the Relationship between Disarmament and Development. At its past sessions the Group of Experts had commissioned 45 research projects on the basis of which the Group was to prepare its final report to the Secretary-General of the United Nations prior to the thirty-sixth session of the General Assembly. The UNCTAD secretariat would continue to maintain close working contacts with the Group and report on the progress made to the Board.

20/ For a fuller account of the discussion of this agenda item, see the summary record of the 523rd meeting (TD/B/SR.523).

278. The representatives of the USSR, Poland, German Democratic Republic and Mongolia underlined the importance of this issue and pointed to the close interconnexion between questions of disarmament and such problems as the restructuring of international economic relations, the establishment of a new international economic order, and the formulation of a new international development strategy, emphasizing that disarmament was an essential pre-condition for global progress, especially the progress of developing countries. Thus, the issue of disarmament must be maintained on the agenda of the Board, as it had much in common with many other subjects within the competence of UNCTAD. They welcomed the participation of the UNCTAD secretariat in the work of the Group of Governmental Experts and requested the UNCTAD secretariat to maintain close working contacts with that Group and to report to the Board on the work of the Group at its next session.

279. They also referred to a number of initiatives on the part of the Governments of the socialist countries to speed up disarmament and thus create more favourable conditions for world social and economic development, in particular, the important suggestion made by the USSR in the General Assembly that the military budgets of the permanent members of the Security Council should be reduced by 10 per cent and part of the resources thus released utilized to increase aid to developing countries. They especially emphasized the importance of the recent decision by the USSR Government, after consultations with the Government of the German Democratic Republic and of other States members of the Warsaw Pact Organization, unilaterally to withdraw from the territory of the German Democratic Republic 20,000 troops, 1,000 tanks and other armaments, as a concrete measure to remove from the impasse many years' efforts to achieve military détente in Europe.

280. The representative of the USSR stated that the arms race was continuing and was becoming a still more dangerous phenomenon, though during recent years very important agreements providing for the limitation of armaments had been concluded. The arms race absorbed unprecedentedly large financial, material and intellectual resources and meant a heavy burden for peoples of many countries, including developing countries. It stimulated inflation in capitalist States, led to tax increases and worsened the living standards of broad masses of the population. The increase of military expenditures negatively affected all aspects of the social and economic development of nations. The arms race was inconsistent with the restructuring of international economic relations on a just and equitable basis. It negatively affected international exchanges of commodities and technology, and contributed to imbalances in the international monetary system. The arms race, as had been underlined in the Final Document of the tenth special session of the General Assembly devoted to disarmament and in the Declaration of the recent Conference of Non-Aligned Countries at Havana, threatened to cause the failure of all efforts aimed at social and economic development; it could become an obstacle to the establishment of the new international economic order and to the solution of other important tasks confronting humanity. A halt to the arms race, and measures aimed at disarmament, and the transfer of large resources from military production to useful purposes, would undoubtedly create favourable conditions, not only for strengthening peace and international security, but also for increasing the rate of social and economic development of all countries, particularly developing countries, and for solving problems of the radical restructuring of international economic relations and the expansion of all flows of world trade.

281. He noted with satisfaction that the Secretary-General of the United Nations had prepared a number of well-founded reports showing that the execution of measures

to stop the arms race and to start disarmament would favourably influence social and economic development and international economic relations. He expressed his conviction that UNCTAD was able to make a valuable contribution to the work of the Group of Governmental Experts on the Relationship between Disarmament and Development, especially when it considered the trade and development aspects of the problem of disarmament, and to carry out its own research study on the influence of disarmament on world trade and development. In conclusion, he said that UNCTAD, as a very important body of the United Nations, should pay due attention to the trade and development aspects of disarmament with a view to stimulating the implementation of the United Nations resolutions aimed at halting the arms race and that the Board should continue to give due consideration to this current and important problem.

282. The representative of Poland stated that his country attached the utmost importance to the continued involvement of UNCTAD in the work carried out in the United Nations in relation to the economic aspects of disarmament. This position stemmed not only from the recognition that politics and economics were indeed inseparable elements of international co-operation, but also from the strong conviction that disarmament should release substantial resources which could be utilized for the purpose of economic and social development, in particular, that of developing countries. It was in his country that the idea of a United Nations study on the economic consequences of disarmament had originated. The relevant United Nations studies and related reports considered and approved by the General Assembly had pointed to the enormous advantages that the halting of the arms race and disarmament might bring about for the benefit of the social and economic development of all nations. Considering that not the arms race but disarmament should be an essential element of any international economic order, a point which had also been stressed by the General Assembly at its tenth special session, he expressed the view that UNCTAD should not miss the opportunity given to it in this important area of United Nations efforts and should thus effectively contribute to strengthening the understanding among all States of the value of disarmament in the context of a new international development strategy. This strategy should recognize the enormous resources which could be released for economic and social development for the peoples of the globe and identify the ways in which they should be utilized. The goal of securing social and economic development and co-operation among countries, which could provide a decent life for all people, could not be achieved without lasting peace. He also referred to the importance of the United Nations Declaration on the Preparation of Societies for Life in Peace, adopted by the General Assembly on the initiative of his country. In conclusion, referring to the tasks carried out by the UNCTAD secretariat described in the annotations to agenda item 9 (c), he noted with satisfaction the progress made so far and encouraged the Secretary-General of UNCTAD to continue his efficient work in the future.

283. The representative of the German Democratic Republic underlined that there could be no real progress in the economic development of developing and other countries without serious and effective steps towards ending the arms race and achieving disarmament. The arms race constituted a grave threat to the very survival of mankind. But for many peoples it was already today an intolerable burden, while most valuable raw materials and significant human and material resources were being wasted in the production of armaments. World military expenditure today exceeded by two and a half times expenditure on health and by one and a half times expenditure on education. That meant that military expenditure extracted a large amount of resources from society which were urgently needed for solving acute social and economic problems. It was shocking that today

500 million people were permanently starving, that 1,500 million people had no adequate medical care and that 800 million people were illiterate. As a consequence of the arms race, the working capacity of many people, including highly qualified scientists and engineers, served the production of armaments, which had no social value. In conclusion, he referred to the statement made by the Minister for Foreign Affairs of the German Democratic Republic at the thirty-fourth session of the General Assembly in which the Minister had said:

"We do not want, and must not, tolerate tremendous creative potential and huge material resources being used to conceive and manufacture more and more cruel means of warfare. The arms race is no law of nature. It is in the hands of man alone whether to manufacture weapons or produce goods for everyday needs.

"The socialist States do everything in their power to achieve disarmament ..."^{21/}

284. The representative of Mongolia underlined the importance of measures to stop the arms race and to achieve disarmament as the most urgent task confronting humanity. UNCTAD could and must actively participate in the formulation and execution of such measures, which were closely connected with other areas of competence of UNCTAD, such as creating favourable conditions for mutual understanding and co-operation among nations, including international economic co-operation, and stimulating trade and economic development.

285. The representative of India emphasized that lasting peace could only be assured by general and complete disarmament under effective international control, with urgent priority to the elimination of nuclear weapons. The urgent task of development could only be accomplished once global disarmament was achieved and the resources thus released were channelled to economic and social development. She suggested that the agenda item should more appropriately be worded "Economic and social aspects of disarmament" or more broadly "Disarmament and development".

286. The representative of China said that in order to ensure a peaceful environment for the development of the developing countries his country was for genuine détente and disarmament, and against false détente and disarmament. The developing countries demanded that the resources used as a result of the arms race should be used for the benefit of their development. But present-day reality was that the super-Powers possessed the largest arsenals of nuclear and conventional weapons, particularly that super-Power that proclaimed its desire for disarmament in order to hide its arms race aimed at hegemony and expansion. That was an obstacle to the establishment of a new international economic order and a threat to peace and security.

287. The observer for the World Federation of Trade Unions (WFTU) stated that discussions on all matters concerning development and the improvement of social and economic conditions could not take place in isolation from the vital problem of disarmament.

Action by the Board

288. At its 523rd meeting, on 17 October 1979, the Board took note of the progress report on the meeting of the Group of Governmental Experts on the Relationship between Disarmament and Development, at which UNCTAD had been represented as an observer, and requested the Secretary-General of UNCTAD to continue to be represented at future meetings of the Group and inform the Board thereon.

^{21/} See A/34/PV.16, paras. 98 and 99.

CHAPTER VII

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 (Agenda item 10)

289. The representative of the Secretary-General of UNCTAD, in an introductory statement stated that a comprehensive report on the action taken by UNCTAD in implementation of the Declaration was contained in the report of the Secretary-General of the United Nations to the thirty-fourth session of the General Assembly (A/34/208/Add.2). Among other activities, UNCTAD was the executing agency for a UNDP project on an economic and social survey of Zimbabwe aimed at preparing the ground for a decisive passage of Zimbabwe from colonialism to self-sustained economic and social development.
290. With respect to Namibia, an UNCTAD interregional adviser had prepared a brief on the commercial policy and planning of its foreign sector; a consultant had prepared a study on the external sector, with particular reference to the diamond industry; and currently a consultant was studying the pattern and volume of shipping traffic. Furthermore, UNCTAD had participated in the first planning workshop of the Nationhood Programme for Namibia, and had assisted the United Nations Commissioner for Namibia in the appraisal and preparation of projects under that Programme.
291. In accordance with General Assembly resolution 3280 (XXIX), notifications of UNCTAD meetings were being sent to national liberation movements through the Executive Secretary of the Organization of African Unity (OAU) Co-ordinating Committee for the Liberation of Africa.
292. In response to questions raised by the representatives of a number of developing countries, the Deputy Secretary-General of UNCTAD stated that, in accordance with paragraph 13 of General Assembly resolution 33/41 and paragraph 19 of Economic and Social Council resolution 1979/50, consultations were being held between the UNCTAD secretariat and officials of OAU with a view to identifying projects that were of interest to the national liberation movements and that were within the mandate of UNCTAD. This was necessarily a slow process. Once concrete proposals had been finalized they would be put before the Board. So far, UNCTAD's assistance in the implementation of the Declaration had necessarily been limited to studies and seminars, since those were activities that fell within its mandate. If other activities were identified within the competence of UNCTAD, the Secretary-General of UNCTAD would certainly bring these to the attention of the Board.
293. The representative of the USSR stated that the question of the implementation of the Declaration by the specialized agencies and the international institutions associated with the United Nations was an issue requiring the continuing attention of the Board. In the almost 20 years since the adoption of the Declaration, which had been an initiative of the USSR and other socialist countries, there had been great strides in the elimination of colonial domination and almost one hundred new States had been born. However, the vestiges of colonialism still remained, representing 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 Zimbabwe and Namibia. Barbaric flights were being undertaken from Zimbabwe over the territory of neighbouring countries, while, in defiance of the Security Council decision of 30 April on the legality of the elections in Zimbabwe, certain Western Powers were supporting the puppet régime. In Namibia the situation was equally serious, with South African forces openly endeavouring to eliminate the national liberation movement. As the President of the Supreme Soviet had recently stated, the USSR 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 Zimbabwe and Namibia, namely, the Patriotic Front and the South West Africa People's Organization (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.

294. With respect to the activities undertaken by UNCTAD in implementation of the Declaration, the small amount of information so far made available indicated that these activities had been very modest indeed, and the progress in the formulation of concrete projects had been very slow. The results so far of consultations with OAU appeared equally disappointing, giving the impression that the UNCTAD secretariat was not paying appropriate attention to this issue. He noted that the Board had not been provided with any information regarding follow-up to Conference resolution 109 (V) on assistance to national liberation movements, and expressed the hope that the Secretary-General of UNCTAD would present appropriate proposals in this connexion to the Board at its twentieth session.

CHAPTER VIII

OTHER BUSINESS (Agenda item 12)

A. Special Programme on Trade Facilitation

295. The representative of the Secretary-General of UNCTAD, in an introductory statement remarked that this was the first time that the work of the Special Programme on Trade Facilitation had been brought before any permanent UNCTAD organ. Activities on trade facilitation had been attached to UNCTAD for nearly 10 years and had developed gradually from a single UNDP-financed adviser post to the present programme which contained advisory services as well as a substantive secretariat element. The report prepared by the secretariat on FALPRO (TD/B/751) gave a fairly complete account of the activities of the Programme in order to provide a basic reference document as well as a progress report. As indicated in that report FALPRO had three main functions: a substantive cross-sectoral secretariat function in UNCTAD; a co-operative function with ECE and the other regional commissions; and a function of supervising and supporting technical co-operation within developing countries. At the present stage, it was particularly desirable that the legislative authority for FALPRO should be confirmed in an explicit way, and that an opportunity should be given to all member countries to participate actively in its activities, which should be intensified within the framework of the resources available to UNCTAD.

296. The representatives of a number of developing countries welcomed the extensive report (TD/B/751) prepared by the secretariat under this item, and expressed their support for the valuable assistance that FALPRO was providing to developing countries. In their view, the work of FALPRO was particularly valuable to those countries and should be continued.

297. The spokesman for Group D stated that the members of his Group had read the report (TD/B/751) prepared by the secretariat with great interest, since they participated in similar activities in ECE.

298. In response to a question raised by the representative of a developing country, the representative of the Secretary-General stated that FALPRO staff consisted of two Professionals and one secretary, plus an average of three field advisers financed by UNDP or by trust funds provided through the International Trade Centre UNCTAD/GATT.

Action by the Board

299. At its 524th meeting, on 18 October 1979, the Trade and Development Board decided that the work on facilitation of trade procedures and documentation, undertaken through the Special Programme on Trade Facilitation, should be continued and intensified, within the framework of the resources made available to UNCTAD, ensuring full participation by developing countries in this effort (see annex I, decision 187 (XIX)).

B. Decentralization of activities to the regional commissions

300. The Deputy Secretary-General of UNCTAD, in an introductory statement, said that the purpose of the note prepared by the secretariat (TD/B/L.534) was to inform the Board of the various steps taken by the Secretary-General of UNCTAD in pursuance of resolutions adopted by the General Assembly, namely 32/197 of 20 December 1977 and 33/202 of 29 January 1979, and by the Economic and Social Council relating to the question of decentralization of activities to the regional commissions, and to seek the views of the Board on the issues involved, in particular those referred to in paragraph 5 of the note. As indicated in the report of the Secretary-General of the United Nations to the Economic and Social Council (E/1979/76), UNCTAD had indicated its readiness to examine further with the regional commissions the possibilities for decentralization given the legislation background and taking into account decisions by Governments in UNCTAD. He pointed out that one of the main issues referred to in the Secretary-General's report concerned the fact that decentralization of activities should be a continuing process based on consultations; it was not a simple mechanical exercise. He also drew attention to the problem of different intergovernmental decisions which had to be taken into account and which might limit the scope of decentralization.

301. He added that a technical meeting of representatives of the regional commissions and of UNCTAD had been held at Geneva from 1 to 3 October 1979 for the purpose of considering the broad issues involved and of examining specific programme areas or elements with a view to identifying possibilities for strengthening co-operation and co-ordination, including decentralization. A record of the results of the consultations was being finalized and would be submitted to the Executive Secretaries of the regional commissions and to the Secretary-General of UNCTAD for their consideration.

302. The representative of the USSR said that the issue of decentralization was being discussed in various forums. The activities of the commissions had expanded recently, and they had become more experienced in the development of international economic relations. Their role as main centres in their respective regions for economic and social matters, as stated in the relevant General Assembly and Economic and Social Council resolutions, should be fully implemented as soon as possible. Regional commissions should execute projects in areas which did not fall within the purview of the specialized agencies and other United Nations organs and bodies. UNCTAD had a global role, the commissions had a regional role. UNCTAD and the commissions should co-operate with each other. Resources and staff should be transferred from central United Nations organs to the commissions without increasing the burden on the United Nations budget.

Action by the Board

303. At the 523rd meeting, on 17 October 1979, the Board took note of the note by the Secretary-General of UNCTAD (TD/B/L.534) and of the comments thereon.

CHAPTER IX

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (Agenda items 1, 11, 12 and 13)

A. Opening of the session

304. The nineteenth regular session of the Trade and Development Board was opened on 8 October 1979 by Mr. D. L. Castellanos, outgoing President of the Board.

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

305. At its 518th meeting, on 8 October 1979, the Board elected Mr. E. Farnon (New Zealand) as its President and Mr. Y. Mokaddem (Tunisia) as its Rapporteur.

306. At its 519th, 520th and 522nd meetings, on 9, 10 and 15 October 1979, the Board elected the following representatives as its Vice-Presidents: Mr. A. R. Alattyia (Qatar); Mrs. A. Auguste (Trinidad and Tobago); Mr. S. Gaynor (Ireland); Mr. H. Huslid (Norway); Mr. P. Janni (Italy); Mr. G. Martinez (Argentina); Mr. J. Nyerges (Hungary); Mr. M. S. Pankine (Union of Soviet Socialist Republics); Mr. R. Raelina (Madagascar); Mr. G. Seow (Singapore).

C. Announcement of changes in the membership of the Board (Agenda item 11 (b))

307. At the 518th meeting, on 8 October 1979, the President of the Board announced that, in accordance with paragraphs 5 and 7 of General Assembly resolution 1995 (XIX), as amended, Burundi had communicated to the Secretary-General of UNCTAD its intention to become a member of the Board. Accordingly, Burundi was now a member of the Trade and Development Board. 22/

D. Treatment of new States members of UNCTAD for purposes of elections (Agenda item 11 (a))

308. At its 518th meeting, on 8 October 1979, 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, Saint Lucia, which had become a member of UNCTAD on 18 September 1979, should, for purposes of elections, be treated as if it were in the group of countries listed in part C of the annex to that resolution, as amended (see annex I, Other decisions (a)).

22/ For the membership of the Board, see annex VI below.

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

309. At its 518th meeting, on 8 October 1979, the Board adopted as its agenda for the session the provisional agenda approved by the Board at its eighteenth session, 23/ as adjusted by the President of the Board, in consultation with the Secretary-General of UNCTAD (TD/B/746 and Add.1), with a number of amendments. The agenda, as adopted (TD/B/765), was as follows:

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 twentieth regular session of the Board and organization of the work of the session;
 - (e) Establishment of the Working Party on the Medium-term Plan and the Programme Budget.
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 nineteenth 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 and the necessary contribution of UNCTAD 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 (General Assembly resolution 33/196).
5. Contribution of UNCTAD to the preparation of the new international development strategy (General Assembly resolution 33/193).
6. Interdependence of problems of trade, development finance and the international monetary system.
7. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:
 - (a) Commodity trade;

23/ See Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), vol. II, paras. 585-591 and annex VII.

- (b) Financing related to trade;
 - (c) Shipping.
8. Trade relations among countries having different economic and social systems and all trade flows resulting therefrom.
 9. 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 twelfth session;
 - (b) Progressive development of the law of international trade: twelfth annual report of the United Nations Commission on International Trade Law;
 - (c) Trade and economic aspects of disarmament.
 10. 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.
 11. 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) Revision of the rules of procedure of the Board and of its main committees;
 - (d) Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure;
 - (e) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure;
 - (f) Documentation problems and their effect on the work programme of UNCTAD;
 - (g) Review of the requirement for summary records of meetings of the Board;
 - (h) Review of the calendar of meetings;
 - (i) Financial implications of the actions of the Board.
 12. Other business.
 13. Adoption of the report of the Board to the General Assembly.

310. At the same meeting, the Board broadly endorsed the suggestions made by the secretariat (TD/B/746/Add.2) for the organization of the work of the session,

including a tentative time-table of meetings, and decided to establish two sessional committees of the whole.

Sessional Committee I would consider and report on:

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 nineteenth session

Item 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) Financing related to trade
- (c) Shipping

Sessional Committee II would consider and report on:

Item 8: Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

311. At the same meeting, the Board agreed to establish a Contact Group of the President open to all delegations to consider such items or subitems which the Board might wish to refer to it.

Sessional Committee I

312. At its 518th meeting, on 8 October 1979, the Board allocated to Sessional Committee I the following agenda items for consideration and report:

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 nineteenth session

Item 7: Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

313. At its opening meeting, on 9 October 1979, the Sessional Committee elected Mr. L. Sekulić (Yugoslavia) as its Chairman. At its 2nd meeting, also on 9 October 1979, it elected Mr. W. Edgar (United States of America) as its Vice-Chairman-cum-Rapporteur.

314. The Sessional Committee held a total of eight meetings, from 9 to 19 October 1979.

315. At its 8th (closing) meeting, on 19 October 1979, the Sessional Committee considered its draft report (TD/B(XIX)/SC.I/L.5 and Add.1-2) and adopted it with amendments.

316. At the 525th meeting of the Board, on 20 October 1979, the Chairman of Sessional Committee I introduced the report of the Committee (TD/B(XIX)/SC.I/L.5

and Add.1-2, as amended and completed by TD/B/L.545). At the same meeting, the Board adopted the report of Sessional Committee I for incorporation, as appropriate, in its own report. 24/

Sessional Committee II

317. Sessional Committee II held six meetings, from 9 to 16 October 1979.

318. At the 1st meeting of Sessional Committee II, on 9 October 1979, Mr. Blagoi Ganev (Bulgaria) was elected Chairman, and at the 2nd meeting, on 10 October 1979, Mr. F. Christians (Venezuela) was elected Vice-Chairman-cum-Rapporteur.

319. In addition to the deliberations in Sessional Committee II, bilateral and multilateral consultations were held during the session of the Board between interested countries, in accordance with the relevant recommendations contained in Conference resolution 95 (IV). At the closing meeting of the Sessional Committee, the Chairman, on the basis of information provided by the UNCTAD secretariat, reported "on the substantive results achieved" 25/ during those consultations.

320. At its closing meeting, on 16 October 1979, Sessional Committee II adopted its draft report (TD/B(XIX)/SC.II/L.1), with a number of amendments.

321. At the 523rd meeting, on 17 October 1979, the Chairman of Sessional Committee II introduced the report of the Committee (TD/B(XIX)/SC.II/L.1, as amended and completed by TD/B/L.537). At the same meeting, the Board adopted the report of Sessional Committee II for incorporation, as appropriate, in its own report. 26/

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

322. At its 524th meeting, on 18 October 1979, the Board adopted the report of the Bureau on Credentials (TD/B/768).

G. Membership and attendance 27/

323. The following States members of the Board were represented at the first part of the nineteenth session:

24/ The substance of the report of Sessional Committee I is incorporated in chaps. III and IV above.

25/ Cf. Conference resolution 95 (IV), subpara. 10 (b).

26/ The substance of the report of Sessional Committee II is incorporated in in chap. V above.

27/ For the list of participants in the session, see TD/B/INF.92.

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

324. The following other States members of UNCTAD were represented at the session: Holy See, Rwanda.

325. The United Nations Industrial Development Organization, the United Nations Environment Programme and the United Nations Development Programme were represented at the session.

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

327. The following intergovernmental organizations were represented at the session: Commonwealth Secretariat, Council for Mutual Economic Assistance, Council of Arab Economic Unity, European Economic Community, International Bank for Economic Co-operation, League of Arab States, Organisation for Economic Co-operation and

Development, Organization of American States, Permanent Secretariat of the General Treaty on Central American Economic Integration.

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

General category: Christian Democratic World Union, International Bar Association, International Chamber of Commerce, 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.

329. The African National Congress and the South West Africa People's Organization were represented at the session. 28/

H. Election to membership of main committees 29/
(Agenda item 11 (b))

330. At its 522nd meeting, on 15 October 1979, the Board confirmed the membership of its main Committees, as listed in its report on its eighteenth session, 30/ and declared Sudan elected to the Committee on Manufactures and to the Committee on Invisibles and Financing related to Trade, bringing the membership of those Committees to 90 and 95 respectively; Portugal elected to the Committee on Shipping, bringing the membership of that Committee to 91 and Viet Nam elected to the Committee on Transfer of Technology and the Committee on Economic Co-operation among Developing Countries, bringing the membership of those Committees to 87 and 96 respectively.

I. Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure
(Agenda item 11 (d))

331. At its 523rd meeting, on 17 October 1979, the Board decided that the African Reinsurance Corporation and the International Center for Public Enterprises in Developing Countries, 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, 31/ should be so designated (see annex I, Other decisions (b)).

J. Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure
(Agenda item 11 (e))

332. At its 524th meeting, on 18 October 1979, the Board approved the application

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

29/ For the complete list of States members of the main Committees, see annex VII below.

30/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), vol. II, annex XI.

31/ The applications by these intergovernmental bodies together with information on their history, aims and structure are contained in document TD/B/R.18 and Add.1 and 2 (de-restricted).

by the following eight non-governmental organizations, ^{32/} 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/767), that they should be classified as follows (see annex I, Other decisions (c)).

General category

General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

International Association of Agricultural Economists

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

Central American Shipowners' Association	Committee on Shipping
Centre for Latin American Monetary Studies	Committee on Invisibles and Financing related to Trade; Committee on Economic Co-operation among Developing Countries
Federation of Commodity Associations	Committee on Commodities
International Association of Independent Tanker Owners	Committee on Shipping
International Organization of Consumers Unions	Committee on Manufactures; Committee on the Transfer of Technology
Permanent International Association of Navigation Congresses	Committee on Shipping

333. The Board also decided, at the same meeting, on the recommendation of the Secretary-General of UNCTAD, to reclassify the International Union of Main Insurance from the Special to the General category (see annex I, Other decisions (c)).

K. Establishment of the Working Party on the UNCTAD Medium-term Plan and Programme Budget
(Agenda item 1 (e))

1. Membership of the Working Party

334. In its decision 168 (XVIII), the Board had decided, inter alia, that at its

^{32/} The applications by these non-governmental organizations, together with information on their history, structure and functioning, are contained in documents TD/B/R.19 and Add.1-8 (de-restricted).

nineteenth session it would establish the membership of the working party which, in 1980, would consider the Medium-term Plan 1982-1985, and, in 1981, would consider the UNCTAD Programme Budget 1982-1983.

Action by the Board

335. At its 525th meeting, on 20 October 1979, the Board decided that the membership of the Working Party which, in 1980, would consider the Medium-term Plan 1982-1985, and, in 1981 would consider the UNCTAD Programme Budget 1982-1983, would be composed of the following States members of UNCTAD: Argentina, Canada, China, Colombia, France, German Democratic Republic, Germany, Federal Republic of, Ghana, India, Japan, Libyan Arab Jamahiriya, Madagascar, Mexico, Philippines, Poland, Qatar, Sweden, Union of Soviet Socialist Republics, United States of America. 33/

336. The spokesman for the Asian Group said he took it that his Group would, if necessary, be able to reconsider the composition of its representation in the Working Party and inform the Secretary-General of UNCTAD accordingly.

337. The spokesman for Group B said that his Group was concerned that so far it had not proved possible to convene the Working Party of the nineteenth session, which was to examine the UNCTAD programme budget for 1981-1982. At its forthcoming November meeting the Working Party should concentrate on producing a report to assist the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee in their examination of that programme budget. In this respect, it was essential that the secretariat should make available the relevant documentation in sufficient time for study in capitals. He also recalled the statement made on behalf of Group B at the fifth session of UNCTAD 34/ to the effect that approval by Group B of a resolution did not constitute an endorsement of the secretariat estimates of the financial implications thereof. In conclusion, he requested the secretariat to submit to the session of the Working Party that was to be convened in March 1980 the annual report summarizing all of UNCTAD's technical assistance activities and their financing from all sources requested in paragraph 11 (a) of Conference resolution 114 (V).

2. Meetings of the Working Party

Action by the Board

338. At its 525th meeting, on 20 October 1979, the Board decided to convene henceforth the Working Party on the UNCTAD Medium-term Plan and Programme Budget semi-annually in accordance with paragraph 7 of Conference resolution 114 (V). 35/

3. Other matters

339. At the 525th meeting, on 20 October 1979, the representative of the Secretary-General of UNCTAD suggested that the Board might wish to request the President to address a letter to the Chairman of the Fifth Committee of the

33/ See annex I, Other decisions (e).

34/ Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, part two, para. 103.

35/ See para. 119 above and annex I below, Other decisions (f).

General Assembly asking that the Committee defer its consideration of the UNCTAD portion of the programme budget until the report of the Working Party, and the views of the Board thereon, were available to it.

340. The spokesman for Group B supported that suggestion.

341. The spokesman for the Group of 77 said that, if priorities had to be established, it was important that the views of member States of UNCTAD and of regional groups should be known before determining the allocation of resources to various activities. It was thus essential that the views of the Board and the Working Party should be available to the Fifth Committee before it considered the budget. With the increasing intensity of the work of UNCTAD, the necessary resources should be made available to it. He expressed the hope that, when the Secretary-General of UNCTAD presented his progress report on the follow-up to resolution 114 (V), he would indicate whether it had been possible to obtain the material resources that UNCTAD needed.

342. The representative of Zambia said that if the secretariat was to operate efficiently it must have adequate resources and it was up to Governments, as employers, to ensure that those resources were made available.

Action by the Board

343. At its 525th meeting, on 20 October 1979, the Board requested its President to address a letter to the Chairman of the Fifth Committee of the General Assembly asking the Committee to defer consideration of the UNCTAD portion of the programme budget until it had received the comments of the Board thereon.

L. Provisional agendas for the twentieth regular session of the Board and for the eleventh special session and organization of the work of the sessions

(Agenda item 1 (d))

1. Provisional agenda for the twentieth regular session

344. At its 525th meeting, on 20 October 1979, the Board considered the draft provisional agenda for its twentieth regular session (TD/B/L.532), which had been submitted by the UNCTAD secretariat.

345. The President stated that, in view of the agreements reached at the present session of the Board (see chap. II), the provisional agenda for the twentieth session should include items on "Evaluation of the world trade and economic situation"; "Assessment of the progress made towards the establishment of the new international economic order"; and "Interdependence of problems of trade, development finance and the international monetary system".

Action by the Board

346. In connexion with its discussion of matters remitted by the Conference to the permanent machinery of UNCTAD - items 12 (d) and 12 (e) of the agenda of the Conference - the Board decided, at its 525th meeting, on 20 October 1979, (see para. 184 above, and annex I, decision 204 (XIX)) that agenda item 12 (d) of the Conference should be included as a separate item on the agenda of its twentieth regular session.

347. At the same meeting, the Board approved the provisional agenda for its twentieth 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.

2. Provisional agenda for the eleventh special session

348. At its 525th meeting, on 20 October 1979, the Board considered the draft provisional agenda for its eleventh special session (TD/B/L.533), which had been submitted by the UNCTAD secretariat.

Action by the Board

349. At the same meeting, the Board approved the provisional agenda for its eleventh special session (see annex IV below) authorizing the President, in consultation with the Secretary-General of UNCTAD, to adjust it in the light of developments. It 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.

M. Revision of the rules of procedure of
the Board and of its main Committees
(Agenda item 11 (c))

350. Consequent upon the amendment made by the General Assembly, in resolution 34/3 of 4 October 1979, to paragraph 13 of section II of its resolution 1995 (XIX), the Board, at its 524th meeting, on 18 October 1979, authorized the secretariat to issue an amendment to its rules of procedure, under which rule 1 would read:

"The Trade and Development Board shall normally hold two regular sessions a year." 36/

351. The President observed that a proposal had been made to amend rule 18 of the rules of procedure relating to the election of officers. He requested the secretariat to prepare an appropriate amendment, as well as any necessary consequential amendments, for consideration by the Board.

352. The representative of the Philippines said that, under any such amendment, it should be understood that (a) the members of the Bureau would serve until their successors were elected; (b) the Bureau at special sessions of the Board would be

36/ See annex I, Other decisions (d).

the Bureau elected at the most recent regular session; (c) while the frequency of the cycle for the rotation among the groups of the offices of President and Rapporteur would be changed, the rotation itself would not be altered.

353. The proposed amendments to the rules of procedure (rule 18, rule 19 and annex I containing the cycle for the rotation of offices of President and Rapporteur) prepared by the UNCTAD secretariat were circulated subsequently in document TD/B/L.542.

354. At the 525th meeting, on 20 October 1979, the Board considered that the proposed amendments to its rules prepared by the secretariat were helpful. It decided, in conformity with rule 81 of its rules of procedure, to establish a working party of limited membership 37/ and requested the working party to report to the Board at the second part of its nineteenth session. The Board also decided to adopt at that session, after having received the report of the working party, a decision on its rules of procedure.

N. Documentation problems and their effect on
the work programme of UNCTAD
(Agenda item 11 (f))

355. In connexion with this issue, the Board had before it a draft proposal (TD/B/L.520) submitted on behalf of the Group of 77 which the Conference had remitted to the Board for its consideration. 38/

356. At the 525th meeting, on 20 October 1979, the President introduced a draft resolution on documentation problems and their effect on the work programme of UNCTAD (TD/B/L.546), which he had submitted as a result of informal consultations, which superseded the draft proposal in TD/B/L.520.

Action by the Board

357. At the same meeting, the Board adopted draft resolution TD/B/L.546 (for the text, see annex I, resolution 188 (XIX)).

358. The spokesman for Group D, speaking also on behalf of Mongolia, said that the decision just adopted by the Board should not be taken to mean that the documentation problems existing in UNCTAD were related principally and primarily

37/ Six members from the States members of the Group of 77: three from Group B; two from Group D and China. The spokesmen for regional groups were requested by the President to advise the secretariat of the member States which would serve on the working party.

38/ See Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, part two, para. 257.

to the level of availability of the conference servicing infrastructure of the United Nations Office at Geneva. Neither should the decision be considered to derive from the spirit and the letter of resolution 114 (V). The Board's adoption of the decision merely emphasized the need for consideration in depth of the problem of documentation with a view to preparing concrete recommendations for improving the structure of the present machinery of UNCTAD in the course of the future work of the Conference. Further, the decision just adopted should not be interpreted as opposing the activities of UNCTAD to those being conducted in Geneva by other international bodies, in the sense of minimizing the importance of those latter activities for States Members of the United Nations. Lastly, the decision should not be set against those provisions of resolution 114 (V) which called for measures to reduce the frequency and duration of meetings of various UNCTAD bodies.

In-session documentation

359. At the 525th meeting, on 20 October 1979, a number of representatives expressed their dissatisfaction with the fact that the texts of some of the decisions which the Board had been called upon to adopt at that meeting were available in only one of the working languages of UNCTAD. Such a situation, they stated, should not be allowed to recur in the future.

O. Review of the requirement for summary records of meetings of the Board (Agenda item 11 (g))

360. In connexion with this issue, the attention of the Board was drawn to paragraphs 2 and 4 of General Assembly resolution 33/56.

361. The representative of the Philippines stated that, while summary records had been dispensed with for meetings of the main Committees, the Board itself should retain summary records of its plenary meetings.

Action by the Board

362. At its 523rd meeting, on 17 October 1979, the Board reviewed the question of meetings records for its plenary meetings and decided to retain summary records for plenary meetings at its future sessions.

363. The spokesman for Group D said that the members of his Group had felt that, in the interests of economy, the Board might have wished to dispense with summary records, or to request minutes, for an experimental period. However, they had agreed to join in the consensus that summary records should be maintained.

P. Review of the calendar of meetings (Agenda item 11 (h))

364. The Board considered this item at its 519th and 525th meetings, on 9 and 20 October 1979.

365. At the 525th meeting, on 20 October 1979, the representative of the Secretary-General of UNCTAD introduced the notes by the UNCTAD secretariat (TD/B/L.531 and Add.1, and TD/B(XIX)/CRP.3), containing the draft calendar of

meetings for the remainder of 1979 and for 1980 and a tentative schedule of meetings for 1981. He said that while the secretariat had noted the terms of paragraphs 7 and 9 of Conference resolution 114 (V) it had also been struck by the number of additional meetings which had been called for in other decisions taken by the Conference or by the current session of the Board. Over 90 weeks of meetings were now foreseen for 1980. As long as the number of meetings continued to exceed the capacity of the secretariat to prepare for them, no marked improvement could be expected in respect of the preparation and issuance of documentation.

366. In the ensuing discussion, 39/ several delegations emphasized the need for the Board to take a more realistic look at its calendar and the need to implement the recommendations of resolution 114 (V). It was suggested that the Ad hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery should pay particular attention to this matter.

Action by the Board

367. At its 519th meeting, on 9 October 1979, the Board, having noted the financial implications thereof, 40/ decided to convene the third part of the United Nations Cocoa Conference, 1979, from 19 to 30 November 1979.

368. At its 525th meeting, on 20 October 1979, the Board, having noted the financial implications thereof, 41/ approved the calendar of meetings for the remainder of 1979 and for 1980 and a tentative schedule of meetings for 1981 (see annex I, decision 203 (XIX)).

369. The spokesman for Group B said that most Group B countries regretted that certain of the meetings provided for in the calendar of meetings had been decided upon by a majority vote rather than by consensus. The concurrence of Group B with the calendar did not imply that its member countries had changed the positions which they had held at the fifth session of UNCTAD on the content of those resolutions which had been adopted by majority vote. In any case, the adoption of the calendar left each country free to decide on its participation in the meetings forecast in the calendar.

370. The spokesman for the Group of 77 said he objected to the inference in the statement by the spokesman for Group B that, as some of the resolutions of the Conference had been adopted by vote, the meetings they called for should not have been included in the calendar. The Group of 77 could not accept any such inference. When resolutions had been validly and legally adopted, in accordance with the rules of procedure, it was entirely correct that provision should be made in the calendar of meetings for any meetings called for in these resolutions.

371. The representative of the Philippines, endorsing the views expressed by the

39/ For an account of this discussion, see the summary record of the 525th meeting (TD/B/SR.525).

40/ For the statement of financial implications circulated in this connexion, see annex V, sect. A.

41/ For statements of financial implications circulated in this connexion, see annex V, sects. B and C.

spokesman for the Group of 77, said that voting was a binding way of arriving at a decision. To infer that only resolutions adopted by consensus should be implemented was totally unacceptable.

372. The representative of Ghana, also endorsing the statement by the spokesman for the Group of 77, said that, if the intent of the Group B statement was to detract from the legal validity of votes taken in UNCTAD or in other forums, he must object with all the vehemence at its disposal and state quite clearly that he believed in the democratic process and believed further that it should apply to the decision-making process in UNCTAD.

373. The representative of Cuba, also endorsing the statement by the spokesman for the Group of 77, said he rejected the stand taken by Group B and the inference that that Group would not stand by decisions adopted under the rules applying in UNCTAD.

Q. Financial implications of the actions of the Board
(Agenda item 11 (i))

374. 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. 42/

R. Adoption of the report of the Board to the General Assembly
(Agenda item 13)

375. At its 525th meeting, on 20 October 1979, the Board adopted the draft report on the first part of its nineteenth session (TD/B/L.539 and Add.1-5), and authorized the Rapporteur to complete the report as appropriate and make any necessary editorial changes.

S. Adjournment of the session

376. At the 525th meeting, on 20 October 1979, the President declared the first part of the nineteenth session of the Trade and Development Board closed.

42/ The statements of financial implications relating to the actions of the Board are reproduced in annex V.

ANNEX I

Resolutions and decisions adopted by the Trade and Development Board at the first part of its nineteenth session

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RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT
BOARD AT THE FIRST PART OF ITS NINETEENTH SESSION

RESOLUTIONS

188 (XIX). Documentation problems and their effect
on the work programme of UNCTAD

The Trade and Development Board,

Aware of the strain and burden that the holding at Geneva of additional meetings of bodies that do not have their headquarters at Geneva brings to bear on the services of the United Nations Office at Geneva, in particular in respect of the translation and reproduction of documentation,

Mindful of the fact that the task facing UNCTAD calls for an extremely heavy calendar of meetings involving a whole chain of intergovernmental activities and intricate processes of negotiation, and consequently requires the availability of a conference servicing infrastructure that can be fully relied upon at all times,

1. Calls the attention of the General Assembly to the problems created for the proper conduct of UNCTAD affairs by the overburdening of the United Nations conference facilities at Geneva through the holding at Geneva of meetings of bodies based elsewhere;

2. Appeals to the General Assembly, in convening at Geneva meetings of bodies which do not have their headquarters at Geneva, to take all possible steps in order to avoid such meetings affecting the work of those held by bodies located at Geneva.

525th meeting
20 October 1979

189 (XIX). Contribution of UNCTAD to the preparation of the
new international development strategy

The Trade and Development Board,

Recalling General Assembly resolution 33/193 of 29 January 1979, which requested UNCTAD to contribute effectively to the preparatory work for the new international development strategy for the third United Nations development decade,

Bearing in mind the decision contained in General Assembly resolution 33/193 to finalize and adopt the strategy in 1980 and the invitation addressed to the Board by the Preparatory Committee for the New International Development Strategy to formulate the UNCTAD contribution to the preparation of the new strategy and to make it available to the Preparatory Committee at its fourth session, a/

a/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 44 (A/34/44), vol. III, para. 20.

1. Requests 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 for the third United Nations development decade;
2. Decides to consider and, as appropriate, adopt, at its eleventh special session, the contribution which UNCTAD should make to the international development strategy for the third United Nations development decade;
3. Decides further that the contribution of UNCTAD should be formulated within its mandate and the conceptual framework and guidelines of General Assembly resolution 33/193, in particular section I thereof;
4. Requests the Secretary-General of UNCTAD to provide all relevant documentation to assist the high-level intergovernmental group in carrying out its work, in particular studies on world economic forecasts, with particular reference to the developing countries;
5. Agrees that the high-level intergovernmental group may take into consideration, inter alia, the objectives and principles proposed by the Group of 77 and annexed to the present resolution.

525th meeting
20 October 1979

ANNEX

Objectives and principles by which the formulation of the contribution of UNCTAD should be guided

1. In addition to quantitative and qualitative goals and objectives, the strategy should provide for the restructuring of the international economic system and the economic relationship between the developed and developing countries over the entire range of trade and related fields of development for the attainment of the objectives of the New International Economic Order.
2. The strategy should establish an average rate of growth for developing countries as a group and average rates of growth to be achieved by developing countries in various sectors of economic activity, commensurate with the need to reduce substantially the present income gap between developed and developing countries. The target for the over-all growth rate for developing countries should be higher than that for the Second United Nations Development Decade, and should take into account the need to narrow the differences in the levels of their economic development.
3. Special emphasis should be placed on the need for the new international development strategy to contribute to the promotion of the objective of the collective self-reliance of the developing countries, especially through the promotion and support of programmes of economic and technical co-operation among themselves.
4. The strategy should incorporate the Substantial New Programme of Action for the 1980s for the least developed among the developing countries, outlined in

Conference resolution 122 (V) of 3 June 1979 in order to ensure their accelerated development in the context of the over-all growth target for developing countries.

5. It should provide specific measures and actions to meet the special and pressing problems of the land-locked and island developing countries and the most seriously affected countries.

6. It should incorporate specific policy measures on industrial restructuring, linked to the progressive attainment of the target of at least a 25 per cent share in world industrial production and of at least 30 per cent of world trade in manufactures for developing countries by the year 2000.

7. The restructuring of commodity markets and trade, the enhancement of the participation of developing countries in the processing, marketing and distribution of their commodity exports and increases in the real purchasing power of their export earnings should be among the objectives of the strategy.

8. The strategy should include measures for the reform of the international monetary system and measures to promote international financial co-operation, encompassing inter alia measures relating to the accelerated flow of real resources to developing countries and to debt.

9. It should incorporate changes in the international economic institutions, including the creation of a new institutional framework to promote the effective participation of developing countries in international decision-making.

10. It should include measures to increase the effective and equitable participation of developing countries in world shipping and the carriage of cargoes generated by their own trade, as well as in other sectors of invisible trade.

11. Provision should be made in the strategy for a framework for regular periodic consultations to review and appraise the progress in the implementation of the strategy in all its aspects and to decide upon action and measures to rectify failures and to ensure orderly and meaningful progress towards the realization of the agreed goals and objectives.

198 (XIX). Tungsten

The Trade and Development Board,

Recalling its decisions 166 (XVII) of 4 April 1978 and 175 (XVIII) of 15 September 1978,

Emphasizing the need to achieve the objectives of Conference resolution 104 (V) of 1 June 1979,

Noting the report and the conclusion of the Preparatory Working Group on Tungsten, b/ and the extensive work that has been undertaken on tungsten in various forums over a number of years,

b/ TD/B/764.

1. Requests the Committee on Tungsten to undertake an over-all and thorough review of the discussions, proposals and work to date on the question of stabilizing the tungsten market; such a review should have as its major objective the determination of appropriate courses of action to enable Governments of producer and consumer countries to be in a position to reach agreement on measures to stabilize the tungsten market and to arrive at an early decision on the convening of a negotiating conference;

2. Also requests the Secretary-General of UNCTAD to convene a meeting of the Committee on Tungsten as soon as possible and not later than March 1980.

525th meeting
20 October 1979

DECISIONS

186 (XIX). Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

The Trade and Development Board

Decides:

1. To convene, at its second regular session each year, a sessional committee to consider problems pertaining to trade relations among countries having different economic and social systems and all trade flows resulting therefrom;

2. To defer to its twenty-first session consideration of the draft resolutions referred to it by the Conference in its decision 116 (V) of 3 June 1979. c/

523rd meeting
17 October 1979

187 (XIX). Special Programme on Trade Facilitation

The Trade and Development Board

Decides that the work on facilitation of trade procedure and documentation undertaken through the Special Programme on Trade Facilitation should be continued and intensified, within the framework of the resources made available to UNCTAD, ensuring the full participation of developing countries in this effort.

524th meeting
18 October 1979

c/ TD/L.189 and TD/L.190. For the text, 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 I.A.

190 (XIX). Working Group on International Shipping
Legislation: marine insurance

The Trade and Development Board,

Having considered the report of the Working Group on International Shipping Legislation on its sixth session, d/ its resolution 3 (VI) of the Working Group on marine insurance, e/ and the financial implications thereof, f/

Decides to recommend to the Committee on Shipping that the next session of the Working Group, on marine insurance, should be for three weeks, of which the first two weeks should be devoted to work at the expert level, in accordance with the terms of reference as set out in paragraph 3 of resolution 3 (VI) of the Working Group.

525th meeting
20 October 1979

191 (XIX). Items 11 (a), 11 (c) and 11 (d) of the agenda of
the fifth session of the Conference

The Trade and Development Board

1. Decides that agenda items 11 (a) and (d) of the fifth session of the Conference, entitled "Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures" and "Review of the implementation of Conference resolutions 96 (IV) and 97 (IV)" respectively, be remitted to the Committee on Manufactures for consideration at its ninth session;

2. Decides, reaffirming section I, A, paragraph (c), of Conference resolution 96 (IV) of 31 May 1976, that item 11 (c) of the agenda of the fifth session of the Conference, entitled "Review and evaluation of the generalized system of preferences", be remitted to the Special Committee on Preferences for consideration at its ninth session.

525th meeting
20 October 1979

192 (XIX). Strengthening the technological capacity of developing
countries, including accelerating their technological
transformation (Conference resolution 112 (V))

The Trade and Development Board

1. Requests the Committee on Transfer of Technology at its third session inter alia to convene meetings of experts, in conformity with the provisions of

d/ TD/B/C.4/184.

e/ Ibid., annex I.

f/ Ibid., annex II.

paragraph 8 of Conference resolution 114 (V) of 3 June 1979, on the transfer and development of technology in the food processing sector, the energy sector and the capital goods and industrial machinery sector, in accordance with Conference resolution 112 (V) of 3 June 1979, and to recommend the dates for these expert meetings;

2. Requests, furthermore, the Secretary-General of UNCTAD to submit also, if possible, to the Committee on Transfer of Technology at its third session, the studies concerning the other sectors listed in paragraph 23 of resolution 112 (V).

525th meeting
20 October 1979

193 (XIX). Development aspects of the reverse transfer of technology
(Conference resolution 102 (V))

The Trade and Development Board

Authorizes the Secretary-General of UNCTAD to provide facilities, at the request of countries concerned and within available resources, for a multilateral exchange of views among those countries on the development aspects of the reverse transfer of technology, making use of appropriate existing institutional arrangements.

525th meeting
20 October 1979

194 (XIX). Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery
(Conference resolution 114 (V))

The Trade and Development Board

1. Decides that the Ad Hoc Intergovernmental Committee on the Rationalization of the Machinery of UNCTAD, established by Conference resolution 114 (V) of 3 June 1979 to carry out the tasks assigned to it under that resolution, shall be open to the participation of all States members of UNCTAD and shall submit its final report to the Trade and Development Board at its twentieth session;

2. Further decides that the Ad Hoc Committee shall be guided by the rules of procedure of the Trade and Development Board, as appropriate, and that the provisions relating to non-governmental organizations contained in rule 79 of those rules shall not be applicable to the Ad Hoc Committee's proceedings, while rule 78 shall not be applicable at its first session;

3. Requests the Ad Hoc Committee to decide at its first session on the method of ascertaining the views and experiences of relevant bodies of the United Nations system, especially in connexion with paragraph 14 of resolution 114 (V);

4. Decides, without prejudice to its implementation of paragraph 7 of resolution 114 (V), to entrust the consideration of that paragraph also to the Ad Hoc Committee as part of its terms of reference;

5. Requests the Secretary-General of UNCTAD to provide the Ad Hoc Committee with all necessary documentation, including all available information on his consultations with the Secretary-General of the United Nations as envisaged in paragraph 3 of Conference resolution 114 (V).

525th meeting
20 October 1979

195 (XIX). Transfer of resources to developing countries: g/
multilateral guarantee facility

The Trade and Development Board

1. Decides to remit to the Committee on Invisibles and Financing related to Trade for its consideration at its ninth session the proposal submitted on behalf of the States members of the Group of 77 concerning the establishment of a multilateral guarantee facility; g/

2. Requests the Secretary-General of UNCTAD to update, where necessary, existing documentation, including a summary outline of the proposals made in that documentation, for the Committee's consideration of the proposal.

525th meeting
20 October 1979

196 (XIX). Item 12 (e) of the agenda of the fifth session
of the Conference

The Trade and Development Board

1. Decides to remit item 12 (e) of the agenda of the fifth session of the Conference, entitled "Review of the present system of international financial co-operation in the context of world trade and development and consideration of ways and means within this context to make it more effective in contributing to the development of developing countries", together with the draft resolution on an effective system of international financial co-operation submitted by Cuba on behalf of the States members of the Group of 77, h/ of the Committee on Invisibles and Financing related to Trade at its ninth session for further consideration as a separate item of the Committee's agenda;

2. Requests the Secretary-General of UNCTAD to update, where necessary, existing documentation, taking into account recent relevant developments.

525th meeting
20 October 1979

g/ TD/L.186. For the text, see Proceedings ... , Fifth Session, vol. I, annex I.D.

h/ TD/L.197. For the text, see Proceedings ... , Fifth Session, annex I.C.

197 (XIX). Functions of the Group of Governmental Experts
on the Concepts of the Present Aid and
Flow Targets

The Trade and Development Board,

Having considered the report of the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets on its third session, i/

Decides that the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets could meet as required, with the following functions:

- (a) To receive progress reports from the UNCTAD secretariat on the work of the various data collecting centres;
- (b) To consider how best these data could be brought into a comprehensive framework;
- (c) To discuss further desirable developments in such a framework;
- (d) To consider appropriate analyses of this information and to advise what implications such data and analyses might have for the international development strategy for the third United Nations development decade, including the concept of targets and of indicators to measure financial co-operation flows.

525th meeting
20 October 1979

199 (XIX). Protectionism and structural adjustment
(Conference resolution 131 (V))

The Trade and Development Board

1. Decides, in pursuance of Conference resolution 131 (V) of 3 June 1979:

(a) To request the Secretary-General of UNCTAD to prepare a concise report, with specific suggestions, on the organization of the annual review of the patterns of production and trade in the world economy, in accordance with paragraph 2 of Conference resolution 131 (V), for consideration by the Board at its twentieth session;

(b) To take this matter up for final decision at its twentieth session, so as to initiate immediately thereafter preparatory work for the annual review;

2. Also decides, with respect to paragraph 5 of the resolution, that the Board at its twentieth session and its subsidiary bodies, as appropriate, at their next sessions, shall continue to review developments involving restrictions of trade, with a view to examining and formulating appropriate recommendations concerning the general problem of protectionism.

525th meeting
20 October 1979

i/ Official Records of the Trade and Development Board, Seventeenth Session (first part), Annexes, agenda item 5, document TD/B/646.

200 (XIX). Integrated Programme for Commodities

The Trade and Development Board,

Recalling its decision 140 (XVI) of 23 October 1976 establishing the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities, and Conference resolution 124 (V) of 3 June 1979 on the Integrated Programme for Commodities,

Considering that work under the Integrated Programme will have to continue during 1980-1981, as provided for in Conference resolution 124 (V),

Bearing in mind the decision of the Conference 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,

1. Decides to continue the Ad Hoc Intergovernmental Committee for the Integrated Programme for Commodities until the end of 1980 and to entrust the responsibility for further work under the Integrated Programme for Commodities beyond this date to the Committee on Commodities;

2. Further decides to invite the participating Governments to implement fully, within the framework of the Integrated Programme, the action on individual commodities as agreed in the relevant paragraphs of section II of Conference resolution 124 (V), in particular the recommendation relating to the adoption of a decision as soon as possible on the convening of negotiating conferences on commodities now in their preparatory phase and on which sufficient progress has been made, with a view to concluding international arrangements in fulfilment of the objectives of Conference resolution 93 (IV).

525th meeting
20 October 1979

201 (XIX). Evaluation of the multilateral trade negotiations

The Trade and Development Board,

Noting that the report of the Secretary-General of UNCTAD on the evaluation of the multilateral trade negotiations will be available for its twentieth session,

Decides to conduct at its twentieth session a global evaluation of the results of the multilateral trade negotiations, on the basis of the report by the Secretary-General of UNCTAD, together with other relevant documentation.

525th meeting
20 October 1979

202 (XIX). Meetings of governmental experts envisaged in paragraph 15 of Conference resolution 127 (V)

The Trade and Development Board

Decides 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, and of other countries, if they so wish.

525th meeting
20 October 1979

203 (XIX). Review of the calendar of meetings

The Trade and Development Board

Approves the calendar of meetings for the remainder of 1979 and for 1980 and the tentative schedule of meetings for 1981, annexed to the present decision.

525th meeting
20 October 1979

ANNEX

Calendar of meetings for the remainder of 1979 and for 1980 and tentative schedule of meetings for 1981*1979

	<u>Date</u>	<u>Duration</u>
Fifth Preparatory Meeting on Tropical Timber	22-26 October	1 week
<u>Ad Hoc</u> UNCTAD/UNIDO Group of Experts on the Trade and Trade-related Aspects of Industrial Collaboration (Board decision 172 (XVIII))	22-26 October	1 week
Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, second session	22 October- 2 November	2 weeks
United Nations Conference on an International Code of Conduct on the Transfer of Technology, second session	29 October- 16 November	3 weeks
<u>Ad hoc</u> Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, first session	5-9 November	1 week
Post-Preparatory Meeting on Jute and Jute Products	5-9 November	1 week
United Nations Conference on a Convention on International Multimodal Transport	12-30 November	3 weeks
United Nations Cocoa Conference, 1979, third part	19-30 November	2 weeks
United Nations Conference on Restrictive Business Practices	19 November- 7 December	3 weeks
Working Party on the Programme Budget and the Medium-term Plan	19-22 November	4 days
Trade and Development Board, second part of nineteenth session <u>a/</u>	23 November	1 day
Group of High-level Experts on special measures for the least developed countries during the 1980s (Board resolution 171 (XVIII))	26-30 November	1 week
Intergovernmental Group of Experts on Tea, second session	3-7 December	1 week

* Except when otherwise indicated, all meetings are to be held at Geneva.

a/ To consider the report of the Working Party on the Programme Budget and Medium-term Plan.

1979 (continued)

	<u>Date</u>	<u>Duration</u>
Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, third session	3-14 December	2 weeks
Second Preparatory Meeting on Meat	10-14 December	1 week
Second Preparatory Meeting on Tea	10-14 December	1 week
United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, fourth session	17-21 December	1 week
<u>Ad hoc</u> Intergovernmental Committee for the Integrated Programme for Commodities, ninth session	17-18 December	2 days

1980

Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, ninth session	14-18 January	1 week
<u>Ad hoc</u> Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, second session	4-15 February	2 weeks
Intergovernmental Group on the Least Developed Countries, third session	4-15 February	2 weeks
Committee on Tungsten, twelfth session	25-29 February	1 week
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, thirteenth session	3-7 March	1 week
Working Party on the Medium-term Plan and the Programme Budget, first session	3-7 March	1 week
Trade and Development Board, twentieth session	10-14 March	1 week
Trade and Development Board, eleventh special session	17-21 March	1 week
Committee on Invisibles and Financing related to Trade, ninth session (first part)	8-18 April	2 weeks
United Nations Tin Conference, 1980	14 April-16 May	5 weeks

	<u>Date</u>	<u>Duration</u>
Committee on Economic Co-operation among Developing Countries, first special session <u>b/</u>	21-29 April	1-1/2 weeks
Committee on Shipping, ninth session	5-16 May	2 weeks
Special Committee on Preferences, ninth session	27 May-6 June	2 weeks
<u>Ad Hoc</u> Intergovernmental Committee for the Integrated Programme for Commodities, tenth session	9-11 June	3 days
Committee on Commodities, ninth session	9-13 June (possibly 17 June)	1 - 1-1/2 weeks
Committee on Invisibles and Financing related to Trade, ninth session (second part)	30 June-4 July	1 week
Committee on Manufactures, ninth session	14-25 July	2 weeks
Working Party on the Medium-term Plan and the Programme Budget, second session	8-12 September	1 week
Trade and Development Board, twenty-first session	15-26 September	2 weeks
Committee on Transfer of Technology, third session	17-28 November	2 weeks
Working Group on International Shipping Legislation, seventh session	1-19 December	3 weeks
United Nations Conference to Negotiate an International Arrangement to replace the International Wheat Agreement, 1971, as extended, fourth part (if required)	To be determined	4 weeks
Other commodity conferences and commodity meetings <u>c/</u>	As required	up to 36-1/2 weeks

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

Three preparatory meetings of governmental experts of developing countries 21 January-8 February;

Preparatory meeting of governmental experts of developed market-economy countries 17-18 April.

c/ Commodity meetings currently foreseen include the following:

Fourth Preparatory Meeting on Hard Fibres (25 February-7 March);
Preparatory Meeting on Bananas;

1980 (continued)

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

1981

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

(continued)

Preparatory Meeting on Bauxite;
Second Preparatory Meeting on Manganese;
Third Preparatory Meeting on Iron Ore;
Third Preparatory Meeting on Phosphates (if required);
Panel of experts and the Fourth Preparatory Meeting on Vegetable Oils and Oilseeds;
Fifth Preparatory Meeting on Cotton and Cotton Yarns;
Seventh Preparatory Meeting on Copper, second part.

d/ Meetings currently foreseen under this heading and their possible timing are:

Ad Hoc Intergovernmental Working Group on the Economic Consequences of the Existence or Lack of a Genuine Link between Vessel and Flag of Registry, second session (Conference resolution 120 (V), para. 11) (14-22 January);

High-level Intergovernmental Group to prepare the draft of the contribution of UNCTAD to the new international development strategy (Board resolution 189 (XIX)) (28 January-5 February);

Ad Hoc Intergovernmental High-level Group of Experts on the Evolution of the International Monetary System (Conference resolution 128 (V), para. 11) (24 March-1 April);

Group of Governmental Experts on the Concept of the Present Aid and Flow Targets fourth session (Board decision 197 (XIX)) (12-20 May);

Second Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries (Board resolution 171 (XVIII), para. 2) (7-15 July);

Meetings of experts on the interdependence of problems of trade, development finance and the international monetary system (Board decision 144 (XVI)) (see below, part two, annex I, decision 205 (XIX)).

1981 (continued)

	<u>Date</u>	<u>Duration</u>
Special Committee on Preferences, tenth session	May/June	1-2 weeks
Working Party on the Medium-term and the Programme Budget, fourth session	7-11 September	1 week
Trade and Development Board, twenty-third session	14-25 September	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
Other commodity conferences and commodity meetings	As required	up to 46 weeks
Working parties, study groups and expert groups <u>e/</u>	As required	up to 16 weeks

e/ Meetings currently foreseen under this heading are the following:

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 (Committee on Transfer of Technology, decision 4 (II)).

204 (XIX). Item 12 (d) of the agenda of the
fifth session of the Conference

The Trade and Development Board,

Having considered this item and not having reached a conclusion,

Decides to remit item 12 (d) of the agenda of the fifth session of the Conference, entitled "(i) Review of implementation and further action that may be required pursuant to Trade and Development Board resolution 165 (S-IX), section A, and (ii) Detailed features for future operations relating to debt problems of interested developing countries (Trade and Development Board resolution 165 (S-IX), section B)", together with the draft resolution on debt problems of developing countries f/ referred to it by the Conference, g/ to its twentieth session for further consideration and appropriate action, as a separate item on the Board's agenda.

525th meeting
20 October 1979

OTHER DECISIONS TAKEN BY THE BOARD
AT ITS NINETEENTH SESSION

(a) Treatment of Saint Lucia for purposes of elections h/

At its 518th meeting, on 8 October 1979, the Board decided that, pending action by the Conference at its sixth session pursuant to General Assembly resolution 1995 (XIX), as amended, Saint Lucia should, for purposes of elections, be treated as if it were in the group of countries listed in part C of the annex to that resolution.

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

At its 523rd meeting, on 17 October 1979, the Board decided that the following intergovernmental 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:

African Reinsurance Corporation
International Center for Public Enterprises in Developing Countries

f/ TD/L.196. For the text, see Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, annex I.C.

g/ See ibid., part one, sect. A.2, "Other decisions", (h).

h/ See para. 308 above.

i/ See para. 331 above.

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

At its 524th meeting, on 18 October 1979, the Board approved the applications of the following eight non-governmental organizations 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 that they should be classified as follows:

General category

General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

International Association of Agricultural Economists

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

Central American Shipowners' Association	Committee on Shipping
Centre for Latin American Monetary Studies	Committee on Invisibles and Financing related to Trade; Committee on Economic Co-operation among Developing Countries
Federation of Commodity Associations	Committee on Commodities
International Association of Independent Tanker Owners	Committee on Shipping
International Organization of Consumers Unions	Committee on Manufactures; Committee on the Transfer of Technology
Permanent International Association of Navigation Congresses	Committee on Shipping

At the same meeting, the Board decided to reclassify the International Union of Marine Insurance from the Special to the General category.

(d) Amendment to rule 1 of the rules of procedure of the Trade and Development Board k/

At its 524th meeting, on 18 October 1979, the Board authorized the UNCTAD

j/ See para. 332 above.

k/ See para. 350 above.

secretariat to issue an amendment to its rules of procedure, under which rule 1 would read:

"The Trade and Development Board shall normally hold two regular sessions a year."

(e) Membership of the Working Party on the Medium-term Plan and the Programme Budget 1/

At its 525th meeting, on 20 October 1979, the Board decided that the membership of the Working Party which, in 1980, would consider the Medium-term Plan 1982-1985, and, in 1981 would consider the UNCTAD Programme Budget 1982-1983, would be composed of the following States members of UNCTAD:

Argentina, Canada, China, Colombia, France, German Democratic Republic, Germany, Federal Republic of, Ghana, India, Japan, Libyan Arab Jamahiriya, Madagascar, Mexico, Philippines, Poland, Qatar, Sweden, Union of Soviet Socialist Republics, United States of America.

(f) Meetings of the Working Party on the Medium-term Plan and the Programme Budget m/

At its 525th meeting, on 20 October 1979, the Board decided to convene henceforth the Working Party on the Medium-term Plan and the Programme Budget semi-annually in accordance with paragraph 7 of Conference resolution 114 (V).

1/ See para. 355 above.

m/ See paras. 119 and 338 above.

ANNEX II

Texts remitted for further consideration
by the Board or its subsidiary bodies

A. DRAFT RESOLUTIONS REFERRED TO THE
TWENTIETH SESSION OF THE BOARD

Transnational corporations and
international commodity trade a/

Draft resolution submitted by the German Democratic Republic on behalf of Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR, and USSR

/TD/L.195/

Debt problems of developing countries b/

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 c/

Draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya, the Libyan Arab Republic,* Madagascar, Mauritius, Nigeria, Rwanda, Senegal, Sudan, Uganda, Upper Volta, Zaire

/TD/B/L.360/

* Now Libyan Arab Jamahiriya.

a/ See para. 195 above. The text of this draft resolution is contained 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, D.

b/ See annex I above, decision 204 (XIX). The text of this draft resolution is contained 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, C.

c/ See para. 88 above. 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.

B. DRAFT RESOLUTIONS REFERRED TO THE
TWENTY-FIRST SESSION OF THE BOARD d/

Trade relations among countries having different economic and
social systems, and all trade flows resulting therefrom

Draft resolution submitted by USSR on behalf
of States members of Group D

/TD/L.189/

Trade relations among countries having different economic and
social systems and all trade flows resulting therefrom

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

/TD/L.190/

C. DRAFT RESOLUTIONS REFERRED TO THE NINTH SESSION
OF THE COMMITTEE ON INVISIBLES AND FINANCING
RELATED TO TRADE

The transfer of real resources to developing countries e/

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

/TD/L.186/

An effective system of international financial co-operation f/

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

/TD/L.197/

d/ See annex I above, decision 186 (XIX). The texts of these draft resolutions are contained 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, A.

e/ See annex I above, decision 195 (XIX). The text of this draft resolution is contained 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, D.

f/ See annex I above, decision 196 (XIX). The text of this draft resolution is contained 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, C.

ANNEX III

Provisional agenda for the twentieth 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-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 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

/To be completed by the Secretary-General of UNCTAD/

a/ As approved by the Board at its 525th meeting, on 20 October 1979 (see paras. 344-347 above).

8. Other particular matters in the field of trade and development

/To be completed by the Secretary-General of UNCTAD/

9. 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 by the Secretary-General of UNCTAD/

10. Report of the Working Party on the UNCTAD Medium-term Plan and the Programme Budget

11. Other business

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

ANNEX IV

Provisional agenda for the eleventh special session of the Board a/

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

a/ As approved by the Board at its 525th meeting (see paras. 348-349 above).

ANNEX V

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 of financial implications circulated by the UNCTAD secretariat in this connexion are summarized below.

A. Review of the calendar of meetings: reconvening of the
United Nations Cocoa Conference, 1979 a/

1. The United Nations Cocoa Conference, 1979, requested the International Cocoa Council, once it was satisfied that the necessary conditions existed for a successful conclusion of the negotiations, to request the Secretary-General of UNCTAD to fix a date for the reconvening of the Conference. b/ At the time the resolution was adopted, it was assumed that the Conference would convene for a period of one week in Geneva and the financial implications thereof were estimated to be \$98,000. c/ The International Cocoa Council has now requested that the Conference be reconvened for a period of two weeks.

2. Based on the same servicing requirements as have been provided for the previous session, namely, two teams of interpreters in four languages and a caucus team of interpreters, three conference rooms, 75 pages of post-session documents and 10 pages of in-session documents per day, the cost of a two-week session is estimated to be \$166,000.

B. Decision 190 (XIX). Working Group on International
Shipping Legislation: marine insurance d/

1. Under the draft decision contained in TD/B(XIX)/SC.I/L.1, the Board would recommend that the next session of the Working Group on International Shipping Legislation, on marine insurance, should be for three weeks, of which the first two weeks should be devoted to work at the expert level in accordance with the terms of reference set out in paragraph 3 of resolution 3 (VI) of the Working Group.

2. On the assumption that the meeting for two weeks at the expert level would require interpretation in six languages, and have altogether 40 pages of documentation, the cost of conference services for such a meeting is estimated to be \$80,000.

a/ Substance of document TD/B/L.531/Add.2.

b/ TD/COCOA.5/8.

c/ TD/COCOA.5/L.2/Add.1.

d/ Substance of document TD/B/C.4/ISL/L.52/Add.1.

3. The draft decision implies that the seventh session of the Working Group on Shipping Legislation would as a consequence be reduced by one week. The savings in cost of conference services attributed to this reduction, based on interpretation in six languages and in-session documentation of 40 pages, are estimated to be \$67,000.

4. The estimated net cost of the conference services under the above-mentioned changes in the meetings schedule is thus estimated to be \$13,000.

C. Resolution 199 (XIX). Contribution of UNCTAD to the preparation of the new international development strategy e/

1. Under paragraph 1 of the draft resolution contained in document TD/B/L.547, the Board would request the Secretary-General of UNCTAD to convene a high-level intergovernmental group to prepare a draft for the contribution of UNCTAD to the formulation of the international development strategy.

2. On the assumption that the group would meet in Geneva in the spring of 1980, for one and one-half weeks, be serviced in six languages by one team and a caucus team of interpreters, require two conference rooms and 30 pages of documentation, the direct costs of conference servicing are estimated to be \$80,000.

e/ Substance of document TD/B/L.547/Add.1.

ANNEX VI

Membership of the Trade and Development Board a/

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

a/ See para. 307 above.

ANNEX VII

Membership of the main Committees of the Board a/Committee on Commodities

Algeria	Kenya
Argentina	Liberia
Australia	Libyan Arab Jamahiriya
Austria	Madagascar
Bangladesh	Malaysia
Belgium	Malta
Bolivia	Mauritius
Brazil	Mexico
Bulgaria	Morocco
Burundi	Netherlands
Canada	New Zealand
Central African Republic	Nigeria
Chad	Norway
Chile	Pakistan
China	Panama
Colombia	Peru
Costa Rica	Philippines
Cuba	Poland
Czechoslovakia	Qatar
Democratic People's Republic of Korea	Republic of Korea
Denmark	Romania
Dominican Republic	Rwanda
Ecuador	Saudi Arabia
Egypt	Senegal
El Salvador	Spain
Ethiopia	Sri Lanka
Finland	Sudan
France	Sweden
Gabon	Switzerland
German Democratic Republic	Syrian Arab Republic
Germany, Federal Republic of	Thailand
Ghana	Togo
Greece	Trinidad and Tobago
Guatemala	Tunisia
Guinea	Turkey
Honduras	Uganda
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United Republic of Cameroon
Iran	United Republic of Tanzania
Iraq	United States of America
Ireland	Upper Volta
Israel	Uruguay
Italy	Venezuela
Ivory Coast	Viet Nam
Jamaica	Yugoslavia
Japan	Zaire
Jordan	

a/ See para. 330 above.

Committee on Manufactures

Algeria	Libyan Arab Jamahiriya
Argentina	Madagascar
Australia	Malaysia
Austria	Mali
Bangladesh	Malta
Belgium	Mauritius
Bolivia	Mexico
Brazil	Morocco
Bulgaria	Netherlands
Canada	New Zealand
Central African Republic	Nigeria
Chile	Norway
China	Pakistan
Colombia	Panama
Costa Rica	Peru
Cuba	Philippines
Czechoslovakia	Poland
Democratic People's Republic of Korea	Qatar
Denmark	Republic of Korea
Dominican Republic	Romania
Ecuador	Saudi Arabia
Egypt	Senegal
El Salvador	Singapore
Ethiopia	Spain
Finland	Sri Lanka
France	Sudan
German Democratic Republic	Sweden
Germany, Federal Republic of	Switzerland
Ghana	Syrian Arab Republic
Greece	Thailand
Guatemala	Trinidad and Tobago
Honduras	Tunisia
Hungary	Turkey
India	Union of Soviet Socialist Republics
Indonesia	United Kingdom of Great Britain and Northern Ireland
Iran	United Republic of Cameroon
Iraq	United Republic of Tanzania
Ireland	United States of America
Israel	Upper Volta
Italy	Uruguay
Ivory Coast	Venezuela
Jamaica	Viet Nam
Japan	Yugoslavia
Jordan	Zaire
Kenya	
Liberia	

Committee on Invisibles and Financing related to Trade

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

Committee on Shipping

Algeria	Liberia
Argentina	Libyan Arab Jamahiriya
Australia	Madagascar
Bangladesh	Malaysia
Belgium	Malta
Bolivia	Mauritius
Brazil	Mexico
Bulgaria	Morocco
Canada	Netherlands
Central African Republic	New Zealand
Chile	Nicaragua
China	Nigeria
Colombia	Norway
Costa Rica	Pakistan
Cuba	Panama
Czechoslovakia	Peru
Democratic People's Republic of Korea	Philippines
Denmark	Poland
Dominican Republic	Portugal
Ecuador	Qatar
Egypt	Republic of Korea
El Salvador	Romania
Ethiopia	Saudi Arabia
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sweden
Germany, Federal Republic of	Switzerland
Ghana	Syrian Arab Republic
Greece	Thailand
Guatemala	Trinidad and Tobago
Guinea	Tunisia
Honduras	Turkey
Hungary	Uganda
India	Union of Soviet Socialist Republics
Indonesia	United Kingdom of Great Britain and Northern Ireland
Iran	United Republic of Cameroon
Iraq	United Republic of Tanzania
Israel	United States of America
Italy	Upper Volta
Ivory Coast	Uruguay
Jamaica	Venezuela
Japan	Viet Nam
Jordan	Yugoslavia
Kenya	Zaire
Kuwait	

Committee on Transfer of Technology

Algeria	Libyan Arab Jamahiriya
Argentina	Madagascar
Australia	Malaysia
Austria	Malta
Belgium	Mauritius
Bolivia	Mexico
Brazil	Morocco
Bulgaria	Netherlands
Canada	New Zealand
Chile	Nigeria
China	Norway
Colombia	Pakistan
Costa Rica	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Denmark	Qatar
Ecuador	Republic of Korea
Egypt	Romania
El Salvador	Saudi Arabia
Ethiopia	Senegal
Finland	Sierra Leone
France	Spain
German Democratic Republic	Sri Lanka
Germany, Federal Republic of	Sudan
Ghana	Sweden
Greece	Switzerland
Guatemala	Syrian Arab Republic
Honduras	Thailand
Hungary	Trinidad and Tobago
India	Tunisia
Indonesia	Turkey
Iran	Union of Soviet Socialist Republics
Iraq	United Arab Emirates
Ireland	United Kingdom of Great Britain and Northern Ireland
Israel	United Republic of Cameroon
Italy	United Republic of Tanzania
Ivory Coast	United States of America
Jamaica	Upper Volta
Japan	Venezuela
Jordan	Viet Nam
Kenya	Yugoslavia
Kuwait	Zaire
Liberia	

Committee on Economic Co-operation among Developing Countries

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

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE
SECOND PART OF ITS NINETEENTH SESSION

Held at the Palais des Nations, Geneva, on 23 November 1979

INTRODUCTION

1. In accordance with Board decision 203 (XIX) concerning the calendar of UNCTAD meetings for 1979, the second part of the nineteenth session of the Board was held at the Palais des Nations, Geneva, on 23 November 1979. 1/

1/ For a full account of the proceedings during the second part of the nineteenth session, see the summary record of the 526th meeting (TD/B/SR.526).

CHAPTER I

OTHER BUSINESS (Agenda item 12)

A. UNCTAD proposed Programme Budget for the biennium 1980-1981: report of the Working Party

2. At the 526th meeting, on 23 November 1979, the Chairman of the Working Party of the nineteenth session of the Board on the UNCTAD Programme Budget and the Medium-term Plan introduced the report of the Working Party, the text of which is reproduced in annex II to the present report.

3. The spokesman for Group D stated that members of his Group reserved their position as regards increases in the proposed Programme Budget, and reserved the right to state their definitive position on the proposed Programme Budget for 1980-1981 in New York during its discussion at the General Assembly.

4. The representative of Madagascar said that there was a discrepancy between the increase in the work programme established by the member States for the UNCTAD secretariat and the proposed Programme Budget, in which only a very limited number of new professional posts had been requested. If the Board had been consulted sufficiently in advance, it would have been able to formulate proposals to meet the real needs of the secretariat.

Action by the Board

5. At the same meeting, the Board took note of the report of the Working Party on the UNCTAD proposed Programme Budget for the biennium 1980-1981 (see annex II below) and requested the Secretary-General of UNCTAD to transmit the report, together with comments made thereon, to the appropriate United Nations bodies for their consideration.

B. Resolution adopted by the Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities

6. At the 526th meeting, on 23 November 1979, the President drew attention to a resolution adopted by the Interim Committee of the United Nations Negotiating Conference on a Common Fund (TD/IPC/CF/CONF/IC/3), in which the Committee had requested the Board, at the second part of its nineteenth session, to recommend to the General Assembly to make appropriate arrangements to advance the necessary funds to enable the financing of the preparatory work required for bringing the Common Fund into operation, up to a total of \$1.8 million.

7. He added that the Interim Committee had not taken any decisions on the nature and extent of the preparatory work required for bringing the Common Fund into operation. Such decisions would be taken by the Negotiating Conference itself at the time of adoption of the Articles of Agreement. The reason for making a

recommendation to the General Assembly at the present stage was to ensure that resources could be made available once the Articles of Agreement had been signed and the Conference had taken the relevant decisions. If such a recommendation were not sent to the General Assembly at its present session, work could not begin until after the Assembly had considered the question at its thirty-fifth session, at the end of 1980.

8. In this connexion, the President also drew attention to a text which had been circulated informally to members of the Board, containing a draft resolution on preparatory work for bringing the Common Fund into operation.

Action by the Board

9. At the same meeting, the Board adopted the draft resolution introduced by the President (for the text, see annex I, resolution 206 (XIX)). 2/

10. The spokesman for Group D stated that the members of his Group maintained the reservation they had expressed at the closing meeting of the second session of the Interim Committee, namely, that they considered that it was not yet necessary to take a decision on the financing of the preparatory work for bringing the Common Fund into operation, since the actual agreement on the Common Fund had not yet been finalized. In Group D's view, that question should be decided by the Negotiating Conference itself. While the countries members of Group D had not opposed the adoption of the resolution, on the understanding that the reimbursable advance could be made only after the Negotiating Conference on a Common Fund had finalized the text of the agreement, they nevertheless reserved their position on the financial implications.

C. Servicing of UNCTAD meetings

11. At the 526th meeting, on 23 November 1979, the representative of France introduced a draft resolution (TD/B/L.553), co-sponsored by France and Spain, concerning the servicing of UNCTAD meetings, and made an oral amendment thereto. He observed that the purpose of the draft resolution was to draw the attention of the General Assembly to the difficulties encountered with respect to the distribution of documentation and the provision of interpretation at UNCTAD meetings, in particular by delegations whose working language was not English. These difficulties were linked to the intense pace of activity in UNCTAD; the draft resolution should thus not be viewed as implying any reproach with respect to any part of the secretariat, but rather as supportive of efforts to enable the secretariat to ensure an adequate distribution of documentation and the provision of interpretation in the best possible conditions.

12. The representative of Spain said that his delegation had co-sponsored the draft resolution because it felt that it was necessary to find basic solutions to the serious problems involved. This did not mean that other practical, and perhaps more immediately realizable, solutions should be abandoned. While the issue was one to which the Ad Hoc Committee on Rationalization would undoubtedly devote attention, the draft resolution did not exclude efforts being made in complementary areas in order to seek solutions to the basic problem.

2/ For a statement of financial implications, see annex IV, sect. C, below.

13. The representative of Cuba, speaking on behalf of the Latin American Group; Ghana, speaking on behalf of the African Group; Ireland, speaking on behalf of the States members of EEC. Finland, speaking also on behalf of Norway and Sweden; and Switzerland, expressed their support for the draft resolution.

14. The representative of Qatar, supported by the representative of Saudi Arabia, said that the difficulties encountered by Arabic-speaking delegations, owing to the non-availability of documentation and interpretation in Arabic, hampered the effective participation of these delegations in negotiations in UNCTAD and thus in the effort to establish a new international economic order. He noted in this connexion that many documents relating to the field of commodities were not being produced in Arabic. Such a situation adversely affected their understanding of the problems involved and weakened their response. Accordingly, he supported the draft resolution.

15. The representative of Madagascar, expressing his support for the draft resolution, stated that the difficulties encountered by delegations whose working language was not English had an adverse effect on the principle of the universality of UNCTAD. Delegations had, on occasion, even declined to participate in informal negotiating sessions because these were conducted in English and based on documentation only in English. This penalized many delegations from developing countries. It was essential that all should be able to participate effectively in the work of UNCTAD and therefore appropriate facilities should be made available to that end. He added that the provisions of Conference resolution 114 (V) would remain a dead letter if, when the proposed Programme Budget was put before the Fifth Committee of the General Assembly, the opportunity was not taken to inform that Committee of the seriousness of the difficulties encountered and of the desire that UNCTAD should be granted the necessary administrative autonomy with a view in particular to the strengthening of the language services.

16. The representative of China, expressing support for the draft resolution, said that it was now time to seek a solution to the problems which were raised in the draft resolution and which had been discussed frequently in the past. On the threshold of the 1980s it was appropriate to ask the General Assembly to improve the existing situation in order to render the work of UNCTAD more effective. Measures to that end should be taken as soon as possible, and should not await the outcome of the work of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery.

17. The representative of Canada said that the question of bringing about an improvement in documentation and interpretation was one that should be examined not only in New York, but also in Geneva. In supporting the draft resolution, Canada assumed that discussions would be held in the months ahead involving the States members of UNCTAD, the UNCTAD secretariat and the United Nations Office at Geneva. The logical form for such discussions was the Ad Hoc Committee on Rationalization and its intersessional Working Party, which should examine the issues of documentation, including its translation, and of interpretation as a matter of high priority, and should attempt to identify alternative solutions, together with their comparative costs, aiming wherever possible to use redeployment of current resources in order to improve the service. Canada believed that the solution was likely to prove to be as much a management as a financial question. The Ad Hoc Committee should then be able, at its second session, to make specific recommendations to the Board at its twentieth session for transmission to the Secretary-General of the United Nations.

18. The representative of Malta, also expressing support for the draft resolution, said that, while the issue of conference servicing was one that could be discussed by the Ad Hoc Committee on Rationalization it was one that also affected the translation services, which were not exclusively at the disposal of UNCTAD. The draft resolution might serve to bring to the attention of delegations in New York the need to ensure that the size of translation services in Geneva and New York was in proportion to the number of meetings held in the two centres.

19. The representative of Japan said that, while his delegation sympathized with the preoccupations behind the draft resolution, it had certain misgivings regarding the wording, in particular the apparent implication that the cause of the present unsatisfactory situation was that sufficient financial resources were not available. Such a line of thought would seem to run counter to the efforts being made to bring about a rationalization of the work of the Board. However, his delegation would not oppose the adoption of the draft resolution, on the understanding that it was to be accepted by the Board without prejudice to the ongoing work within the Ad Hoc Committee on Rationalization.

20. The spokesman for Group D said that, while joining in the consensus on the draft resolution, Group D wished to state that the draft was not related to the UNCTAD budget and the report of the Working Party on the proposed Programme Budget, and thus the words "when submitting the budget estimates concerning the UNCTAD secretariat" in paragraph 2 could be deleted. Furthermore, the adoption of the draft resolution must not be regarded as meaning that the problems existing in UNCTAD with regard to the distribution of documentation and to the provision of interpretation were connected essentially with matters relating to the servicing of conferences by the United Nations Office at Geneva. Nor should the draft resolution be regarded as replacing those provisions of Conference resolution 114 (V) which prescribed measures to curtail the frequency and length of the meetings of different organs of UNCTAD. Group D considered that the problem of the distribution of documentation and of interpretation would be carefully examined as a separate item by the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, convened pursuant to Conference resolution 114 (V), and that adoption of the draft resolution should not prejudge the outcome of the examination of that question by that Committee.

21. The representative of New Zealand said that, while his delegation was fully in sympathy with the problems of delegations whose working language in United Nations meetings was other than their own language, the draft resolution had been made available too recently for him to receive instructions thereon. He hoped, however, that the measures requested in the draft resolution would be considered in the context of the Ad Hoc Committee on Rationalization.

22. The representative of Australia said his delegation was very conscious of the problems of those delegations which had to work in languages other than their own. The draft resolution covered areas of long-term interest to all concerned in United Nations conferences, and his delegation did not object to its general thrust and purpose. However, owing to the fact that the draft resolution, which had ultimate financial implications, had only recently been circulated, his delegation had been unable to give the draft the in-depth examination which was required before it could join in the consensus on it.

23. The representative of the United States of America said that he was unable to join in a consensus on the draft resolution as his authorities, particularly those dealing with the difficult issues of languages and with the budget in New York had

not yet had an opportunity to comment on it. This procedural reservation, however, should not detract from the high importance his delegation attached to the resolution of the problems raised in the draft, as the United States sympathized completely with those delegations for which English was not a working language, particularly in contact groups at late stages in meetings. Furthermore, his delegation believed that the processing of documents and working methods were problems to which the intersessional Working Party of the Ad Hoc Committee on Rationalization must address itself, and it would have liked to have seen this reflected in such a resolution. He added that the late circulation of the draft resolution made it impossible for him to take a position, in particular, on the references in the draft resolution to taking "all necessary steps" and to "budget estimates concerning the UNCTAD secretariat".

24. The President observed that, although certain misgivings had been expressed regarding the draft resolution, these might not be so substantial as to stand in the way of consensus. He suggested that the Board might adopt the draft resolution on the understanding that the comments thereon would be duly reflected in the record.

25. In response to a request made by the representative of France, the representatives of Australia and the United States agreed to the passage of the draft resolution by consensus, on the condition that the reservations made would be fully reflected in the record.

Action by the Board

26. At the 526th meeting, on 23 November 1979, the Board adopted draft resolution TD/B/L.553, on the understanding that the comments made thereon would be fully reflected in the summary record of the meeting (for the text, see annex I, resolution 207 (XIX)).

CHAPTER II

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (Agenda item 11)

A. Opening of the second part of the nineteenth session

27. The second part of the nineteenth session of the Trade and Development Board was opened on 23 November 1979 by the President of the Board, Mr. E. Farnon (New Zealand).

B. Membership and attendance 3/

28. The following States members of the Board were represented at the second part of the nineteenth session:

Algeria	Ghana	Republic of Korea
Argentina	Greece	Saudi Arabia
Australia	Hungary	Singapore
Austria	India	Spain
Bangladesh	Indonesia	Sri Lanka
Belgium	Iraq	Sudan
Bolivia	Ireland	Sweden
Brazil	Italy	Switzerland
Bulgaria	Jamaica	Syrian Arab Republic
Burundi	Japan	Thailand
Byelorussian Soviet Socialist Republic	Jordan	Trinidad and Tobago
Canada	Libyan Arab Jamahiriya	Tunisia
Chile	Luxembourg	Turkey
China	Madagascar	Union of Soviet Socialist Republics
Colombia	Malaysia	United Arab Emirates
Cuba	Malta	United Kingdom of Great Britain and Northern Ireland
Czechoslovakia	Mexico	United Republic of Tanzania
Denmark	Netherlands	United States of America
Egypt	New Zealand	Uruguay
Ethiopia	Norway	Venezuela
Finland	Pakistan	Yugoslavia
France	Panama	
German Democratic Republic	Peru	
Germany, Federal Republic of	Philippines	
	Poland	
	Qatar	

29. The United Nations Industrial Development Organization and the United Nations Development Programme were represented at the session.

3/ For the list of participants in the session, see TD/B/INF.94.

30. The following specialized agencies were represented at the session: United Nations Educational, Scientific and Cultural Organization; Inter-Governmental Maritime Consultative Organization.

31. The following intergovernmental organizations were represented at the session: Commonwealth Secretariat; Council of Arab Economic Unity; European Economic Community.

C. Membership of the Working Party on the UNCTAD Programme Budget and the Medium-term Plan

32. At its 526th meeting, on 23 November 1979, the Board was advised of an agreed change of membership of the Working Party whereby Nigeria would be replaced by the Libyan Arab Jamahiriya, and ratified this substitution in membership. 4/

D. Revision of the rules of procedure of the Board and of its main Committees
(Agenda item 11 (c))

33. At the first part of its nineteenth session, 5/ the Board had decided, in conformity with rule 81 of its rules of procedure, to establish a Working Party of limited membership 6/ to consider proposed amendments to rule 18, rule 19 and annex I of its rules of procedure, and to report to the Board at the second part of its nineteenth session.

34. At its 526th meeting, on 23 November 1979, the Board considered the report of the Working Party (TD/B/L.550).

35. The spokesman for Group B said that the members of his Group had hoped that agreement could have been reached on the principle of maintaining the Bureau of the Board during two consecutive regular sessions, which they had felt would have been in the interests of efficiency. They regretted that this view had not been shared by the other Groups, but would, nevertheless, join in the consensus on the recommendations of the Working Party.

Action by the Board

36. At the same meeting, the Board decided to adopt the amendments to its rules of procedure recommended by the Working Party (TD/B/L.550), and to authorize

4/ For the membership of the Working Party as a result of this substitution, see annex II, foot-note b/.

5/ See TD/B/770, para. 354.

6/ The membership of the Working Party was as follows: Argentina, China, Cuba, German Democratic Republic, Italy, Ivory Coast, Philippines, Qatar, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America.

the secretariat to incorporate them in the rules of procedure of the Board and annex I thereto. 7/ (For the text of these amendments, see annex III below.)

E. Review of the calendar of meetings
(Agenda item 11 (h))

37. At the 526th meeting, on 23 November 1979, the representative of the Secretary-General of UNCTAD introduced a note by the UNCTAD secretariat (TD/B/L.551) indicating changes which it was proposed should be made to the calendar of meetings for the remainder of 1979 and for 1980 which the Board had approved at the first part of its nineteenth session (decision 203 (XIX)). With respect to the issue of the interdependence of problems of trade, development finance and the international monetary system which the Board, in its decision 144 (XVI), had requested the Secretary-General of UNCTAD to keep under review with the assistance of high-level experts appointed by Governments as appropriate, the Secretary-General of UNCTAD would shortly be consulting with the co-ordinators of regional groups with a view to convening such a group of experts from 11 to 13 February 1980.

38. A representative of the Secretary-General of UNCTAD made a statement of financial implications. 8/

39. The spokesman for Group D said that the calendar of meetings adopted by the Board at the first part of its nineteenth session had already been somewhat overloaded. Experience showed that when the calendar was overloaded the secretariat did not ensure that the documents were prepared in time the work of meetings did not proceed efficiently delegations did not manage to prepare themselves and in the pursuit of quantity, quality was lost. Now the Board was to add a further number of meetings to those already planned for 1980. The growing volume of meetings would create a strain, and also a real threat that the meetings planned would be lacking in effectiveness. Group D attached great importance to increasing the effectiveness of UNCTAD's work as a whole, and considered that (a) New meetings should be scheduled only if the secretariat could guarantee that the documentation would be prepared in time, as prescribed in paragraph 10 of Conference resolution 114 (V). (b) The secretariat should submit to the Board at its twentieth session a statement on the status of the documentation for all meetings in the calendar in accordance with paragraph 10 of resolution 114 (V). On the basis of such a statement, Group D would be prepared to examine the possibility of postponing some meetings if they could not be properly serviced. The aim should be not to increase the number of meetings, but rather to ensure that work was organized in such a way as to ensure that resources, including interpretation and the time of delegations, were used most effectively. He added that Group D could agree to the rescheduling of the fourth session of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities to 9-11 April 1980, on the understanding that the Board at its twentieth session, in the light of the results of the fourth session of the Interim Committee, might reconsider the question of the duration of that Conference.

7/ See annex I, "Other decisions". The text of these amendments, and of an amendment to rule 1 adopted at the first part of the nineteenth session, will be issued as TD/B/L.551/Rev.2/Amend.3.

8/ The text of this statement (TD/B/L.551/Add.1) is reproduced in annex IV below.

40. The spokesman for Group B said that his Group could accept the setting of dates for a meeting of high-level experts on the interdependence of problems of trade, development finance and the international monetary system on the basis of Board decision 144 (XVI). It expected, however, that before invitations were issued to the meeting the Secretary-General of UNCTAD would consult fully on the modalities, including the composition of representation, envisaged for the meeting, in accordance with the procedures set out in paragraph 8 of Conference resolution 114 (V).

Action by the Board

41. At its 526th meeting, on 23 November 1979, the Board, having noted the financial implications thereof, approved the changes proposed to the calendar of meetings for the remainder of 1979 and for 1980 (see annex I, decision 204 (XIX)).

42. The representative of the United States of America said that his country was prepared to participate in the meeting of high-level experts on interdependence, since there had been a consensus among the members of the Board that such a meeting should be held. He also stated that his delegation had actively participated in the negotiations at the first part of the nineteenth session of the Board which had unfortunately failed to reach agreement on the convening of such a meeting. In the light of these results, his delegation believed that the convening of a meeting of experts on interdependence was inappropriate at the present time. While his delegation had joined the consensus on Board decision 144 (XVI), that decision stated that such experts should be appointed "as appropriate". However, given the intervening extensive discussions and lack of agreement among member States on the formation and mandate of a group on interdependence, both at the fifth session of UNCTAD and at the first part of the nineteenth session of the Board, his delegation did not believe that the interests of member States were being served by such action.

F. Financial implications of the actions of the Board (Agenda item 11 (i))

43. In connexion with the Board's discussions 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. 9/

G. Adoption of the report of the Board to the General Assembly (Agenda item 13)

44. At its 526th meeting, on 23 November 1979, the Board noting that its report on the second part of its nineteenth session would form part of its annual report

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

of the General Assembly at its thirty-fourth session, authorized the Rapporteur to prepare the report on the second part of its nineteenth session as appropriate after the close of the session.

H. Closure of the session

45. At the same meeting, the President declared the second part of the nineteenth session closed.

ANNEX I

Resolutions and decisions adopted by the Board
at the second part of its nineteenth session

Resolutions

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Resolutions

206 (XIX). Preparatory work for bringing the Common Fund into operation

The Trade and Development Board,

Taking note of the resolution adopted by the Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities at its second session, a/

Recommends the General Assembly to make appropriate arrangements to advance the necessary funds to enable the financing of the preparatory work required for bringing the Common Fund into operation, up to a total of \$1.8 million.

526th meeting
23 November 1979

207 (XIX). Servicing of UNCTAD meetings

The Trade and Development Board,

Considering the difficulties encountered with respect to the distribution of documentation and interpretation at meetings, in particular by delegations whose working language is not English,

1. Recommends that the General Assembly should be good enough to take all necessary steps to strengthen the means at the disposal of the United Nations Office at Geneva and of the UNCTAD secretariat, so as to enable the latter to fulfil its obligations with regard to the translation of documents, interpretation at meetings and the distribution of documentation in accordance with the provisions of rules 65 to 72 of the rules of procedure of the Trade and Development Board:

2. Requests the Secretary-General of the United Nations, on submitting the budget estimates concerning the UNCTAD secretariat, to be good enough to bring the present resolution to the attention of the competent organs of the General Assembly, so that it may be given favourable consideration.

526th meeting
23 November 1979

a/ TD/IPC/CF/CONF/IC/3.

Decision

205 (XIX). Review of the calendar of meetings

The Trade and Development Board,

Approves the changes annexed hereto to the calendar of meetings for the remainder of 1979 and for 1980 which it approved at the first part of its nineteenth session (decision 203 (XIX)).

526th meeting
23 November 1979

ANNEX

Changes to the calendar of meetings for
the remainder of 1979 and for 1980

	<u>New date</u>	<u>Previously scheduled</u>
Second Preparatory Meeting on Meat	To be determined	10-14 December 1979
Meeting of experts on the interdependence of problems of trade, development finance and the international monetary system (Board decision 144 (XVI))	11-13 February 1980 <u>b/</u>	..
Interim Committee of the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, fourth session	18-29 February 1980	-
United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities, fourth session	9-11 April 1980	17-21 December 1979
United Nations Conference on an International Code of Conduct on the Transfer of Technology, third session <u>c/</u>	21 April-6 May 1980	-
United Nations Conference on a Convention on International Multimodal Transport, second session	8-23 May 1980	..

b/ Subject to confirmation.

c/ Subject to approval by the General Assembly.

	<u>New date</u>	<u>Previously scheduled</u>
Committee on Economic Co-operation among Developing Countries, first special session <u>d/</u>	19-27 June 1980	21-29 April 1980
Committee on Shipping, ninth session	1-12 September 1980	5-16 May 1980

Other decisions

Revision of the rules of procedure of the Board

At its 526th meeting, on 23 November 1979, the Board decide to amend rule 18, rule 19 and annex I of its rules of procedure as follows:

Replace rule 18 by the following:

Rule 18

At the commencement of the first meeting of each regular session, the Board shall elect a President, ten Vice-Presidents and a Rapporteur from among its members. These officers shall constitute the Bureau of the Board. In electing the officers, due account shall be taken of the need to ensure an equitable geographical distribution.

Replace paragraph 2 of rule 19 by the following:

2. The offices of President and Rapporteur of the Board shall be subject to rotation among the groups according to the cycles contained in annex I to these rules of procedure. No group (except Group A) shall hold the offices of both President and Rapporteur in any regular session cycle.

Replace annex I by the following

Annex I

Rotation of groups in the election of President and Rapporteur of the Board

As from the regular session in 1980, the following rotation of Groups, by regular session cycle, shall be observed in the election of the President of the Board:

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

Three preparatory meetings of governmental experts of developing countries	17 March-3 April 1980
Preparatory meeting of governmental experts of developed market-economy countries	17-18 June 1980

States in Group D;
African States in Group A;
States in Group B,
Asian States plus Yugoslavia in Group A
States in Group C.
States in Group B.

As from the first regular session in 1980, the following rotation of Groups, by regular session cycle, shall be observed in the election of the Rapporteur of the Board:

African States in Group A,*
States in Group D,
States in Group C,
Asian States plus Yugoslavia in Group A,
States in Group B.

At no regular session shall representatives of States from any one of the five categories mentioned above be elected for the offices of both President and Rapporteur. At the regular sessions at which, in accordance with the established system of rotation, both the President and the Rapporteur would belong to the same Group, that Group shall postpone presentation of a candidate for the office of Rapporteur, and the Group next in line shall hold the post of Rapporteur.

* With the exception of the first regular session in 1980, for the following reason: at its nineteenth regular session in 1979, in accordance with the stage reached in the cycle, the Board elected a representative of one of the States in Group B as President; as required, that Group postponed the presentation, to which it was entitled in accordance with the stage reached in the cycle, of a candidate for the office of Rapporteur, and a representative of the Group next in line, the African States in Group A, held the post of Rapporteur at that session. Therefore, at the first regular session in 1980, the office of Rapporteur shall be held by Group B, and at the second regular session in 1980 by Group D.

ANNEX II

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

(Proposed programme budget for the biennium 1980-1981)

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Introduction

1. In accordance with decision 203 (XIX) of the Trade and Development Board, the Working Party on the UNCTAD Programme Budget and the Medium-Term Plan met from 19 to 23 November 1979 to consider the programme budget for the biennium 1980-1981. In this connexion, it had before it the revised programme and budget proposals under section 15 of the proposed programme budget, submitted to the General Assembly by the Secretary-General of the United Nations on 1 November 1979 (A/C.5/34/27). a/ Supplementing that document, the UNCTAD secretariat made available to the Working Party (in English only) an internal secretariat working paper providing details of the programme elements of section 15 of the proposed United Nations programme budget. Many delegations expressed their appreciation for the information thus provided.
2. The session was opened by the President of the Trade and Development Board, who stated that he had been advised of an agreed change of membership of the Working Party whereby Nigeria would be replaced by the Libyan Arab Jamahiriya. It was his understanding that this substitution would need to be ratified by the Board at its resumed nineteenth session, when it received the report of the Working Party. b/
3. The Working Party held a total of seven meetings. At its opening meeting, on 19 November 1979, it elected as its Chairman Mr. H. Oreibi (Libyan Arab Jamahiriya) and as its Vice-Chairman-cum-Rapporteur Miss Edith Bruce (United States of America).
4. The Working Party broadly endorsed the time-table for consideration of the programmes of activity suggested by the secretariat in the annex to the annotated order of business contained in document TD/B(XIX)/WP/L.1, it being understood that programme B (Executive direction and management) and programme D (Programme support) would also be considered.
5. The following States members of the Working Party were represented at the session: c/ Argentina, Canada, China, Colombia, France, German Democratic Republic, Germany, Federal Republic of, India, Japan, Libyan Arab Jamahiriya, Mexico, Philippines, Poland, Qatar, Senegal, Sudan, Sweden, Union of Soviet Socialist Republics, United States of America.

a/ Circulated in UNCTAD under cover of TD/B/761. A corrigendum to the document (A/C.5/34/27/Corr.1) was issued after the close of the session, on 26 November 1979. An unedited version of the document, in English only, was made available informally to members of the Working Party in advance of the session. A number of delegations regretted the late distribution of the official document and that by the opening of the session it was still not available in three of the official languages.

b/ In consequence, the membership of the Working Party was as follows: Argentina, Canada, China, Colombia, France, German Democratic Republic, Germany, Federal Republic of, India, Japan, Libyan Arab Jamahiriya, Mexico, Philippines, Poland, Qatar, Senegal, Sudan, Sweden, Union of Soviet Socialist Republics, United States of America.

c/ For the list of participants in the session, see TD/B(XIX)/WP/INF.1.

6. The following States members of UNCTAD not members of the Working Party were also represented: Algeria, Australia, Ethiopia, Gabon, Ghana, Haiti, Malta, New Zealand, Panama, Spain, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland.

7. The United Nations Industrial Development Organization, the United Nations Environment Programme and the United Nations Development Programme were represented at the session.

8. The following specialized agencies were represented: United Nations Educational, Scientific and Cultural Organization, Inter-Governmental Maritime Consultative Organization, World Intellectual Property Organization.

9. The following intergovernmental organization was represented at the session: Council of Arab Economic Unity.

10. The following non-governmental organizations in the General Category were represented at the session: Christian Democratic World Union, General Union of Chambers of Commerce, Industry and Agriculture of Arab States.

A. General review

11. The Deputy Secretary-General of UNCTAD observed that the proposed programme budget reflected the decisions taken at the fifth session of the Conference and followed the three main directions of the work of the organization. First, there had been a clear recognition of UNCTAD's major negotiating role in the establishment of the new international economic order and a specific mandate to proceed expeditiously with the negotiations set in motion at the fourth session of the Conference and enhanced at the fifth session of UNCTAD, notably with regard to the Integrated Programme for Commodities and its development aspects, the international code of conduct on transfer of technology, and restrictive business practices.

12. Secondly, the Conference had taken a number of decisions aimed at strengthening activities in relatively new areas where the work carried out since the fourth session of UNCTAD had proved to be of a high significance for the developing countries. The Conference had decided to launch, as one of its major priorities, a comprehensive new programme of action for the least developed countries, and in the field of technology it had focused more particularly on the problem of the technological capacity of developing countries, including the key policy issues involved, and expanded technical co-operation activities. Economic co-operation among developing countries was another complex area where the Conference had reached an important agreement on both the scope of the programme and the modalities of its implementation. In the area of manufactures, there was work to be carried out on the important subject of protectionism and structural adjustment. A programme of action had been agreed upon requiring UNCTAD to make an annual review of world patterns of production and trade with a view to identifying elements most relevant to the attainment of an effective international division of labour. Important

decisions had also been taken in the field of shipping, with particular reference to ship financing and to technical assistance, the sharing of bulk cargo and the phasing out of the open registry system.

13. Thirdly, there were a number of crucially important issues on which no agreement had been reached at the fifth session of the Conference and which had been remitted to the permanent machinery for further action.

14. The programme budget brought out important changes in UNCTAD's work programme, which were reflected in the definition and contents of some of the programmes, but even more so in changes affecting programme elements over the entire period of the current and forthcoming biennia. Against that background, the programme budget proposals reflected the need to reconcile the prevailing mood of budgetary austerity with the programme and resource requirements of the totality of UNCTAD's activities. Indeed, fewer resources had been requested than had been estimated as being required to implement the work programme as speedily and effectively as desirable in the light of the resolutions of UNCTAD. All in all, only 11 additional professional posts and four general service posts had been requested, while three reclassifications (including one from the General Service to the Professional category) were also envisaged. The estimates represented a real growth of 3.7 per cent in the cost of maintaining the work programme established in 1978-1979, and no growth was proposed for consultants, ad hoc expert groups, travel or external printing and binding. While resource requirements for the Integrated Programme for Commodities, being non-recurrent and time-bound, had been removed from the base and were not included as real growth, certain items of expenditure, such as general temporary assistance and overtime, were administered centrally and distributed among programmes in relation to their size. The actual incidence of such expenditure throughout the biennium might vary considerably from their mathematical distribution pattern.

15. Given the very modest increase in resources against a rapidly expanding programme of work, and in particular a sustained process of negotiations, the implementation of the work programme, and especially the relative priorities among programme elements, would need to be reviewed in the light of decisions of the permanent machinery. Those decisions were likely to be significantly affected by the progress of negotiations under way in UNCTAD and by developments in the world economic situation, more particularly by decisions by the General Assembly regarding the international development strategy for the 1980s and the proposed global negotiations.

16. The spokesman for Group B said that while UNCTAD must have sufficient resources to carry out the decisions taken at the fifth session of the Conference, and in accordance with the emphasis given by the Committee for Programme and Co-ordination to trade and development activities, the Secretary-General of the United Nations had set an over-all limit for the real growth of the United Nations budget of 0.8 per cent. While the growth for UNCTAD might slightly exceed that limit, he questioned whether the proposed rate of 3.7 per cent was consistent with it. In view of the late receipt of the documentation in all languages, he reserved the possibility for his Group to further examine the programmes at the next session of the Working Party, in the

light of the final decisions and recommendations of the General Assembly. As Group B had stated at the fifth session of UNCTAD, new activities should be carried out to the maximum possible extent through a reallocation of resources and transfers from activities which had been completed, discontinued or reduced in size. It was for the Working Party to determine whether the resources planned to be devoted to each programme and subprogramme were consistent with the authorizing resolutions.

17. He stated that many of the points raised by members of Group B at the previous Working Party on the programme budget, in 1977, remained valid, in particular those relating to the need to specify legislative authority, the relationship of programmes to work in other intergovernmental bodies, and the use of consultants. As in the past, there was frequently no clear statement of the specific legislative authority for a proposed programme, nor was there a clear distinction between programmes based on existing legislative authority and those put forward by the secretariat in anticipation of decisions to be taken by the competent UNCTAD bodies. In 1977, his Group had noted that in some sections there was no indication of the relationship between the work of UNCTAD and that of other international bodies. The present programme budget was similarly deficient. On two previous occasions his Group had asked for a detailed list of consultants, an indication of their employment, and the proportion they represented of total professional staff-months. No such information had been provided, and he asked that it be made available at the present session. d/ He expressed hope that in future working parties, participating member States and the secretariat could explore the possibility of including performance indicators and time-limits on programmes and subprogrammes. He also inquired about compliance by UNCTAD with General Assembly resolution 3534 (XXX), which requested that performance reports on programme budgets include relevant information on the staff and resources released as a result of the completion, reduction, reorganization, merging or elimination of programmes, projects or activities. A summary table listing the amounts requested for each major category of expenditure for each of the UNCTAD programmes would also be helpful, and he invited the secretariat to check and circulate the figures which his Group had compiled. d/

18. He observed that the \$47.8 million requested for apportioned costs represented an increase of more than 150 per cent over the amount proposed for the 1978-1979 biennium. Since apportioned costs covered UNCTAD's share of expenditures for administration and conference servicing, that confirmed that the growing costs of UNCTAD meetings had far outpaced the growing costs of the organization as a whole, particularly due to action by Governments in calling for a considerably increased number of meetings. It was therefore essential to make the best use of conference facilities and to rationalize the crowded calendar of meetings.

d/ The information requested was subsequently circulated informally to the Working Party.

19. In examining specific programmes, Group B would have comments and questions on the proposed increases in resources. It had particular problems with resources requested for the transfer of technology programme, which appeared seriously out of line with the work programme agreed at the fifth session of UNCTAD.

20. The spokesman for the Group of 77 said his Group attached great importance to the work of the Working Party as an instrument for ensuring that the increasing tasks assigned to UNCTAD by the Conference, the Board and other subsidiary bodies were translated into programmes and budgets with adequate resources, while respecting the need for efficiency and economy. Indeed, the Manila Conference had been another occasion on which member States had specifically agreed to strengthen UNCTAD in its deliberative, negotiating and implementing roles in important spheres of the new international economic order. The negotiating role bore particular highlighting for, in the aftermath of Manila, there had been a clear acceleration of the process of negotiations initiated at Nairobi, as in the cases of the Common Fund, of commodity agreements, of the code of conduct on transfer of technology, of restrictive business practices and of multimodal transport. Similarly, important deliberative and negotiating functions had been entrusted to UNCTAD in the areas of protectionism and the least developed, land-locked and island developing countries, money and finance, economic co-operation among developing countries and, last but not least, the formulation of the new international development strategy. All these areas were vital components of the new international economic order in which the international community as a whole could take justifiable satisfaction in the progress, albeit limited, attained in UNCTAD. Several resolutions currently being negotiated at the General Assembly were likely to add to the tasks already assigned to UNCTAD. During the 1980-1981 biennium UNCTAD would be closely involved in the implementation of the new international development strategy, to give it the right impetus and ensure early fulfilment.

21. On the basis of the statements of financial implications given at Manila it appeared that some 26 additional professional posts were needed for the 10 substantive programmes of activity. The proposed programme budget called for only an additional nine such posts and it was evident that the UNCTAD secretariat and the United Nations Secretariat as a whole had made an effort to ensure that the new tasks were carried out with a relatively modest increase in requirements, thus ensuring a certain amount of economy and reallocation of existing resources. Indeed, most of the members of his Group feared that the secretariat might have been modest in its requests, in view of the tasks assigned to UNCTAD at Manila. In carrying out these tasks the secretariat had followed the priorities indicated by the member States through various resolutions, decisions and deliberations in UNCTAD. It should be borne in mind that the allocation of priorities was a political decision, the sole responsibility of Governments. It would be manifestly unfair if the concern of member States for efficiency led to a shifting of the burden of that task to the secretariat. In that respect, his Group was satisfied that the relative emphasis in the programme budget accorded to the areas of least developed countries, technology and economic co-operation among developing countries was in keeping with the over-all sense of priority prevailing in the Group of 77, and indeed, he believed, the UNCTAD membership in general.

22. Reference had been made to legislative authority in regard to the various programme elements. Whereas those elements would flow broadly from the mandates given by member States, there must be some degree of flexibility for the secretariat in the formulation of these programmes. He referred in particular to Conference resolution 127 (V) on economic co-operation among developing countries, which specifically foresaw the possibility of additional meetings. Thus, the programme budget did make provision for possible future meetings and for related studies. He believed that this was faithful to the decision of member States, as well as to the mandate of UNCTAD, particularly in its negotiating function. A programme budget must by definition contain an anticipatory element.

23. The representative of Ethiopia questioned the utility of discussing the programme budget after its finalization by the Secretary-General of the United Nations. He suggested that, in future, member States might have an opportunity to comment on the draft budget proposed by the UNCTAD secretariat before it was submitted to New York. He further suggested that the Working Party might make a recommendation to the Trade and Development Board to that end. The Chairman of the Working Party said that this question should be referred to the Ad hoc Committee on the Rationalization of UNCTAD's Machinery. The representative of Ethiopia accepted this ruling on the understanding that the question of the use of consultants and high-level experts acting in their individual capacities, of which many delegations had asked details, would be discussed in that Committee and that the secretariat would provide detailed information thereon covering the period from the Nairobi Conference to the Manila Conference.

24. The spokesman for Group D regretted the late distribution of the proposed Programme Budget and that there would be only one week for the Board to finalize its comments for the General Assembly. It was not clear to his Group why the document had been distributed so late, and such a situation should not be allowed to recur. In the view of his Group, the programme budget proposals of the Secretary-General of the United Nations to the General Assembly should not be transmitted in advance of, but simultaneously with, the comments thereon of the Working Party.

25. Referring to the real growth of the regular budget of 3.7 per cent for UNCTAD, he asked how this compared with the over-all growth rate for the United Nations budget set by the Secretary-General. He also enquired whether the figure of 11 new professional posts requested for the biennium was a definitive one, since in earlier, informal consultations in UNCTAD other figures had been mentioned. He further inquired whether posts under the Integrated Programme for Commodities were included in the figures in table 15.4 of document A/C.5/34/27. He also noted in this connexion the budget growth from one biennium to another in table 15.5, which did not seem justified, since work under the Integrated Programme had been largely completed, or in any case would be less intensive in 1980-1981.

26. On the question of the increased number of meetings, which appeared to be a principal reason for budget growth in UNCTAD, his Group believed that more caution should be exercised in the scheduling of meetings and that in principle

new meetings should not be added to the calendar unless others, already scheduled, could be postponed. He drew attention to the reservations made by Group D on the financial implications of the resolutions adopted at the fifth session of UNCTAD and reiterated the view of his Group that financing of new activities should in principle not involve new budget resources but be made through the use of extrabudgetary funds and the reallocation of existing resources. In this connexion, he drew attention to the substantial increase in resources envisaged for the programmes on transfer of technology, economic co-operation among developing countries, least developed, land-locked and island developing countries and trade facilitation.

27. The representative of China pointed to the increased responsibilities falling on UNCTAD in connexion with the establishment of the new international economic order and the new tasks that had been decided on in Manila. Those responsibilities called for the provision of adequate resources, but at the same time resources should be managed with maximum efficiency and economy. In this connexion, there appeared to be room for strengthening the co-ordination of work among the different Divisions of UNCTAD, in order to avoid unnecessary duplication.

28. The Deputy Secretary-General of UNCTAD made the following comments on the above remarks:

(a) In accordance with existing Headquarters guidelines, it was in the medium-term plan, rather than the programme budget, that legislative authority had to be set out for each programme and subprogramme, and this authority had been indicated in the medium-term plan considered by the Working Party at the second part of the seventeenth session of the Board. Except where cross-reference was essential, the proposed programme budget therefore gave legislative authority only for those activities which were not mentioned in the medium-term plan, for example, because they arose from decisions taken by UNCTAD at its fifth session.

(b) On the question of performance reports in compliance with General Assembly resolution 3534 (XXX), guidelines were now under consideration for the report covering the biennium 1978-1979.

(c) As regards the late distribution of the proposed programme budget, he stressed that, as had been made clear in earlier informal consultations, the delay could not have been avoided. He pointed out that since the adoption of decisions at Manila, extensive consultations had taken place between the UNCTAD secretariat and the competent Secretariat authorities in New York, and budget proposals by the Secretary-General of the United Nations had only recently been finalized.

(d) On questions relating to the overcrowded calendar of meetings and difficulties of providing documentation in time, he suggested that this should not be the primary concern of the Working Party at its present session. Its main task was to consider the programme budget, and it should also be borne in mind that the broader question of rationalization of the machinery of UNCTAD was being considered in other forums, in particular the Ad hoc Committee recently set up by the Board.

(e) The proposed real growth of 3.7 per cent for UNCTAD, while it was certainly higher than the 0.8 per cent for the United Nations as a whole, would none the less not have a significant effect on the over-all target. Moreover, the growth was modest enough in relation to the financial implications given to the Conference at Manila.

(f) The increase of professional posts envisaged was 11 posts, rather than 12, since the latter figure included one post upgraded from the General Service category.

(g) He confirmed that the resources allocated to the Integrated Programme for Commodities were treated as non-recurrent and were not included in the rate of real growth of 3.7 per cent.

29. The representative of Qatar noted that at the fifth session of UNCTAD a number of resolutions of a more general nature had been adopted and that there did not appear to be any specific earmarking of resources for their implementation. He referred in particular to resolutions 109 (V) on assistance to national liberation movements, 110 (V) on particular problems facing Zaire, 115 (V) on use of the Arabic language and 119 (V) on protectionism in the services sector.

30. In reply, the Deputy Secretary-General of UNCTAD stated that, although provision for implementing resolution 109 (V) was not explicitly included in the proposed programme budget, that was simply because it was at present envisaged that the work called for could be undertaken within existing resources. On the basis of preliminary consultations within the secretariat, it appeared that the work could best be done, as indeed envisaged in the Conference resolution, within the broader context of UNCTAD's contribution to the formulation of a new international development strategy. It thus involved a number of divisions in UNCTAD, as well as the co-ordinating function of the Office of the Secretary-General. Should it be found at a later stage that additional resources were required, they would be requested.

31. In general, as regards questions relating to the 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, he noted that this was now a standing item on the agenda of the Board and referred to a number of activities which were already under way - for example, assistance to Namibia - that were being financed on an ad hoc basis by UNDP or from other extrabudgetary sources. The work called for in resolution 110 (V) would be done in co-operation with the Economic Commission for Africa within existing resources.

32. Replying to other questions the Chief of the UNCTAD Administrative Service stated that:

(a) UNCTAD had, as requested in Conference resolution 115 (V), contributed to the report of the Secretary-General of the United Nations concerning the use of the Arabic language and he understood that that report was about to be issued.

(b) There was provision in the proposed programme budget for a new General Service post of an Arabic typist in the Conference Affairs Service, which was one of the four new General Service posts requested for UNCTAD.

(c) UNCTAD was one of the three areas in which the Committee for Programme and Co-ordination had approved real growth in the 1980-1981 biennium above the average for the United Nations as a whole. As the Deputy Secretary-General had noted, the 3.7 per cent real growth envisaged for UNCTAD implied an approximately 0.1 per cent addition to the rate of real growth for the total United Nations proposed programme budget, as contained in document A/34/6.

(d) As regards General Assembly resolution 3534 (XXX), the United Nations Secretariat was devising procedures for including information on staff resources released as a result of the completion or elimination of projects in future performance reports to be submitted by the Secretary-General of the United Nations. He noted that some information as regards UNCTAD was contained in the Programme Elements paper which had been made available informally to the Working Party.

(e) In attributing legislative authority to projects, the UNCTAD secretariat had been bound to follow the instructions laid down by United Nations Headquarters to the effect that information in this respect already contained in the Medium-term Plan 1980-1983 should not be repeated but simply referred to. Whenever legislative authority was not contained in the Medium-term Plan, for example, in the case of decisions taken at Manila, it was given in the programme budget.

(f) The question of co-ordination with other bodies was also covered in the Medium-term Plan and the remarks he had made concerning legislative authority applied mutatis mutandis.

(g) Discussions were at present in progress concerning appropriate performance indicators for UNCTAD's research, negotiating and deliberating functions; however, suitable indicators had not yet been found. As regards time-limits for projects, he referred to the Programme Elements paper, which contained some indications in that respect.

(h) Ad hoc posts for the Integrated Programme for Commodities were not included in table 15.4 of the programme budget (established posts), but under the headings of temporary assistance in the programme for commodities and for the Conference Affairs Service.

(i) As regards the total increase in current dollars for the United Nations programme budget as a whole and for the UNCTAD section thereof in the forthcoming biennium over the 1978-1979 appropriation, the figures were respectively 11 per cent and 6.6 per cent.

B. Executive direction and management

33. In an introductory statement, the Deputy Secretary-General outlined the main functions of this programme as performed by the five units referred to in paragraph 13 of the UNCTAD programme budget. He stressed the fact that the responsibilities for over-all direction, co-ordination and management, already detailed in General Assembly document A/10006, e/ had assumed particular importance, more especially on account of (a) the implementation of the General Assembly directives for the restructuring of the activities in the economic and social fields, with particular reference to programming and co-ordination within the United Nations and with other organizations of the United Nations system; (b) substantive research on policy issues not covered by any particular programme and which consequently needed to be carried out centrally, notably in connexion with the preparation of the international development strategy and UNCTAD's contribution to activities related to the establishment of a new international economic order; and (c) the need for substantive directives and co-ordination in areas cutting across sectoral programmes, such as work on economic co-operation among developing countries and on least developed countries, the scope of which was increasing significantly.

34. The spokesman for Group B expressed some concern at the growth rate of this programme, which was double the over-all growth rate of UNCTAD, and its top-heavy staffing. He questioned, in particular, the request for a D-1 post as head of the New York Liaison Office. In his view, the functions to be performed by this post had so far been handled by UNCTAD senior staff sent on mission to United Nations Headquarters whenever appropriate. Likewise, his Group had reservations concerning the request for a P-5 post in the Office of the Secretary-General, the functions of which would be fulfilled through internal reallocation of staff or, if an additional post was required, at a more junior level. He also sought clarification on the resource requirements for consultant services in this programme, and on the legislative authority for the production of Trade and Development, which, he understood, was being issued on an experimental basis.

35. Concerning the secretariat proposal to increase the budget and staff in this programme, the spokesman for Group D noted the unjustified geographical distribution of posts in the UNCTAD secretariat. He stated that the States members of Group D were underrepresented in the secretariat of UNCTAD in general and not represented at all in the Office of the Secretary-General, in the Administrative Service and in the Division for Economic Co-operation among Developing Countries. Such underrepresentation not only had serious personnel aspects but also led to underrepresentation of certain ideas and concepts and undermined the foundations of UNCTAD's universality. He also questioned, in particular, the reference to substantive responsibilities to be assumed by the proposed D-1 post as head of the New York Liaison Office.

36. The spokesman for the Group of 77 stated that the tasks to be performed by this programme had been very important. Their significance was increasing with the need for more co-ordination, in particular in cross-sectoral work, and with the type of input expected from the units concerned on such important items as

e/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 6.

the international development strategy and the follow-up of agenda item 8 of the fifth session of UNCTAD. It was in this perspective that the new resources requested should be seen. As regards the request for a D-1 post as head of the New York Liaison Office, he expressed the view that it should be left in the final analysis to the judgement of the Secretary-General of UNCTAD.

37. The representative of Ethiopia said he considered that, given the responsibilities attached to it, the post of head of the New York Liaison Office fully warranted grading at the D-2 level.

38. The Deputy Secretary-General of UNCTAD, commenting on the discussion and replying to the questions raised, emphasized the moderateness of the request for additional resources if account was taken of both the existing low level of resources and the work-load of the programme. He also stressed the particular need for this programme to be equipped with senior staff who should be knowledgeable about substantive and policy issues, experienced in United Nations matters and able to deal efficiently with other senior staff, including heads of programmes. As regards the proposed two new posts, he drew attention to the fact that their functions and corresponding level had been reviewed and approved by the Job Classification Unit at United Nations Headquarters. As to the proposed D-1 post, he stressed the important responsibilities involved, in that the head of the New York Liaison Office should be able to represent authoritatively at Headquarters UNCTAD's position on important policy issues, so as to ensure co-ordination and consistency in the work carried out both at Headquarters and in UNCTAD on such important matters as the preparation for the new international development strategy and activities related to the new international economic order. It should be borne in mind in this respect that there were a great number of meetings in New York between sessions of the General Assembly which called for UNCTAD participation. In addition, the head of the New York Liaison Office was constantly approached by Ambassadors or senior officials of permanent missions in New York on complex UNCTAD matters which he had to be able to deal with competently. This kind of function could not be ensured on a continuous basis by short-term missions of senior staff from Geneva, who were assigned to specific tasks. He also referred to the high level of the chiefs of other liaison offices in New York.

39. As to the P-5 post, he drew attention to the fact that the Deputy Secretaries-General did not have at present any staff assigned to them to provide continuous assistance at the required level in their dealings with over-all substantive, operational and managerial duties. Of particular relevance was the need to ensure the smooth running of their offices during their absence and to assist one of the Deputy Secretaries-General in his functions as focal point for liaison with the regional commissions.

40. On the question raised concerning consultant services, he explained that the Secretary-General of UNCTAD should be enabled to have, and indeed should have, whenever appropriate, the views of high-level professionals outside the organization who were familiar with basic or new policy issues before UNCTAD. He confirmed that the publication of Trade and Development was still on an experimental basis.

41. The representative of Ethiopia said that, on the basis of the financial implications adopted during the fifth session of the Conference, there was to have been an increase of some 26 professional posts in the staff of UNCTAD. The proposals by the secretariat, however, provided for only 11 such posts. As the role of the secretariat was to prepare, compile and consolidate the financial implications and to submit them to the Board for its approval and to implement the decisions approved by member States, and as only the General Assembly was empowered to make such reductions, as it was the highest body, which looked at demands in the light of resources, he wondered on what authority the United Nations Secretariat had twice - once in Geneva and a second time in New York -- reduced the number of posts agreed to by the Conference at Manila.

42. In reply, the Director of the Division for Programme Support Services indicated that the number of additional posts to be proposed to the General Assembly had been decided by the Secretary-General of the United Nations in the exercise of his responsibility as the chief administrative officer of the Organization. He had been motivated by the guidance he had received from member States on the over-all budget policy that the Organization wished to follow, i.e. a policy of utmost restraint in budget growth. The Secretary-General of UNCTAD had reflected in his original proposals the requirements needed to meet the tasks entrusted to the UNCTAD secretariat by Governments at the fifth session of UNCTAD. When those proposals could not be reconciled with the policy of budgetary stringency of the Organization, the Secretary-General of UNCTAD had indicated that the reduction in the number of posts that would be actually proposed would impair both the speed and the efficiency with which the UNCTAD secretariat could respond to the tasks entrusted to it by the Conference.

C. Questions concerning specific programmes

1. Money, finance and development

43. Introducing this programme, the Director of the Money, Finance and Development Division stressed certain features of the programme which were dealt with in detail in the proposed programme budget. The programme could be seen as having three distinct components, namely: money and finance; work relating to the world economy, with special emphasis on projections of trade and the economies of developing countries; and computer and statistical services.

44. With respect to money and finance (subprogramme 1), he stressed that the work serviced not only intergovernmental meetings in UNCTAD, but also deliberations of the General Assembly in this area. With regard to projections (subprogrammes 2 and 3), the work was intimately related to UNCTAD's contribution to the international development strategy. The resources allocated to this programme would not have sufficed to respond to the current and future needs in this area if it had not been for additional resources that had been made available through an UNCTAD/UNIDO project funded through voluntary contributions.

45. With regard to the third area, namely, computer and statistical services, (subprogramme 4), he said it supported the needs of all UNCTAD Divisions in these areas and not merely the two substantive areas in the Money, Finance and

Development Division. It might have been expected that these resources would increase along with the growing work of UNCTAD. However, the increase had been kept to a minimum and the programme budget proposal provided for only one additional professional post, that of a programmer/analyst in the electronic data-processing (EDP) Unit, to service the increasing needs of computer work in the substantially expanded programme of economic co-operation among developing countries.

46. The spokesman for the Group of 77 stressed that, given the nature of the problems faced by developing countries in this area, they had expected an increase in the resource allocation devoted to this programme. He expressed concern whether the important work on the international development strategy and on international monetary issues could be carried out without increased resources. He recognized the important support services role of subprogramme 4 and supported the request for the addition of a programmer/analyst, which flowed naturally from Conference resolution 127 (V).

47. The spokesman for Group B expressed appreciation for the efforts by the Division to constrain budget growth. He said, however, that from the programme budget document it was difficult either to know the present situation of the activities of the Money, Finance and Development Division or to understand the needs for the budgetary request made therein. He asked the secretariat to explain the present situation of projects, particularly those projects, including expert group meetings, which had relevance to interdependence of money, finance, trade and development and the International Development Strategy, and how this situation was reflected in the document. He also asked for clarification of the expert group mentioned in paragraph 34 of that document and some further explanation of the content of programme element 1.4 on debt problems of developing countries, so that he could have a better understanding of the future needs in this area, including the participation of the Secretary-General of UNCTAD in debt reorganization meetings. With respect to the servicing of the General Assembly (paragraph 27 of the programme budget) he expressed some doubts as to the ideas included in this paragraph and asked whether future work might not be handled by merely updating previous documentation. Regarding the reference to "the question of the need to evolve a comprehensive system of financial co-operation" (programme element 1.1), he asked whether a decision had been taken towards evolving such a system.

48. On the export credit guarantee facility, he wondered if new studies were required because enough documents had been submitted to the tenth special session of the Trade and Development Board. On disarmament and development (part of programme element 1.3), he doubted the appropriateness of the inclusion of this item. He asked for clarification of the preparations for the participation of the Secretary-General of UNCTAD in debt reorganization meetings (part of programme element 3.1).

49. Regarding the proposed "Bulletin of Short-term Economic Indicators" referred to in programme element 4.1, he asked when this had been agreed, and what was the relationship of this publication to those of the United Nations Statistical Office. With regard to programme element 4.2 (electronic data processing services) he enquired as to the arrangement made in the United Nations system to prevent duplication and how the work was allocated among the various computer centres.

50. The representative of Ghana, while congratulating the Director on keeping close control over the budget, expressed concern that there might not be adequate resources to deal with the many important items in the programme - particularly debt problems of developing countries. In his view, although decisions had not been taken in these areas at Manila, the active negotiations demonstrated the fact that these issues were still most pressing. He felt, therefore, that the programme should have been strengthened in view of the increasing debt problems of many developing countries and the likelihood of their requesting assistance from UNCTAD. He wondered why no additional budgetary appropriation had been requested.
51. The representative of Qatar, also congratulating the Director on keeping his budget under control, asked why there was no reference to research work on ways and means of maintaining the real value of the financial assets of developing countries, mentioned in paragraph 1 (d) of Conference resolution 128 (V).
52. The representative of Ethiopia, noting that some delegations had argued that consultants had proved extremely useful and often cheaper than regular staff, asked the Director's opinion on this matter and what percentage of work was done for this programme by regular staff and what percentage by consultants.
53. The representative of the United States said she was surprised to hear UNCTAD described as the lead agency on monetary and financial issues, since she was not aware of a decision to that effect.
54. The spokesman for Group D stated that the programme on money, finance and development was an extremely important one, as was reflected in its being the second largest programme in UNCTAD. His Group was satisfied that, despite the importance of this programme, budget growth had been held to 0.8 per cent. It did, however, have certain specific ideas and proposals. With respect to subprogramme 1, in his Group's view not enough attention had been devoted to studies on the mobilization of domestic resources and in particular the valuable lessons that could be drawn from examination of the experience of socialist countries. It also felt that insufficient work had been devoted to studies of the outflow of financial resources arising from foreign direct investment and that research had not been directed to the hidden and real reasons for the increasing indebtedness of developing countries, without which adequate and appropriate measures could not be evolved. He welcomed the provision in this subprogramme for research into the economic effects of disarmament on development. With respect to programme element 2.1, he felt that its scope went beyond that of the Money, Finance and Development Division. He considered that the "World Economic Outlook" was superficial and would need to be improved in order to become a valuable document; otherwise, consideration should be given to its abandonment, with a consequent saving of resources. With regard to the use of consultants, his Group believed that they could be better used.
55. Commenting on the discussion and replying to questions posed, the Director of the Money, Finance and Development Division said that he wished to assure delegations that had expressed concern about the adequacy of resources to carry out the programme that redeployment of resources had been made within the

programme so as to prevent priority areas suffering. On the question as to whether UNCTAD was the "lead agency" in the United Nations system for monetary and financial issues, he explained that what he had said was that UNCTAD was the "lead organ" in the United Nations Secretariat for money and finance. For example, when the General Assembly requested studies by the Secretary-General of the United Nations on monetary and financial issues, they were traditionally entrusted to UNCTAD. Thus, in the area of acceleration of the transfer of resources, the General Assembly, in resolutions 32/181 and 33/136, had requested the Secretary-General of the United Nations to carry out studies and consultations on a massive transfer of resources to developing countries. Similarly, dealing with mechanisms for transferring resources to developing countries, the General Assembly had decided, in resolutions 32/177 and 33/137, to examine questions relating to multilateral guarantees. A high-level expert group had been convened by the Secretary-General of UNCTAD on behalf of the Secretary-General of the United Nations. The General Assembly, in resolution 32/175, had asked the Secretary-General of the United Nations to convene a group of high-level experts to examine the world inflationary phenomenon and its impact on developing countries; again, that work had been entrusted to the Secretary-General of UNCTAD. In his view, these examples clarified not only the term "lead organ" but also illustrated the variety of General Assembly requests for research in new areas, which could not be met by merely updating previous UNCTAD reports and studies.

56. With respect to "the question of the need to evolve a comprehensive system of financial co-operation" (programme element 1.1), the wording did not prejudice a decision, since it referred to "the question of the need to". At the fifth session of UNCTAD, it had been decided that this issue should be referred to the Committee on Invisibles and Financing related to Trade. It was envisaged that a significant volume of work would be required to service the future deliberations in this complex area.

57. On documentation required by the Committee on Invisibles and Financing related to Trade for the examination of export credit guarantees, he noted that certain technical questions had been raised just prior to the Manila Conference. He believed it was the general view that before a political decision could be taken, these additional technical points would need to be addressed. It was the intention of the secretariat to submit to the next session of the Committee on Invisibles and Financing related to Trade a technical report dealing with these issues.

58. With regard to the questions based on research into maintaining the real value of financial assets of developing countries, he felt that this matter could be handled within present resources. A report would be prepared for consideration possibly by the high-level group of experts on international monetary issues established by Conference resolution 128 (V) and shortly to be convened.

59. Referring to the economic effects of disarmament on development, included in programme element 1.3, he believed the text reflected the understanding of UNCTAD's responsibilities in this area. He noted that "Trade and economic aspects of disarmament" was a standing item on the Board's agenda. The Board

had been informed at its last session of recent developments and the Division had made provision for some research in this area to cover the possibility of work that might be required in relation to UNCTAD's attendance at the Group of Governmental Experts on the Relationship between Disarmament and Development established by the General Assembly.

60. Turning to the question of debt problems of developing countries (programme element 1.4), he referred to the principal areas of the work, namely, the continuous review of their external indebtedness and resulting problems, reports on which were submitted to the Committee on Invisibles and Financing related to Trade and to the Trade and Development Board; the establishment of common elements or features to guide debt reorganization; and the participation of the Secretary-General of UNCTAD, or his representative, at multilateral debt reorganization meetings convened at the request of a debtor country. On this latter point, he referred to a recent development whereby UNCTAD would attend such meetings on an equal basis with representatives of the International Monetary Fund and the World Bank. UNCTAD had attended to date four such meetings since June 1979, and it was extremely difficult to forecast future demand. Thus far, this additional work had been accommodated through redeployment and through expansion of debt forecasting facilities in subprogramme 3.

61. Regarding subprogrammes 2 and 3 and how they related to work elsewhere in UNCTAD, he stated that the "World Economic Outlook" was traditionally discussed at the Board under the item relating to interdependence of problems of trade, development finance and the international monetary system; secondly, these subprogrammes provided the analytical framework for UNCTAD's contribution to the formulation of the new international development strategy; and, thirdly, they provided the specific forecasts and projections for developing countries subject to debt reorganization. He was the first to agree that the "World Economic Outlook" could be much improved, with the infusion of additional resources. None the less, he believed that the document would improve as experience was gained, and that even now it was a valuable document which made a unique contribution.

62. With respect to the question on the "Bulletin of Short-Term Indicators" (programme element 4.1), he referred to the discussion that had taken place in the Working Party of the seventeenth session of the Board. f/

63. Addressing the question of co-ordination in the United Nations system with respect to computer services, he explained that there was an Interdepartmental Information Systems Board (ISB), chaired by an Under-Secretary-General, the function of which was, inter alia, to examine and approve computer systems within the various United Nations computer centres in order to overcome possible duplication.

f/ See ibid., Thirty-third Session, Supplement No. 15 (A/33/15), vol. I, part three, annex II, sect. 3.1.

64. With regard to the two questions addressed on the use of consultants, he believed it was true that the Money, Finance and Development Division used relatively few consultants; they were used to meet short-term needs for particular expertise. A large part of the consultant funds for this programme used in the 1978-1979 biennium had been for the studies on inflation pursuant to a General Assembly resolution. Those studies had been well received, and the secretariat had received several enquiries from outside publishers for their release and/or publication.

65. The reference in paragraph 34 of the programme budget document to provision for the convening of one expert group during the 1980-1981 biennium was part of the general provision for sixteen weeks of meetings of experts. It allowed the Secretary-General of UNCTAD to convene a meeting of experts, at some time during the biennium, on a question lying within the broad area of money and finance, as he deemed appropriate. Reference to such a meeting was not to be confused with the intergovernmental high-level group of experts established under Conference resolution 128 (V) on international monetary reform, the substantive support costs of which were included under programme element 1.5.

2. Commodities

66. In an introductory statement, the Director of the Commodities Division highlighted a number of fundamental aspects of the commodities programme. He drew attention to the fact that the flow of preparatory meetings and negotiations on individual commodities under the Integrated Programme for Commodities (IPC) was likely to increase in the forthcoming biennium. He also noted that Conference resolution 124 (V), section III, concerning developmental aspects of IPC, had added what amounted almost to a new dimension to the implementation of that Programme, and that the fifth session of the Conference had also added a number of new responsibilities to UNCTAD's existing mandate in the commodities field, for example in respect of the stabilization of export earnings and the review of international food trade. In addition, the Commodities Division was called upon to carry out a broad range of continuing activities. The Director observed that the Conference itself, in section IV of resolution 124 (V), had already recommended that there should be a continuation of ad hoc and regular resources over the period 1980-1981 in the context of the continuing work under Conference resolution 93 (IV). In conclusion, he stressed the importance of flexibility in the recruitment and deployment of resources in connexion with the commodities programme.

67. The spokesman for Group B expressed satisfaction with the fact that no increase in resources was requested in the commodities sector, notwithstanding the adoption of five new resolutions on commodities at the fifth session of the Conference. He referred, however, to two areas of concern felt by members of his Group. One related to the difficulty of exercising adequate control over the commodities sector of the programme budget without taking account of its very heavy incidence on the apportioned costs under sections 28 and 29 of the United Nations budget. It was felt that this was the result of scheduling too many meetings under IPC and that their number would need to be reduced in the next two years. The second area of concern related to the difficulty of obtaining

a sufficiently clear picture from the programme budget document of the allocation of resources within subprogramme 1, on IPC. This difficulty might be resolved if, in future, the subprogramme were divided into two parts, one relating to the "older" and one to the "newer" aspects of the implementation of IPC, more specifically the implementation of section III of Conference resolution 124 (V). He understood the secretariat's concern with the need for flexibility in the use of resources, but his Group was nevertheless surprised by the proposed increase in the already heavy use of consultants for the programme. He requested clarification of some apparent discrepancies in the figures given in different parts of the programme budget document relating to funds for resources for IPC.

68. The spokesman for the Group of 77 stated that the ending of the "time-bound frame" of IPC did not mean that activities under that Programme would diminish in volume; on the contrary, a more intensive phase of implementation was approaching and, in addition, new areas of the Programme were being opened up. Referring to comments made by the spokesman for Group B, he expressed the view that reliance on the use of consultants was preferable to the recruitment of new staff and that the Working Party was not the appropriate forum in which to consider the question of the number of meetings held under IPC. Referring to paragraph 40 of the programme budget document (A/C.5/34/27), he requested clarification concerning the 13 professional posts which, it was implied, were available to the Commodities Division from the ad hoc resources granted in connexion with IPC.

69. The representative of China said that the commodities programme which had been presented was acceptable to his delegation and that the stress laid on implementation of IPC was correct. Referring to a comment by the spokesman for Group B, he expressed the view that the rate at which IPC was being implemented should be increased, rather than reduced, in the coming biennium. He requested clarification concerning the relationship, if any, between the budget proposals under consideration and the resolution adopted by the Interim Committee of the United Nations Negotiating Conference on a Common Fund, at its second session, relating to an advance of \$1.8 million for the financing of preparatory work for bringing the Common Fund into operation.

70. The Director of the Commodities Division, replying to some of the points raised, noted that the anticipated allocation of staff resources to work on developmental aspects of IPC was illustrated on pages 16-17 of the Programme Elements paper which had been made available to the Working Party. The figures illustrated why increased reliance on consultants' services would be required in this area in the forthcoming biennium. As regards preparatory work for bringing the Common Fund into operation, the figures given on page 10 of the same document showed that a very modest - indeed inadequate - allocation of secretariat resources was envisaged for 1980-1981.

71. The Chief of the Administrative Service, replying to the other points raised, stated that the data given in paragraph 40 of document A/C.5/34/27 referred to the position in October 1978, which had been reported to the United Nations Headquarters Secretariat at that time. IPC staff resources had been appropriated in a flexible manner; they comprised, in all, 16 professional posts at an

average P-5 level and 10 general service posts. The total ad hoc IPC resources requested for 1980-1981 were \$3,274,000, comprising \$2,145,700 for the Commodities Division, \$394,300 for the Conference Affairs Service and \$734,000 for common staff costs.

72. The spokesman for the Group of 77, commenting on the explanation by the Chief of the Administrative Service, said that he could not understand why posts for which provision was made in the context of IPC, but which were not used in the Commodities Division, were not shown in the programme budget under the programmes where they were actually employed. He also referred to paragraphs 6 and 9 of document A/C.5/34/27 and stated that, in the view of his Group, it would be more logical, now that there was clear provision for activities under IPC to continue after the "time-bound frame", that IPC resources should be changed from the category of "non-recurrent" to that of "recurrent", rather than the reverse. In particular, the activities arising from Conference resolution 124 (V), section III, were not "non-recurrent".

73. The spokesman for Group B said that he had not meant to imply that an arbitrary decision should be taken to reduce the number of IPC meetings, but that the number could be expected to diminish automatically, as work on different commodities was completed. As regards the use of consultants, his principal concern was to ensure that consultants were not employed on long-term tasks for which regular staff could more appropriately be designated.

74. The Chief of the Administrative Service said that there had been some differences of view with regard to the drafting of those sections of the programme budget to which the spokesman of the Group of 77 had referred in his second intervention. The final texts reflected the decision of United Nations Headquarters in this respect. He added that, if the IPC resources of the programme budget were approved in the form in which they had been proposed, this would not give rise to administrative problems in the biennium 1980-1981. The question of whether certain resources should be regarded as recurrent or non-recurrent could be reconsidered in the context of the programme budget for 1982-1983.

75. The representative of the United States of America observed that the principle which seemed to have been adopted with respect to the resources made available in the context of the commodities programme was that, if they were found to exceed requirements, other ways would be found to make use of the excess. In his view, the whole exercise of attempting to relate resources to requirements was largely nonsensical unless priorities were established among the various programmes and elements. He raised a number of specific questions regarding particular aspects of the commodities programme, but indicated that his concern was not so much to obtain detailed replies during the present session of the Working Party, given the severe time constraints, as to illustrate the need for providing governments with fuller information in the future. He hoped that the secretariat would nevertheless be able to provide answers to his questions at some other time.

76. The Director of the Commodities Division noted that the observations made by the representative of the United States of America at the beginning of his intervention appeared to be of a general character, rather than being specifically directed to the commodities programme. He gave a number of explanations regarding the more specific questions raised by the same representative.

3. Manufactures and semi-manufactures

77. In an introductory statement the Officer-in-Charge of the Manufactures Division said that new activities had resulted from Conference resolutions 103 (V) on restrictive business practices and 131 (V) on protectionism and structural adjustment. While the additional work on protectionism and structural adjustment could be carried out with existing resources, an additional professional post would be indispensable to implement the resolution on restrictive business practices.

78. The spokesman for the Group of 77 stated that manufactures was one of the most dynamic areas of growth for developing countries and one of considerable significance for them. The programme elements of this section of the programme budget broadly conformed to the mandates UNCTAD had been given. However, as regards subprogramme 1, it was not clear what priority was being given to the individual elements and he felt that greater concentration was needed on adjustment assistance measures; tariff reclassification, on the other hand, should be given lower priority because the Customs Co-operation Council was doing a major job. He wondered whether programme element 1.7 (import régimes of socialist countries) did not more appropriately fall within the province of the Division for Trade with Socialist Countries. As regards subprogramme 3, he expressed his Group's support for the general thrust of the subprogramme, especially programme element 3.1 (annual review of the patterns of production and trade in the world economy) and asked about progress regarding the trade-related aspects of industrial co-operation.

79. The spokesman for Group B commented that there was duplication throughout the text of this section of the programme budget which revealed a failure to consolidate all the work which was being undertaken. This was especially the case with regard to Conference resolution 131 (V), which called for a review of the patterns of production and trade in the world economy and that appeared to be used as legislative authority to justify a number of studies throughout the programme. His Group considered that too many resources were being allocated to following up the multilateral trade negotiations, especially for 1981, and that the redeployment of these resources would obviate the need for the additional 12 staff months requested.

80. The spokesman for Group B made a number of more specific points. As regards the documentation that was being envisaged for the plurilateral consultations on individual schemes of generalized preferences, he felt that the secretariat was taking on itself too much responsibility and that some of the analyses could be carried out by member States. There was, moreover, a degree of overlap with work in GATT on preferences. As regards lectures and seminars under technical assistance, both on GSP and on export development,

he felt that the text failed to mention the responsibility of the International Trade Centre UNCTAD/GATT (ITC) in the matter. He inquired whether UNCTAD's work on adjustment assistance was overlapping with that of the ILO and asked whether the support given by the Manufactures Division to a UNDP project for the establishment of a regional export credit insurance scheme in the ESCAP region overlapped with the work of the Money, Finance and Development Division on an export guarantee facility. In conclusion, he wondered what was the mandate for and the purpose of the study entitled "The structure and behaviour of enterprises in the chemical industry and their effects on the trade and development of developing countries" (UNCTAD/ST/MD/23), which had recently been issued.

81. The representative of China, referring to programme element 1.7 (import régimes of socialist countries) considered that this fell within the province of the programme on trade with countries having different economic and social systems.

82. Commenting on the discussion and replying to questions raised, the Officer-in-Charge of the Manufactures Division said:

(a) Adjustment assistance measures was a priority item, the mandate for which derived from Conference resolutions 96 (IV) and 131 (V). Because of the wide-ranging mandate of resolution 131 (V) reference was made to the resolution under the relevant items in subprogrammes 1 and 3. The resolution was not limited to the annual review of patterns of production and trade in the world economy, but extended to adjustment assistance measures, the review of developments involving restrictions of trade in the context of the study of protectionism, and the compilation and updating of the inventory of non-tariff barriers to trade. Co-operation with GATT on the subject-matter was also dealt with in the resolution.

(b) As regards the 12 staff-months allocated to the study and evaluation of the multilateral trade negotiations in 1981, the problems to be dealt with would not be over with the conclusion of the negotiations: tariff cuts would be spread over eight years and the various codes and agreements which were to become operational were of direct concern to the Division's work programme relating to the expansion and diversification of developing countries' trade.

(c) Regarding tariff reclassification, three staff-months would hardly cover the duration of the sessions of the Harmonized System Committee of the Customs Co-operation Council, in which work UNCTAD took an active part. The work also included special tariff arrangements for hand-made products.

(d) Resolution 96 (IV) provided a mandate for the study of import régimes of socialist countries within the broader context of access to markets of developed countries for developing countries' exports. It should be recalled that some socialist countries of Eastern Europe were also preference-giving countries under GSP. In their joint declaration at the fourth session of the Special Committee on Preferences, these countries had, in addition to tariff preferences, undertaken to apply other economic and foreign trade measures designed to expand their imports from developing countries. Work on this subject did not overlap with that of any other Division.

(e) As regards the plurilateral consultations on the GSP, the UNCTAD secretariat was not trying to substitute itself for member States in undertaking studies, but was implementing decision 179 (XVIII) of the Trade and Development Board which requested the secretariat to assist preference-receiving countries if so requested. The GSP had been adopted in UNCTAD and any possible overlap with the GATT resulted from the latter's need also to circulate notifications concerning modifications in the GSP schemes of preference-giving countries that were GATT members.

(f) Lectures and seminars under technical assistance did not overlap with ITC. The Division's work dealt with the supply capability of developing countries, their export policies and access to markets of developed countries for their exports, whereas work in ITC dealt primarily with trade promotion.

(g) As regards the regional export credit insurance scheme in the ESCAP region, UNCTAD was providing only the technical expertise to ESCAP, which did not overlap with the work of the Money, Finance and Development Division relating to the establishment of a global export credit guarantee facility.

(h) The study on the structure of the chemical industry was part of the ongoing work on restrictive business practices and had been carried out under the mandate given to the secretariat in Conference resolution 96 (IV).

(i) Referring to the joint UNCTAD/UNIDO Expert Group, he added that the Group had met for the first time in October 1979 and had recommended a work programme for consideration by UNCTAD and UNIDO.

4. Shipping, ports and multimodal transport

83. In an introductory statement, the Director of the Shipping Division said that the programme budget took account of two major decisions by inter-governmental bodies: (a) Economic and Social Council resolution 2098 (LXIII) and the subsequent decision by the Trade and Development Board (decision 169 (XVIII)) which entrusted the Committee on Shipping with responsibilities at the global level in the field of multimodal transport and containerization; and (b) Conference resolutions 106 (V) on the Convention on a Code of Conduct for Liner Conferences, 120 (V) on the participation of developing countries in world shipping and 121 (V) on ship financing and technical assistance.

84. The spokesman for Group B asked why, in paragraph 57 of the programme budget, the term "transport enterprise" was used, since the Division dealt with shipping. He further inquired about the legislative authority for the study on the effect of total transport costs on the balance of payments of developing countries mentioned in programme element 3.1, since the Money, Finance and Development Division dealt with balance-of-payments questions. On subprogramme 4 (maritime legislation), he inquired about the legislative authority for drafting a general international instrument dealing with international relations in shipping. On programme element 4.2 (substantive support to technical co-operation activities), it was his understanding that extrabudgetary resources always included overhead costs to cover the work of

the secretariat. Finally, he inquired how the proposed ad hoc feasibility unit was expected to function and questioned the necessity of an additional P-3 post for work on air cargoes, noting that Conference resolution 120 (V) stated that work on this subject should be carried out in co-operation with ICAO.

85. The spokesman for the Group of 77 said that, in the view of his Group, the one P-3 post was not sufficient to undertake all the tasks requested in paragraph 65 of the programme budget and that there was a need for additional posts.

86. He noted that the appropriation of funds as between the various subprogrammes was particularly well balanced, compared with that of other programmes. He asked why Conference resolution 119 (V) on protectionism in the services sector had not been taken into consideration in the budget proposals, in particular as regards the provisions of that resolution concerning air transport. It was the view of the Group of 77 that questions relating to air transport could be included under subprogramme 3. He observed that, under Economic and Social Council resolution 2908 (LXIII), the question of multimodal transport had been entrusted to UNCTAD. He wondered, therefore, why no provision had been made in subprogramme 3 for studies concerning multimodal transport legislation. Moreover a number of resolutions adopted at the fifth session of UNCTAD, such as resolution 127 (V) on economic co-operation among developing countries and resolution 122 (V) concerning least developed countries, contained references to shipping questions. He asked why the programme did not make the relevant provision for the implementation of those resolutions in so far as they concerned shipping. He requested information on the legislative authority for the preparation of guidelines and the provision of advice to Governments at the national and regional levels described in paragraph 55 of the programme budget document. With respect to programme element 3.1, he requested that the scope of the studies to be undertaken should be expanded to cover air transport.

87. Commenting on the remarks made, the Director of the Shipping Division said that:

(a) In regard to resolution 119 (V) on protectionism and the services sector, his Division dealt with air transport only as part of multimodal transport. The resolution as a whole did not fall within its province.

(b) At its next session the Committee on Shipping was expected to adopt a programme of work on multimodal transport, including appropriate legal studies. Furthermore, the subject of marine insurance, charter parties and general average would be dealt with by the Working Group on International Shipping Legislation in the next three years.

(c) To the extent that shipping issues were referred to in resolutions on economic co-operation among developing countries and on least developed countries adopted at Manila, they had to a large extent been covered in the shipping programme, and there was continuous co-operation between the divisions concerned.

(d) Specific legislative authority for the studies and activities referred to by the spokesman for the Group of 77 was to be found in the terms of reference of the Committee on Shipping and the relevant decisions of the Committee on Shipping at its eighth session.

(e) The term "transport enterprises" was one generally used in the context of multimodal transport.

(f) The Shipping Division dealt with specific aspects of the balance of payments, in accordance with the legislative authority contained in the terms of reference of the Committee on Shipping.

(g) He agreed that the term "international shipping instrument" should be replaced by "shipping policy harmonization", and stated that that was being done already in the updating of the medium-term plan 1980-1983.

(h) The cost of substantive input into technical assistance projects was not fully covered by UNDP or other extrabudgetary sources, and the balance had to come from the regular budget.

(i) The ad hoc unit on feasibility studies had not been set up yet, and resources envisaged for it would enable only two studies to be undertaken.

(j) The additional P-3 post would not be for work on air cargo but, as stated in paragraph 65 of the programme budget, for work on the implementation of the Convention on a Code of Conduct for Liner Conferences and on maritime transport of refrigerated cargo. When financial implications were given at Manila for Conference resolution 122 (V), it had been indicated that two additional posts would be required. However, in view of the budget austerity, only one post was being requested.

5. Transfer of Technology

88. The Director of the Transfer of Technology Division, in an introductory statement, said that the programme on transfer of technology was described in great detail not only to facilitate a close examination of the programme budget by the member States, but also to reflect the manner and direction in which the three main components of the programme would evolve during the coming biennium in relation to the effort to date.

89. The first component had to do with the establishment of a legal framework for the transfer of technology. The United Nations Conference on an International Code of Conduct on the Transfer of Technology, whose second session had just ended, would reconvene in the spring of 1980 to complete its work. Once this Code was established, the focus of the secretariat's work would shift to the monitoring of its application. In the industrial property field, the initiative taken by UNCTAD towards revising the Paris Convention had contributed to the convening of a diplomatic conference to that end under the auspices of the World Intellectual Property Organization. The secretariat's work would be redirected to other aspects of industrial property, including trademarks and impact of new legislation.

90. The second component of the programme concerned the undertaking of general studies on questions relating to transfer and development of technology in developing countries. In this area, the main focus would shift from examination of individual country experiences to that of sectors and areas. The main attention would be given to features common to several countries and regions, the primary aim being to reintegrate the diverse elements relating to transfer and development of technology in a planned framework to point the way to technology planning.

91. The third component was the Advisory Service. Here the focus of the secretariat's work had moved from assisting developing countries to identify existing policy and institutional gaps and inadequacies in the technology field to provision of advisory services for building up effective institutional structures for formulating and implementing technology policy and adopting technology planning as an instrument for technological transformation of these countries.

92. Finally, the Programme of Action adopted by the United Nations Conference on Science and Technology for Development g/ tended to reinforce the work of the UNCTAD secretariat in respect of each of its three programme components.

93. The representative of the German Democratic Republic, drawing attention to the relatively high growth rate of the resource requirements for the programme on transfer of technology, suggested that, for instance, it might be possible to reduce the number of studies in subprogramme 2 by deferring those of lower priority or transferring some of them to other agencies. He considered the allocations for ad hoc expert group meetings as well as the amount requested for the use of consultants, very high. As to subprogramme 3, some of the activities might be more effectively and cheaply undertaken by the regional commissions, in line with the present decentralization policies of the United Nations.

94. The spokesman for Group B considered that the real growth rate of resources for this programme was too high, and suggested that some of the programme elements might be financed from extrabudgetary resources. He noted, for instance, that the extrabudgetary resources envisaged for the 1980-1981 biennium were approximately double the corresponding amount for the 1978-1979 biennium. In view of the expected increase in voluntary resources for the Advisory Service, he asked whether the additional P-3 post requested in paragraph 84 of the programme budget document (A/C.5/34/27) was necessary. As to subprogramme 3, the activity was not sufficiently spelled out in that document. He therefore requested a more detailed explanation of the functions of the Advisory Service on Transfer of Technology, and of the nature of the UNCTAD secretariat inputs in the assistance to regional centres on transfer and development of technology.

95. He had the impression that many of the studies under subprogramme 2 - such as telecommunications, public enterprises, the role of women, and technology trading enterprises - were either without explicit legislative authority or based on an exaggerated interpretation of given authority.

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

He also questioned the advisability of UNCTAD's involvement in the work in the environmental field, which he thought beyond the mandate given to the secretariat. He also asked what was the legislative authority for a study recently issued entitled "Health and educational technology in Cuba" (TD/B/C.6/46). With respect to paragraph 83 of the budget document he noted that work on developmental and social implications of technology transfers could be included in the ongoing sectoral studies. Furthermore, UNCTAD's further work on reverse transfer of technology in response to paragraph 9 of Conference resolution 102 (V) depended on the decision of the Secretary-General of the United Nations on co-ordination of work in this area among various United Nations agencies. Finally, in view of all of the above considerations, he had to conclude that the request for two new posts for this programme was not justified.

96. The spokesman for the Group of 77 stated that the high growth rate of resource requirement for the programme on transfer of technology reflected the relative priority given by the Secretary-General of UNCTAD to this area. The request for two new professional posts plus one general service post for this programme corresponded to the new requirements arising from the resolutions adopted by UNCTAD at its fifth session. His Group favoured an increase in resources in this area and emphasized the need to respect and implement the decisions taken by Governments in Conference resolutions, and consequently reflected in the work programme.

97. The representative of Poland drew attention to the need to co-ordinate the work, especially in subprogramme 2, with that of UNIDO. A clear division of labour between UNCTAD and UNIDO would lead to economy of resources and facilitate achievement of objectives as set out in Conference resolution 112 (V). As to the request for a new P-3 post for the Advisory Service, although Conference resolution 112 (V) recognized the need to strengthen the Service, it also specified from where the resources for this purpose were to be derived, such as UNDP and voluntary sources. Finally, he drew attention to the apparent overlapping between the activities relating to the pharmaceutical sector under programme elements 2.2 and 3.3.

98. In reply, the Director observed that the questions raised were of three types. The first related to the increase in resource requirements, the second to the study programmes, and the third to technical and operational assistance. Concerning the first, he emphasized that the secretariat had made efforts to mobilize extrabudgetary resources. The doubling of UNDP's contribution in the 1980-1981 biennium for this programme was a result of this effort. However, there was a corresponding need to strengthen the backstopping capacity. The request for one new post in the Advisory Service was therefore not unreasonable. The resource requirements for technical and operational assistance had further increased because the need for such assistance became more continuous and more complex as the projects developed at the country and regional level in scope. He pointed out that the secretariat's involvement in technical assistance was based entirely on specific requests from developing countries.

99. As to the study programme, the planned study on the role of women in technological transformation was the secretariat's response to resolutions of the Trade and Development Board, the General Assembly and the United Nations Conference on Science and Technology for Development. With respect to the other studies mentioned in the discussion, he stated that the legislative authority was resolutions either of the Conference or of the Committee on Transfer of Technology. Regarding the possibility of deferring the preparation of documents, and thereby reducing the resource requirements for the 1980-1981 biennium, he recalled that the secretariat had originally proposed that the next session of the Committee on Transfer of Technology should take place at the end of 1981. However, the Trade and Development Board at its nineteenth session had decided to move the meeting forward by one year, to November 1980. Decision 192 (XIX) of the Board specified that the secretariat should present to that session of the Committee documents on three specified sectors, namely, energy food and capital goods, and requested furthermore the Secretary-General of UNCTAD to present also, if possible, studies concerning the other sectors mentioned in paragraph 23 of Conference resolution 112 (V).

100. Regarding co-ordination with other United Nations organizations, there was a clear division of labour with WIPO concerning the revision of the Paris Convention. The UNCTAD secretariat's contribution had been focused on the commercial and economic implications of the revision, while the negotiations were carried out in WIPO. With UNEP, the UNCTAD secretariat had a joint research programme in the area of technology and environment. With UNIDO, meetings were held at frequent intervals with UNIDO officials on the various facets of work to be undertaken by the respective organizations. Finally, as a good illustration of co-operation by the UNCTAD secretariat with other United Nations agencies in the technology field, he cited the work of the joint task force consisting of UNCTAD, UNIDO, UNAPEC and WHO, whose report had led to the adoption of a new programme of action by developing countries in this sector at the Conference of non-aligned countries recently held at Havana.

6. Economic co-operation among developing countries

101. The Director of the Division for Economic Co-operation among Developing Countries made an introductory statement.

102. The spokesman for Group B stated that, in view of the cross-sectoral nature of economic co-operation among developing countries, the Division should draw upon the resources of other Divisions for work on specific programme elements. Referring to subprogramme 1, he stated that the experience and activities of GATT and the International Trade Centre UNCTAD/GATT (ITC) should be taken fully into account in the work on a global system of trade preferences and the establishment of a trade information system - otherwise there would be considerable duplication of efforts. Since GATT and ITC were also carrying out activities related to this subprogramme, he did not see the need for the new professional post requested for this purpose. In connexion with subprogramme 2, he asked what was the legislative authority for UNCTAD to become a forum of negotiations for multinational production undertakings. As to subprogramme 3, he questioned the legislative authority for convening a meeting of secretariats of economic co-operation groupings of developing countries and in this respect he

referred to the principle of universality within UNCTAD. Referring to subprogramme 4, he inquired about the legislative authority for undertaking activities mentioned in connexion with the feasibility of establishing a bank for developing countries, with the setting up of a financial facility aimed at the expansion of trade among developing countries and with the Co-ordination Committee on Multilateral Payments Arrangements and Monetary Co-operation. He also asked why the Division was preparing a handbook on international sugar marketing and whether the Commodities Division had been involved in this activity. Finally, in connexion with subprogramme 5, he asked whether a final decision had been made to designate UNCTAD as the focal point for co-ordination of activities in the field of economic co-operation among developing countries within the United Nations system, and on interagency co-ordination and programme planning and management referred to in this subprogramme.

103. The Director of the Division for Economic Co-operation among Developing Countries, referring to the general comments by the spokesman for Group B, provided information on links established with other organizations of the United Nations system in the implementation of the work programme in the field of economic co-operation among developing countries. He said that in economic co-operation among developing countries it had not been possible to limit activities in time since the work programme derived from resolution 1 (I) of the Committee on Economic Co-operation among Developing Countries and had entered a second phase in view of the fact that Conference resolution 127 (V) had considerably extended UNCTAD's mandate in this field. In connexion with the two new posts requested, he stated that the need arose from increased activities concerning the global system of trade preferences among developing countries and the trade information system, which were not being dealt with in the framework of ITC and GATT. As to co-ordination with the latter two organizations, steps had already been taken in that direction. He added that UNCTAD could become a forum for negotiations related to multinational production enterprises only if specifically requested to do so and that this was duly reflected in the corresponding subprogramme. The meeting of secretariats of economic co-operation groupings had been planned following the conclusions of the Working Party on Trade Expansion and Regional Economic Integration among Developing Countries which had met in 1978, as well as the interest expressed by developing countries on several occasions. As to UNCTAD's mandate in the field of monetary and financial co-operation, details could be found in the report of the Committee on Economic Co-operation among Developing Countries on its second session. h/ In connexion with UNCTAD's role as focal point in the field of ECDC, he indicated that recent ACC decisions had not implied any variation in UNCTAD's responsibilities in this field.

104. The spokesman for the Group of 77 sought information concerning the basis of work for some of the activities foreseen under subprogramme 3.

105. Drawing attention to programme element 4.3 on financial flows among developing countries, the representative of Qatar said that he doubted whether legislative authority existed for the preparation of further annual reports on this subject and suggested that there was no need to prepare them.

106. The representatives of the Federal Republic of Germany and of Japan referred to the fact that, within the programme on economic co-operation among developing countries, two new posts were being requested in connexion with the global system

h/ See Official Records of the Trade and Development Board, Tenth Special Session, Supplement No. 2 (TD/B/732).

of trade preferences and the trade information system, and that a third post was foreseen for the same purpose under the programme on money, finance and development. The representative of the Secretary-General of UNCTAD indicated that these activities required three new posts: two (a senior professional and a general service statistical clerk) in the Division for Economic Co-operation among Developing Countries and one (a programmer/analyst) in the Division for Money, Finance and Development.

107. The spokesman for Group D stated that there was no indication of how resources would be utilized under subprogrammes 1 and 2 and that budget reductions could possibly be envisaged. As to subprogramme 3, meetings could not be convened without prior authorization from the Committee on Economic Co-operation among Developing Countries or the Trade and Development Board. The unlimited number of meetings foreseen under this subprogramme could not receive Group D's support.

108. The Director stated that, as far as subprogrammes 1 and 2 were concerned, nearly 80 per cent of resources allocated represented salaries of staff members. Therefore, the margin for introducing reductions was very narrow. The meeting of secretariats of economic co-operation groupings mentioned in subprogramme 3 would be convened if there was a decision to this effect by the Committee on Economic Co-operation among Developing Countries or the Trade and Development Board. Replying to questions concerning the preparation of a handbook on international sugar marketing, he stated that this activity derived from a technical assistance project through which three courses on international sugar marketing had been organized for a regional organization in Latin America. The handbook was designed to allow other developing regions to share the very positive experience gained from the courses.

7. Trade among countries having different economic and social systems

109. In an introductory statement, the Director of the Division for Trade with Socialist Countries stated that the activities envisaged under this programme were based on General Assembly resolution 1995 (XIX) and the relevant resolutions and decisions of the Conference and the Trade and Development Board, which had been reconfirmed by Conference resolutions 95 (IV) and 116 (V). The joint activities with the regional commissions had recently been intensified, as had co-operation with other specialized bodies within the United Nations system, in particular with UNIDO. The programme was essentially of a continuing nature, aimed at promoting the adoption by States members of UNCTAD of policies and measures designed to expand both trade between developing countries and socialist countries of Eastern Europe and East-West trade. The main specific activities within the programme were designed to combine work in both traditional areas and new fields of activity resulting from the resolutions and decisions adopted in UNCTAD. Policy-oriented studies and reports would be submitted to the Board on such issues as the review of trends and policies, the legal and institutional framework, evaluation of the commodity structure, long-term prospects for trade and economic co-operation, various forms of multilateral co-operation, including tripartite co-operation, and co-operation between developing countries and CMEA.

Taking into account the work carried out by the Economic Commission for Europe, developments in East-West trade would continue to be analysed with a view to making suggestions for the elimination of existing barriers and protectionist measures. The secretariat would intensify substantive backstopping of bilateral and multilateral consultations among interested member countries. Various operational activities, such as training, dissemination of information and advisory services, would also be carried out. Furthermore, he noted that no additional resources had been requested for the biennium 1980-1981.

110. The spokesman for the Group of 77 said that his Group attached great importance to trade among countries having different economic and social systems and considered that the potential for such trade should be fully exploited. Supporting the relevant section of the proposed programme budget, he sought clarification about the nature and practicability of the studies at the enterprise level. The representative of a developing country said that the principle of universality should prevail in UNCTAD but that, at the same time, emphasis should be put on trade between developing countries and the socialist countries of Eastern Europe. Both ECE and UNCTAD should be careful to avoid duplication of activities and a waste of resources when preparing studies on trade among countries having different economic and social systems.

111. The representative of China inquired about the legislative authority for the ad hoc expert group referred to in paragraph 111 of the programme budget and about the terms of reference of the group.

112. The spokesman for Group B commended the decrease by 3 per cent in the total costs of the programme. In the view of his Group, East-West trade was irrelevant to a programme on trade between countries having different economic and social systems, and he requested that the relevant part of the programme be redrafted. Commenting on the documentation which the secretariat envisaged preparing, he said that the experience of the nineteenth session of the Trade and Development Board had demonstrated that such studies could make a major contribution to the work of UNCTAD, but at the same time there were a few studies which Group B countries considered were of less significance in the context of the discussion at that session. Group B hoped that the secretariat would take into account whether there was a real need for those studies. He inquired about the relationship of work on statistics under this programme and under the programme for money, finance and development and wondered what was the legal authority for the activities on a co-operation mechanism.

113. The spokesman for Group D said that his Group noted with satisfaction the economies envisaged for the implementation of this programme, on the understanding that the expected accomplishment of an increased volume of work meant higher productivity of the secretariat. The text of the programme budget recognized the complex nature of the programme for expansion and normalization of trade among countries with different economic and social systems, both in

trade between socialist countries and developing countries and in East-West trade, in accordance with General Assembly resolution 1995 (XIX). Group D believed that these two trade flows were interrelated and conditioned each other. In its view, various aspects of East-West trade could be considered, not only under programme element 1.3, which was specifically devoted to the expansion of this trade, but also under elements 1.1 (review of trends and policies), 1.2 (promotion of trade), 1.4 (prospects in trade), 2.1 (economic and technical co-operation) and 2.2 (strengthening of co-operation mechanisms). His Group thought it desirable to continue the work on tripartite co-operation, mentioned under programme element 2.4, which could appropriately be carried out jointly by UNCTAD and ECE. He noted that this possibility was mentioned in the programme budget. He also supported the proposed activities in the area of technical assistance to the developing countries.

114. Commenting on the discussion and replying to points raised, the Director of the Division for Trade with Socialist Countries said that:

(a) In its work in all areas, including East-West trade, the secretariat adhered to the relevant decisions and recommendations of the General Assembly and the Conference.

(b) On the question of legislative authority for the ad hoc expert group, the relevant proposal had been put forward in two draft resolutions that had been remitted by the Conference to the Board at its nineteenth session and were now to be considered by the Board at its twenty-first session.

(c) The Division prepared, on a permanent basis, detailed statistics on trade among countries having different economic and social systems, as part of its documentation for the Trade and Development Board, and no such material was prepared by any other Division of UNCTAD.

(d) The intention to undertake studies on the co-operation mechanism at the enterprise level was justified, taking into account that the secretariat had already undertaken a project on the co-operation mechanism at the governmental level.

(e) He noted that East-West aspects referred to by Group D were dealt with under the various programme elements of this programme.

8. Least developed, land-locked and island developing countries

115. In an introductory statement the head of the programme indicated that UNCTAD had pioneered work on the least developed countries and that progress had been made in specifying particular special measures on behalf of these countries in Conference resolutions 62 (III) and 98 (IV). However, these measures had often not been specific enough, so that while some positive action had taken place it was not nearly enough to meet the deep structural

problems of these countries. The need to do something far more substantial than in the past, in the face of stagnation and even decline in the economies of these countries, had been recognized at Manila with the adoption of the Comprehensive New Programme of Action for the Least Developed Countries in resolution 122 (V). This was an extremely ambitious effort to do no less than transform the economic structures of the least developed countries during the coming decade and to provide far more to meet the basic social needs of the poor. Such a programme would require a major response from all parts of the international community and UNCTAD's work as the focal point for this effort had been very greatly expanded.

116. Over the next two years the resolution called for an Immediate Action Programme, followed by a Substantial New Programme of Action for the 1980s. Preparations must begin as soon as possible if these programmes were to be successful. At the global level, the immediate steps foreseen included the meeting of a group of high-level experts to consider the Comprehensive New Programme of Action for the Least Developed Countries (26-30 November 1979) and the third session of the Intergovernmental Group on the Least Developed Countries scheduled to meet in early February 1980 and which would review specific proposals for the further implementation of the Comprehensive Programme. He also noted that there was a draft resolution before the current session of the General Assembly calling for a United Nations Conference on the Least Developed Countries, to be convened in 1981, in order to "finalize, adopt and support" the Substantial New Programme of Action for the 1980s for these countries.

117. The Comprehensive Programme would give a real opportunity to alter the fundamental economic conditions of the least developed countries and needed to be taken very seriously. The secretariat unit, acting as the focal point for this programme, clearly needed to be strengthened, and this was why additional resources had been requested.

118. With respect to land-locked developing countries, he noted that these were almost all least developed as well, and the programme that had been developed within UNCTAD, on the basis of the work of two expert groups and considerable studies, now concentrated on the "integrated planning approach" to the transit-transport problems of these countries, which had been embodied in Conference resolution 123 (V). The work now involved substantial technical assistance activities, which were being fully supported by UNDP, with projects involving each of the land-locked countries and each of their major transit-transport corridors already under way or firmly planned. These activities were being backstopped by UNCTAD in close co-operation with other international agencies and the regional commissions. The Swedish International Development Authority (SIDA) was also supporting this programme.

119. UNCTAD has also pioneered the development of a programme to help offset the geographical disadvantages of island developing countries. Conference resolution 111 (V) spelt out a programme of further work which UNCTAD would fully follow up in co-operation with the regional commissions and other United Nations agencies.

120. The spokesman for Group B noted with great interest the description of the programme on the least developed countries and expressed satisfaction at the considerable increase in resources devoted to it. He observed that three posts would be a big addition, although he did not question their necessity. He asked why it was considered necessary to grade one of the posts at the P-5 level and two at the P-4 level, rather than at lower levels. He also hoped that the programme would draw on the resources of the other divisions in UNCTAD and thus strengthen the total resources being used on behalf of the programme. He called attention to programme element 1.1 and noted that part of this work was based on paragraph 37 of Conference resolution 122 (V), which stated that the in-depth studies called for should be done "in co-operation with other relevant United Nations bodies, taking into account work already done in this area". With respect to programme element 1.3, he noted the reference therein to a United Nations Conference on the Least Developed Countries and wondered whether the proposed programme budget took into account the preparations for such a conference.

121. The representative of Qatar said that it was essential that the least developed countries be enabled to accelerate their development. He noted that the increases in the resources for this programme, if account was taken of inflation, amounted to only 12 per cent - very little indeed compared to the requirements of the programme; he would have expected to see a 100 or 200 per cent increase in view of the programme's importance. He noted that substantial resource increases in percentage terms were necessary because the programme had only recently been established and was moving upwards from a small initial basis. He called attention to the complexity of the programme, as reflected in the comprehensive nature of resolution 122 (V). He noted that some delegations at the fifth session of UNCTAD, while strongly supporting the programme, had reservations when it came to financial support for it.

122. The spokesman for Group D stated that the increase of three professional posts and one general service post was considerable and needed to be carefully studied and justified. He referred to the reservations made by certain countries when resolution 122 (V) was adopted. He raised the question of the possibility of overlaps in the functions under programme element 1.1 in respect of general policy studies, 1.1 (iv) with reference to country studies, and 1.2 with reference to statistical and econometric studies, saying that any such overlap should be avoided. He believed that the solution with respect to the need for increased resources might involve taking up the work on rationalization under Conference resolution 114 (V). To make major changes in the provisions of this section of the programme budget without reference to the work on rationalization might not be appropriate.

123. The Chairman noted that the programme budget could be reconsidered in the light of any results achieved on the rationalization of UNCTAD's machinery.

124. The representative of the Sudan felt that there was full justification for the proposed increase in resources, which was an inevitable corollary of the success at the fifth session of UNCTAD on the key question of the least developed countries. The global programme proposed was very ambitious, the additional work was already considerable and the responsibilities would be increasing further. Therefore the 37 per cent increase was modest, especially when seen in comparison to the UNCTAD budget as a whole. He drew attention to the small proportion of the total resources going to the unit of UNCTAD devoted to the least developed countries, as compared to other units of the secretariat. The programme had only seven posts, while other units were much larger. He felt that the tasks facing the programme on least developed countries were no less important.

125. In replying to the questions of the spokesman for Group B, the head of the programme noted that while the proposed increase in resources was high in percentage terms, it was not high in terms of the increased work-load involved in carrying out the Comprehensive New Programme of Action. With regard to the question of grading for the additional posts, he felt that the P-5 and P-4 levels were appropriate, in view of the fact that the Comprehensive Programme called for contacts at a high level with other United Nations agencies, donor Governments and officials in the least developed countries and this could not be appropriately done by very junior personnel. He confirmed that the programme would draw as much as possible on the resources of other UNCTAD divisions, as it had already been doing - for example, in the case of the study on possible benefits to the least developed countries under a global system of trade preferences and the study on the special treatment of debt problems of the least developed countries. He stressed that the studies envisaged under paragraph 37 of Conference resolution 122 (V) would be done in co-operation with other relevant United Nations bodies and taking into account past work. With regard to the draft resolution calling for a United Nations Conference on the Least Developed Countries which was before the General Assembly, he noted that indeed the financial implications of such a conference had not been taken into account in the preparation of the programme budget, and would be the subject of a separate submission to the General Assembly in connexion with the draft resolution.

126. Commenting on the remarks by the spokesman for Group D, he reiterated that, while the percentage increase in the programme was large, in terms of the major increase in work-load it was fully justified. With respect to possible overlaps in the description of the programme under programme elements 1.1 and 1.2, he noted that this particular programme was very small in terms of resources and all members of the unit worked closely together. Programme element 1.2 involved statistical and econometric work by one statistician, supported by two statistical assistants; charged with the complex technical task of adapting and processing the whole array of international development statistics for the

purposes of the programme, and which was essential to enable the economists involved in general policy studies and specific country analyses to do their work. The staff of the programme worked as a team and there was no overlap. On the question of waiting for the results of the Ad hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, he felt that the need for increased resources for the programme on least developed countries was far too urgent to be delayed until the work of that Committee was completed.

127. With respect to the statement made by the representative of the Sudan, he wished to make it clear that the programme could certainly use additional resources but that he was aware of the budgetary constraints which UNCTAD and the United Nations faced.

9. Insurance

128. The Chief of the Special Programme on Insurance explained the different elements of the programme in the light of the substantial progress made so far towards the objectives on insurance in the Programme of Action on the Establishment of a New International Economic Order and of the need to consolidate these achievements as regards the promotion of local insurance markets, as well as adequate regional and international co-operation in that sector.

129. Responding to the spokesman for Group B, he provided information on the legislative authority for the basic research and policy studies mentioned under programme element 1.1 and stated that those studies had been agreed upon by the Committee on Invisibles and Financing related to Trade. Commenting on a remark by the same spokesman that substantive support for technical co-operation activities (programme element 1.3) should be financed from extra-budgetary resources, he explained that the elaboration of technical assistance programmes, at the request of individual Governments or groups of Governments, or upon the initiative of the secretariat itself, often involved a great deal of preparatory work until a project document could be submitted to UNDP or to other prospective donors for approval.

10. Trade facilitation

130. The Chief of the Special Programme on Trade Facilitation (FALPRO), in an introductory statement, recalled an observation made at the Working Party of the seventeenth session that little was known about FALPRO's activities and that an account of them should be provided through the UNCTAD machinery. That had been done in a report (TD/B/751) and the intention had been for it to be presented first to the Working Party for a discussion on substance and then to the Trade and Development Board to obtain a decision confirming FALPRO's mandate and giving explicit legislative authority to the Programme. This order had eventually been reversed, with the result that the Trade and Development Board had adopted decision 187 (XIX) to the effect that FALPRO's work should be continued and intensified, within the framework of the resources made available to UNCTAD, ensuring full participation of developing countries in this effort.

131. The account given in the report was still valid, but there had been a very recent development during a symposium of the International Trade Centre UNCTAD/GATT (ITC) - held from 19 to 21 November 1979 in New Delhi - on technical co-operation with national chambers of commerce, at which it had been suggested that ITC, the International Chamber of Commerce and UNCTAD/FALPRO should develop a common strategy and programme in which chambers of commerce would participate particularly in the simplification and harmonization of commercial practices and procedures. Such an arrangement would add considerable strength to FALPRO's work. But it would also require increased FALPRO inputs, which would be extremely difficult as FALPRO's resources were already spread very thin. FALPRO would also be expected to direct facilitation projects under ITC or UNDP financing during 1980 and onwards amounting to 3-4 staff years, in addition to the three advisers expected to be attached to FALPRO in Geneva. How this would be possible with only two supporting posts, bearing in mind all the other FALPRO commitments, was a matter of concern.

132. At the Working Party of the seventeenth session of the Board there had been a comment that FALPRO's reference to "new methods of data communication" referred mainly to the use of telex, and was an attempt to "sell" rather than to give an accurate description of an activity. The Chief of FALPRO explained that the problem was not a matter of the level of technological sophistication, but was rather a formal and legal one: how to persuade Customs administrations to accept a telex message as a substitute for an invoice, or a certificate or a certificate of origin, or a bill of lading. The fact that the comment had been made illustrated the difficulty of attempting to describe technically complex issues in the condensed way appropriate for a budget document.

133. He concluded that the prospect of continuing an increased work programme without increased resources was disconcerting and might necessitate a cutting down of certain activities in order not to compromise the quality of FALPRO's work.

134. The spokesman for Group B observed that paragraph 127 of the programme budget did not refer to co-operation with ITC, which his Group felt was important in order to avoid any overlapping. However, paragraph 36 of document TD/B/751 referred to co-operation between FALPRO and ITC and the Chief of the Programme had answered the observation in advance in his introductory statement. He further pointed out that the growth rate of 5 per cent for FALPRO, compared to the 3.7 per cent for UNCTAD as a whole, was not significant in such a small budget but was probably due to the creation of a D-1 post. He thought that this was not justified by new activities and that the solution could be found through redeployment of UNCTAD resources.

135. The spokesman for the Group of 77 stated that technical co-operation in the field of trade facilitation was of significance for developing countries. Still more important was the fact that developing countries had specific problems and particular requirements which could not always be met by procedures and methods suitable for developed countries.

136. Replying to the spokesman for Group B, the Chief of FALPRO reaffirmed that every care was taken to avoid duplication or overlapping with any other organization. In the case of ITC, FALPRO was undertaking the execution of trade facilitation elements in ITC's trade promotion projects. Consultations would take place in the near future with the Director of ITC to further strengthen the arrangements for co-operation.

137. The problem referred to by the spokesman for the Group of 77 was a serious one, as the research work on new procedures and methods was carried out mainly within ECE, whose membership was not always cognizant of needs and conditions in non-European developing countries. An attempt to find a solution to this problem would be made, on the basis of Board decision 187 (XLIX) stating that full participation by developing countries in the facilitation effort should be ensured. Ways would be sought to provide opportunities for developing countries to participate in their own right in the work on development of new methods for trade data interchange and documentation.

138. The Chief of the Administrative Service explained that the proposal to reclassify the post for the Chief of FALPRO had been scrutinized by the competent authorities at United Nations Headquarters and been found to conform to the established criteria for posts at the D-1 level: hence the inclusion of this proposal in the 1980-1981 programme budget.

D. Programme support

139. In an introductory statement, the Director of the Division for Programme Support Services noted that no growth had been proposed in that Division, except for the addition of one Arabic typist in the Correspondence Unit of the Conference Affairs Service, to comply with the thrust of Conference resolution 115 (V).

140. In response to a question by the spokesman for Group B, he stated that no further meetings of regional groups had so far been requested for the 1980-1981 biennium, other than the meetings scheduled under Conference resolution 127 (V) to prepare for the special session of the Committee on Economic Co-operation Among Developing Countries, which included a two-day meeting of experts of developed market-economy countries, except for the recent request that facilities should be provided for a three-day meeting of the Group of 77 prior to the resumption of the United Nations Conference on a Code of Conduct on the Transfer of Technology. It was intended that that meeting would be serviced out of the provision for group meetings in section 29 of the programme budget.

141. In response to questions by the representative of Qatar, he observed that the matter of the expansion of Arabic interpretation and translation services for UNCTAD was one that related to section 29 of the programme budget (conference servicing), rather than the UNCTAD section. Following the adoption of Conference resolution 115 (V), representatives of the Secretary-General of UNCTAD had held consultations with representatives of the conference services at Headquarters,

at which they had reiterated the Secretary-General's earlier proposals for the full introduction of Arabic as a working language of UNCTAD over a two-year period. It was expected that these proposals would be considered by the General Assembly at its current session.

142. The Chief, Administrative Service, responding to questions by the spokesman for Group B and the representative of Qatar, stated that the budget presentation followed a standard format common to all sections of the United Nations budget. Every effort had been made to reflect cross-sectoral activities adequately. As to common staff costs, these were established at the rate for Geneva, namely 26 per cent of the cost of the corresponding established posts. The estimates given for external printing and binding for UNCTAD, as a whole represented no real growth over the appropriation for 1978-1979, and within this total a notional amount of \$4,900 had been earmarked for the printing of forms that could not be processed internally.

143. In connexion with the estimates for communications, he observed that an increase of 43 per cent in postal rates in 1976 had not been reflected in the base provision included in the 1978-1979 programme budget. The increase under this heading was therefore a special adjustment to increase the base provision. The situation was similar with regard to both telephone charges, for which there had been a substantial increase in the rates in early 1979, and to rental and maintenance of equipment. On the question of general temporary assistance, he noted that the provision requested for 1980-1981 was equivalent to the appropriation for 1978-1979, revalued to take account of inflation and exchange rate changes, except for the addition of an amount of \$81,000 for the Ship Acquisition Feasibility Unit. With respect to the item concerning hospitality, he observed that the increase in the appropriation, which had not been increased since 1967, was designed to bring UNCTAD more into line with the levels prevailing in comparable units of the United Nations Secretariat.

E. Closing statements

144. The spokesman for Group B said that, on the whole, the session of the Working Party had been a useful one. It would have been even more useful, however, if there had been more time to further pursue certain questions that Group B and other groups had asked in order to engage in a more meaningful discussion with members of the secretariat and the other groups.

145. As he had said in his opening statement, all seemed to be agreed on the need to ensure that UNCTAD had sufficient resources to carry out the resolutions and decisions of the Manila Conference. At that Conference, however, Group B had reserved its position on the statements of financial implications prepared by the secretariat because they did not sufficiently take into account existing resources that might be redeployed to carry out new activities.

146. After examining the proposed programme budget and listening carefully to the statements and explanations of the secretariat, Group B continued to hold serious reservations. While some additional resources were needed, it believed that, for many parts, the secretariat was requesting additional resources

without considering how to make the best use of the staff and resources it already had. It believed, for example, that the requests for new posts in the Transfer of Technology Division and the Division for Economic Co-operation among Developing Countries were unjustified. It also questioned the need to establish a new D-1 post to head UNCTAD's Liaison Office in New York. Furthermore, the secretariat has inadequately justified the need for additional posts in the other programmes, with the notable exception of the Special Programme for the Least Developed, Land-Locked and Island Developing Countries. In this latter case, Group B recognized in paragraph 40 of Conference resolution 122 (V) that in order to effectively discharge its responsibilities especially with respect to the Substantial New Programme of Action for the 1980s, the unit of UNCTAD dealing with the least developed among developing countries should be adequately strengthened and the necessary additional resources made available. In this connexion, Group B had been pleased to note during the session that other UNCTAD programmes were also expected to make significant contributions to the important new programme for the least developed countries. With respect to the proposed programme budget contained in document A/C.5/34/27, his Group wished to express its concern that, as it and other groups had noted in a number of places, the secretariat appeared to be engaging in a number of activities for which it had no clear legislative mandate. Furthermore, a number of studies were being carried out without legal authority or any clear indication of what they would be used for, and, in some cases, on subjects which were clearly outside of UNCTAD's mandate.

147. In conclusion, Group B felt that the session of the Working Party had been very useful in providing Governments with information and calling particular problems to their attention. It expressed appreciation to the secretariat for providing the Working Party with the additional material that had been requested, and looked forward to continuing the useful work begun at the present session at the next session of the Working Party.

148. The spokesman for the Group of 77 said that at the very beginning of the deliberations of the Working Party the Group of 77 had pointed out the disparity between the tasks assigned to UNCTAD, at the fifth session of the Conference and on other occasions, and the modest level of resources now being asked in the programme budget proposals that had been submitted. The level of resources requested was much below the financial implications presented during the fifth session of the Conference in order to implement the various new mandates given to UNCTAD. The Group of 77 would, therefore, be watching the situation in the coming period to ensure that the agreed work programmes would not be thwarted for lack of resources. The Group felt that the secretariat had the obligation to present budget proposals that were in conformity with the activities that had been entrusted to it by member States. In this regard he wished to emphasize the fact that once resolutions had been adopted, even by vote, the secretariat was duty bound to implement them and hence provision needed to be made for such implementation.

149. In examining the budget of the entire United Nations system, the Group of 77 noted that UNCTAD's budget represented only one twentieth of the total United Nations budget. In addition, the Committee for Programme and Co-ordination had also recommended that international trade and development should belong to the category of activities with an "above average" growth rate.

150. Much of the explanation given to the Working Party had highlighted the need to preserve a degree of flexibility in the operations of UNCTAD. Given the particular nature of the work of UNCTAD, such flexibility would constitute an economy measure, ensuring as it would that resources were utilized according to changing needs and circumstances bearing in mind, of course, that this flexibility had to be in the context of agreed objectives and programmes.

151. There were some areas that the Group of 77 would particularly highlight. It felt that the increase in resources in respect of the programme for the least developed countries was unduly modest. The critical situation of this group of countries, and the renewed effort that all had agreed to make in this area, would, in its view, call for a significantly higher level of resources.

152. Secondly, economic co-operation among developing countries was among the most important areas of work for developing countries and the international community as a whole. This was a key element in the strategy of collective self-reliance and an essential instrument to promote structural change in international economic relationships. There had no doubt been a growth of 6 per cent in the resources envisaged, but one look at Conference resolution 127 (V) would provide evidence of the additional volume of work devolving on the UNCTAD secretariat.

153. In the area of work relating to technology, namely, restructuring the juridical and legal environment for the transfer of technology and strengthening the technological capacity and infrastructure of developing countries, the work being done by UNCTAD was well known and its importance for developing countries could not be gainsaid. It was in this perspective that the increase in resources in respect of the programme on transfer of technology had to be seen.

154. In the field of commodities the Group of 77 noted that no additional resources had been requested in spite of the intensive phase of negotiations likely to begin for some of the commodities, with negotiating conferences in sight. The establishment of the Common Fund would give further impetus to the activities in the commodities sector. Conference resolution 124 (V) also called for launching new programmes in the areas of processing, marketing and distribution, research and development, market promotion and horizontal diversification. It was hoped that resources would be provided for this purpose which would take care of all the needs in these areas.

155. The statement of the Group of 77 in regard to manufactures and semi-manufactures had underscored the importance of the activities in that area. At the fifth session of the Conference there had been a focus of attention on protectionism and structural adjustment and in resolution 131 (V) the Conference had agreed on a programme of action for structural adjustment related to trade and policies and measures to deal with protectionism. The work to be done by UNCTAD in regard to adjustment assistance measures, export development and restructuring of world trade in manufactures, review of the patterns of production and trade in the world economy, and promotion of international co-operation for the expansion and restructuring of world trade was of very significant importance to the developing countries.

156. In regard to money, finance and development, the growth in resources envisaged was negligible. UNCTAD had done valuable work in the areas of the flow of financial resources, debt problems of developing countries, international monetary issues and the interrelationship of issues and policies in the field of trade, development finance and the international monetary system. More intensive work would arise in these areas as a result of the decisions adopted by the Conference at its fifth session, and by the General Assembly and the Trade and Development Board.

157. With regard to studies under subprogramme 4.3 of the programme on economic co-operation among developing countries, the Group of 77 would like the studies to be undertaken in the context of subprogramme 1 of the programme on money, finance and development. His Group understood that the secretariat was already taking action to this effect.

158. With regard to executive direction and management, the Group of 77 wished to reiterate its general point that the increasing over-all workload of UNCTAD, the strengthened need for co-ordination, the importance of cross-sectoral work and the increasing attention given to economic issues at the General Assembly, amply justified the posts requested by the Secretary-General. It felt that, at the level of executive direction and management there was need to give the Secretary-General of UNCTAD some flexibility and discretion. It recalled, in this connexion, the comment by the Deputy Secretary-General of UNCTAD that some organizations of the United Nations system were represented in New York at least at the D-1 level.

159. In examining the programme budget for the biennium 1980-1981 the Group of 77 had noticed the absence of any allocations to enable the UNCTAD secretariat to implement in its areas of competence Economic and Social Council resolution 2100 (LXIII) of 3 August 1977 and General Assembly resolution 33/147 of 20 December 1978 concerning assistance to the Palestinian people. The Group of 77 wished to point out that it attached great importance to having sufficient funds allocated for the purpose of the implementation of Conference resolution 109 (V) on assistance to the national liberation movements of Namibia, Palestine, South Africa and Zimbabwe. It would call upon its counterparts in New York to ascertain that funds were allocated for this specific purpose.

160. With regard to recruitment of personnel, the Group of 77 recalled General Assembly resolution 32/197, paragraph 36 of the annex of which urged that "Steps should be taken to ensure adequate developing country representation at the executive management and other central decision-making levels of secretariat structures in the area of operational activities for development of the United Nations system".

161. Repeated references at the present session had been made to the absence of legislative authority in regard to the programmes. He wished to point out in this connexion that, whereas some of the work programmes and activities of UNCTAD flowed from various resolutions and decisions, certain programmes and activities were necessary per se in order to help States members of UNCTAD to reach decisions and conclusions.

162. Finally, he wished to point out that the Working Party had spent considerable time and effort in going through this ritual without commensurate influence over the ultimate fate of the budget. Perhaps some thought needed to be given to the timing, effectiveness and purposes of the Working Party.

163. The representative of China said that the members of the Working Party had earnestly considered the UNCTAD programme budget for the biennium 1980-1981. They had expressed views and raised many questions, which had been answered by the UNCTAD secretariat. This process had enhanced the understanding of delegations of the programme budget and facilitated its adoption and implementation. Although the result of the consideration had proved that the programme budget as a whole was feasible, the reasonable arguments of the delegations should be taken into serious consideration and necessary adjustment be made on the basis of them. He hoped UNCTAD would make full use of the available resources to improve its work so as to contribute to the promotion of international economic and trade development, the speeding-up of the economic growth of the developing countries, as well as to the establishment of the new international economic order.

164. The spokesman for Group D said that, as the members of Group D had pointed out in their introductory general statement, the proposed programme budget for 1980-1981 had been received too late for their Governments to study it thoroughly. The observations on the various sections of the document made by Group D countries at the current session of the Working Party were therefore of a preliminary nature. They reserved the right to state their definitive position on the proposed programme budget at a later date, inter alia, in New York during the discussion of the proposed UNCTAD programme budget in the Advisory Committee on Administrative and Budgetary Questions and in the Fifth Committee of the General Assembly.

165. In the proposed programme budget for 1980-1981 it was stated that the programmes of activity were based on the medium-term plan for 1980-1983 and on the relevant resolutions of the fifth session of UNCTAD. In this connexion, the Group D countries wished to point out that at the fifth session of UNCTAD they had entered reservations concerning the financial implications of the resolutions adopted. These reservations also applied in the context of the discussion of the programme budget for 1980-1981. In the opinion of the Group D countries, activities under the resolutions adopted at the fifth session of UNCTAD should not be developed through a mechanical enlargement of the UNCTAD budget and of the secretariat staff but, principally, through increased efficiency of work in all parts of UNCTAD, the utilization of available internal reserves, improved co-ordination of work both internally, among the different divisions of UNCTAD, and with other United Nations bodies, and the elimination of such duplication of work as still existed. In this connexion, Group D still had doubts (which had not been dispelled by the explanations given by the secretariat at the present session of the Working Party) regarding the sharp budget increases for certain programmes.

166. Group D considered it essential to point out that they approached the work of UNCTAD from the viewpoint of that organization's universality. The principle of universality must be applied in all areas of UNCTAD's activity, both in the work programmes - as Group D had already pointed out during the discussion of the individual programmes - and in the UNCTAD secretariat itself. At this point, in connexion with the proposal by the secretariat for the creation of 11 new professional posts raised by the UNCTAD secretariat, the States members of Group D wished to express their profound dissatisfaction with the existing

distribution of UNCTAD secretariat posts among the groups of countries. The proportion of specialists from Group D countries in professional posts in the UNCTAD secretariat was extremely low and was not in conformity with the principle, adopted in the United Nations, of equitable geographical distribution of posts. Group D wished to draw attention to the fact that the under-representation of this group of countries in the UNCTAD secretariat had other than strictly personnel aspects. It led to under-representation of certain ideas and concepts which, in turn, undermined the foundations of UNCTAD's universality and made it difficult to conduct investigations into important problems with the comprehensive and integrated approach which those problems demanded.

F. Adoption of the report of the Working Party

167. At its closing meeting, on 23 November 1979, the Working Party adopted its draft report (TD/B(XIX)/WP/L.2 and Add.1-8), with a number of amendments, and authorized the Rapporteur to complete the report, as appropriate, for submission to the Board at the second part of its nineteenth session.

ANNEX III

Financial implications of the actions of the Board

In accordance with rule 31 of its rules of procedure, the Board was advised of the administrative and financial implications of any proposals that involved expenditure. The detailed statements of financial implications submitted by the UNCTAD secretariat in connexion with the decisions of the Board are reproduced below.

A. Calendar of meetings for the remainder of 1979 and for 1980 a/

1. The revised calendar of meetings for 1980 as contained in document TD/B/L.551 foresees the addition of several meetings, the financial implications of which are given below.
2. It is proposed to reconvene the Interim Committee of the United Nations Negotiating Conference on a Common Fund for a fourth session of two weeks in Geneva in February 1980. The Interim Committee would be serviced in six languages by two teams and a caucus team of interpreters, require four conference rooms, 10 pages of pre-session, 50 pages of post-session and 15 pages of in-session documentation a day. On this basis the direct conference cost of the Interim Committee is estimated at \$264,000.
3. The fourth session of the United Nations Negotiating Conference on a Common Fund is proposed to be postponed from December 1979 to April 1980. The direct cost of conference servicing estimated at \$178,000 would have to be provided in the biennium 1980-81 instead of 1978-79. These estimated costs are based on a session of one week's duration at Geneva, serviced in six languages by three teams and a caucus team of interpreters, six conference rooms, 10 pages of pre-session, 50 pages of post-session documentation and 15 pages of in-session documentation a day.
4. The United Nations Conference on an International Code of Conduct on the Transfer of Technology is proposed to be reconvened for a third session of three weeks. The financial implications of this recommendation amounting to \$515,000 are contained in section B below.
5. It is proposed to reconvene the United Nations Conference on a Convention on International Multimodal Transport for a second session of three weeks' duration at Geneva in May 1980. The financial implications of this proposal are estimated to be \$507,000 based on the following servicing requirements: services in six languages by three teams and a caucus team of interpreters, six conference rooms, 20 pages of pre-session, 100 pages of post-session documentation and 15 pages of in-session documentation per day.

a/ Substance of TD/B/L.551/Add.1.

B. Decisions necessary for the adoption of the International Code of Conduct on the Transfer of Technology b/

1. Draft resolution TD/CODE TOT/L.7 c/ recommends that the General Assembly of the United Nations, at its thirty-fourth session, authorize the convening, under the auspices of UNCTAD, of a third session of the United Nations Conference on an International Code of Conduct on the Transfer of Technology in the first half of 1980 to complete negotiations.
2. At the first part of its nineteenth session, the Trade and Development Board approved a calendar of meetings for 1980 which calls for the scheduling in the first half of 1980 of two sessions of the Board, sessions of six of the main or other Committees of the Board, a major commodity conference, as well as numerous other meetings under the regular programme and the Integrated Programme for Commodities. The draft resolution implies a resumption of the Conference for a period of three weeks; under the calendar as presently approved, the only period when the Conference could be reconvened in the first half of 1980 would be either in January 1980 or three weeks in March/April, encompassing the Easter holidays. Any other timing would imply a considerable rearrangement of the calendar, affecting the dates of a series of meetings.
3. Assuming a third session, at Geneva, of three weeks' duration, requiring servicing in six languages, three teams and a caucus team of interpreters, six conference rooms, 20 pages of pre-session, 30 pages of post-session documentation, and 10 pages of in-session documentation per day, and summary records for a maximum of seven plenary meetings, the direct conference servicing costs are estimated to be \$515,000.

C. Preparatory work required to bring the Common Fund into operation d/

Introduction

1. In its resolution 1 (III), the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities entrusted the Interim Committee, inter alia, with the task of making "recommendations regarding the preparatory work required to bring the Fund into operation". e/ To assist the Interim Committee in the performance of this task, the UNCTAD secretariat has prepared the present note dealing with the following topics:

- (a) Identification of the various elements of the preparatory work;

b/ Substance of TD/CODE TOT/L.7/Add.1.

c/ This draft resolution was adopted at the closing meeting of the second session of the Negotiating Conference. For the text of the resolution (TD/CODE TOT/19), see "Selected documents of the second session of the Conference" (TD/CODE TOT/21).

d/ Substance of TD/IPC/CF/CONF/IC/R.2.

e/ Resolution 1 (III), para. 3.

(b) In the light of relevant past international practice, analysis of different options with regard to the institutional machinery needed to carry out the preparatory work;

(c) Estimates of financial implications of such options.

(a) Nature of the preparatory work

2. The preparatory work which is the subject of this note would normally be carried out between the adoption of the Articles of Agreement by the Negotiating Conference and the inaugural meeting of the Governing Council, and subsequently until the first meeting of the Executive Board which would mark the commencement of the Fund's operations. On the basis of the experience of existing international financial institutions, and on the assumption that Governments would wish to make their best efforts to bring the Fund into operation as soon as possible after the entry into force of the Agreement, it is possible to outline the range of tasks to be undertaken. These tasks would cover:

- (i) Legal and procedural matters, such as the drafting of rules of procedure of the Governing Council, rules of procedure of the Executive Board, by-laws for the conduct of the business of the Fund, and financial regulations;
 - (ii) Operational matters, such as the formulation of the Fund's lending policies and criteria, for both the First and the Second Accounts, as well as the drafting of general conditions applicable to association agreements with International Commodity Agreements or Arrangements (First Account), and to loan agreements for Second Account operations;
 - (iii) Relationship agreements, such as those with the United Nations and with various co-operating institutions, and the headquarters agreement with the host country,
 - (iv) Budgetary and staff matters, such as the formulation of the organizational structure, the administrative budget and personnel policies, including the drafting of staff rules and regulations;
 - (v) Arrangements for the first session of the Governing Council, in the light of the progress made in securing signatures and ratifications of the agreements.
- (b) Institutional machinery

3. There would seem to be three main alternatives with regard to the institutional arrangements within which the preparatory work could be carried out:

- (i) A preparatory commission, with its own secretariat;
- (ii) A preparatory commission serviced by the UNCTAD secretariat;
- (iii) No preparatory body, but the Secretary-General of UNCTAD would be requested by the Negotiating Conference to undertake any necessary preparatory work.

4. The main implications of each of these alternatives are briefly summarized below:

- (i) A preparatory commission, with its own secretariat, could be established by the Negotiating Conference at the time of the adoption of the Articles of Agreement. This was the option chosen by the International Fund for Agricultural Development (IFAD). The Preparatory Commission of IFAD was composed of representatives of 18 member countries (with 17 alternates), from among which a Chairman and two Vice-Chairmen were elected. The Commission established an Interim Secretariat headed by a full-time Executive Secretary. During the 18 months of its existence, the Commission met four times. The initial expenses of the Commission were defrayed by the United Nations on a reimbursable basis, pursuant to General Assembly resolution 3503 (XXX) and, subsequently, by advances from member countries. In addition, FAO provided some staff, consultants, premises and certain conference and administrative services, all on a non-reimbursable basis. The United Nations and certain specialized agencies also provided short-term services of several experts on a non-reimbursable basis.

- (ii) A preparatory commission with an interim secretariat organized by the UNCTAD secretariat could also be set up by the Negotiating Conference at the time of the adoption of the Articles of Agreement. Such a commission would request the Secretary-General of the United Nations to undertake the necessary preparatory work on a reimbursable basis and the Secretary-General of UNCTAD would be asked to make the necessary arrangements for the setting up of an interim secretariat. Similar arrangements were followed by the International Cocoa Organization. The United Nations Cocoa Conference, 1972, created an Interim Committee of the International Cocoa Council in order to facilitate the establishment of the International Cocoa Organization. This Committee established an interim secretariat and requested the Secretary-General of UNCTAD to appoint the officers to constitute the interim secretariat and to provide it with the necessary office space and equipment, all on a reimbursable basis.

- (iii) The absence of a formal preparatory body characterized the establishment of the World Bank and the International Monetary Fund. By-laws and rules of procedures of both institutions were negotiated and adopted at the inaugural meeting of the Board of Governors which was called by the United States Government, in accordance with the respective Agreements. The expenses of the inaugural meeting were charged against funds deriving from payments of capital subscriptions. The other elements of the preparatory work, such as those related to operational, budgetary and personnel matters, were carried out by the staff of the two institutions following the first meeting of their Executive Directors. In a similar manner, in lieu of establishing a preparatory body composed of representatives of potential members of the Common Fund, upon the adoption of the Fund's Articles of Agreement, the Negotiating Conference may request the Secretary-General of the United Nations to undertake the necessary preparatory work on a reimbursable basis and to convene the first meeting of the Governing Council after the entry into force of the Agreement. The results of the preparatory work which would be carried out by the UNCTAD secretariat would be submitted to that meeting in order to assist the Governing Council in its work.

5. Under both alternatives (ii) and (iii), the procedure for obtaining the necessary financial resources would be for the Secretary-General of the United Nations to include an appropriate request in his budgetary proposals to the General Assembly for the biennium 1980-1981, under which the Secretary-General of UNCTAD would be authorized to incur the necessary expenditure on a reimbursable basis. This presupposes the application of United Nations Financial Regulations and Rules and United Nations administrative practices. However, an alternative course would be for the Interim Committee to request the Secretary-General of the United Nations to seek approval of the General Assembly for a reimbursable advance to the Preparatory Commission to cover the costs of the preparatory work. Additionally, Governments might be prepared to make advances available for the financing of the preparatory work.

(c) Financial implications

6. Cost estimates for the preparatory work can be only tentative, as long as the exact nature of the work, its location, and the institutional setting to carry it out are not known. Another important factor is how long the preparatory machinery would be in existence. Based on similar experience, the period from the adoption of the Articles of Agreement until the formal commencement of operations after entry into force could last between six months and 18 months. The following financial estimates are based on Geneva costs and on the assumption that for the Common Fund this preparatory period would be approximately one year.

7. On the basis of the tasks outlined in (a) above, the senior professional staff needed to carry out the preparatory work would include an Executive Secretary, a legal adviser, a financial adviser, an operations adviser (First Account), an operations adviser (Second Account) and an administration adviser. The six senior officials would be assisted by two junior professionals and six support staff as well as by a number of short-term consultants for specific assignments.

8. Besides personnel expenditures, another important item in the budget for the preparatory work would be the cost of meetings. The figures set forth below are based on the assumption that the Commission would require six weeks of meetings. Rough estimates for the cost of official travel and general operating expenses are also shown below:

Budget for preparatory work required to bring the
Common Fund into operation

(for a period of one year)

	<u>\$US</u>
Staff and consultancy services	950,000
Meetings	600,000
Official travel	70,000
General operating expenses	160,000
	<hr/>
TOTAL	1,780,000
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9. These financial estimates would apply, by and large, to all three alternatives. Alternative (iii) would perhaps be somewhat cheaper, because there would be no need for formal meetings, but the Secretary-General of UNCTAD would still have to hold informal consultations, which would involve meetings in Geneva and additional official travel.

10. With regard to the financing of such expenditures, the Negotiating Conference may wish to opt for any, or a combination, of the following sources:

- (i) An expenditure authorization approved by the General Assembly to meet the costs of the Preparatory Commission, offset by an equivalent amount of income payable to the United Nations from contributions due under the Common Fund Agreement. As such an expenditure authorization would have to become part of the United Nations budget for 1980-1981, it must be approved by the General Assembly at its current session in order to be available to the Commission if required in the course of 1980;
- (ii) An authorization to advance from the United Nations budget the funds required to meet the cost of the preparatory work until contributions become available under the Agreement, at which time the advance would be refunded to the United Nations. This authorization would also need to be obtained during the current session of the General Assembly.
- (iii) Voluntary advances from States and/or groups of States, to be offset against their capital subscriptions to the Fund;
- (iv) Use of early payments of a certain portion of capital subscriptions earmarked for this purpose in the Articles of Agreement. For example, the following provision could be included in the Articles of Agreement along the lines of existing international financial institutions: "At the time this Agreement is accepted or ratified on its behalf, each Member shall transmit to the Secretary-General of the United Nations one half of one per cent of its paid-in capital subscriptions for the purpose of meeting initial administrative expenses of the Fund". In the case of universal membership, this clause would provide \$1.8 million (i.e. \$370 million x 0.005). The timing of ratifications, however, might lead to budgetary problems if this is the only source of finance for the preparatory work.

Conclusions

11. On the basis of the foregoing, the Interim Committee may wish to consider, as a matter of urgency, the issue of the preparatory work for the Common Fund and its financing. A decision of the Interim Committee would be required at its second session on the basis of which a proposal could be submitted to the General Assembly at its current session.

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