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REPORT ON THE THIRD SESSION OF THE
UNITED NATIONS CONFERENCES ON TRADE AND DEVELOPMENT (UNCTAD)



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MICROFICHE

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REPORT OF THE THIRD SESSION OF THE
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

INTRODUCTION

The Functions and Role of the Conference and the Tasks before
UNCTAD III

1. The United Nations Conference on Trade and Development was first convened in Geneva in the spring of 1964 in pursuance of ECOSOC and General Assembly resolutions. Thereafter, by virtue of General Assembly resolution 1995 (XIX) of 30 December 1964 the Conference acquired an institutional character of its own as an organ of the General Assembly and was endowed with a continuing machinery, including provisions for a procedure of conciliation to perform the function and to achieve the objectives set out in that resolution.
2. The developing countries fought very hard to make the Conference a strong institution where they can discuss problems of their trade and economic development. This conviction of the developing countries was reaffirmed by the creation of the Group of 77 developing countries. For Africa the creation of UNCTAD coincided with the achievement of independence of the majority of African countries and was consequently looked at as a new forum available to those countries to get recognition in the politico-economic problems facing them.
3. The existence of a politically conscious secretariat fully committed to the cause of development under the leadership of Raul Prebisch the 1st Secretary General of the Conference helped to strengthen the nature of UNCTAD as an organization and a forum for the developing countries to expose their economic problems, have

the recognition of the International Community of these problems and secure, through persuasion and proper documentation of their case the support and co-operation of international community in solving these problems.

4. The OAU has been very closely involved in the work and the developments within UNCTAD for the various reasons stated above. In fact the OAU provisional secretariat together with the ECA have played an instrumental role in creating the group of 77 developing countries in Geneva. It is only natural therefore that the OAU secretariat should try to keep the OAU political forums well informed of developments within UNCTAD and try to evaluate, even at this early stage the outcome of the Third U.N. Conference on Trade and Development.

5. It would be logical before we indulge in the details of the work of the UNCTAD III to reflect on the role of the UNCTAD Conferences in general and on the tasks before the Third Conference as viewed by the developing countries and the Secretary General of the Conference and of the United Nations as expressed in their statements and reports.

6. It is recognized by the whole international community that the primary purpose of the Conference is "to serve as an agent of accelerated economic development for all countries by means of formulating and carrying into effect new development-oriented trade policies through the combined efforts of the entire international community". Furthermore, "one of the main tasks of the new organization, UNCTAD, was to be the promotion of economic progress in the developing countries by means of an extensive development of world trade that would be equitable and advantageous to all countries".

7. With the existence of the permanent machinery of the Conference in the Trade and Development Board and its subsidiary bodies the developing countries have come to consider the conference as an opportunity to achieve three distinct goals; firstly the conference should provide a comprehensive review of the trade and development problems, including finance of the developing countries, secondly the

conference should intensify the process of negotiations, already being carried in the permanent machinery of UNCTAD, with a view of reaching final and concrete agreement on issues ripe for finalization, widen areas of existing agreements and introduce new areas of action for the permanent machinery to elaborate on. Thirdly, the conference should intensify the interest of both the national and international mass media in both developing and developed countries in the development problems of the third world with a view of enlisting proper international support to the solution of these problems. It is the belief of the developing countries that the tri-annual conference of UNCTAD, due to their high level of representation and the intensive preparations preceeding them, are particularly equipped to fulfil these functions.

8. The particular task before the third session of the conference was very well pronounced by both the Secretary General of the Conference and the Secretary-General of the United Nations. In his report, the Secretary General of UNCTAD stated that "today we have the commitment of the international community to an international development strategy... with a common will to take effective action, at its third session the Conference should be able to bring about a reversal of prevailing tendencies in international decision making and to translate the awareness of the development problem - the Central issue of our time - into convergent policies concerning trade, aid and related areas." He went on to enumerate the major areas where the third Conference was expected to make progress and laid particular stress in the field of international monetary reform and commodities.

9. The U.N. Secretary General likewise stressed the role and responsibility of UNCTAD "in searching for a correction of imbalances and injustices in the world". Referring to the two crucial fields - those of monetary reform and primary commodities he stated that developing countries "rightfully want a voice in world monetary decisions which otherwise could be very detrimental to them. And since the greatest part of their foreign income comes from the sale of their primary products, it is obvious that they consider this to be the most important field where action would bring immediate and substantial results."

Salient Features and Tendencies in International Trade
and Development on the Eve of UNCTAD III

10. To complete the picture and in order to have a full grasp of the magnitude of the development problem in front of UNCTAD III the following very brief summary is offered.

- i) The income gap, in absolute terms, between developed and developing countries continued to expand. The average income per capita of the developing countries is still less than a tenth of that of the developed market economy countries and an estimated less than one-sixth of that of the socialist countries of eastern Europe.
- ii) Disparities in growth rates amongst the developing countries became more accentuated, and those at the earliest stages of development did not even reach an annual increment in income per head of one dollar.
- iii) Demand for the bulk of the products of developing countries continued to grow more slowly than demand for products of the developed countries; in consequence, the share of the developing countries in world trade continued to contract (from 19 per cent in 1967 to 17 per cent in 1970) while trade within and between most groupings of developed market economy countries intensified as well as the trade between the groupings and member countries of CMEA.
- iv) The net flow of financial aid (U.S.\$6.5 billion net disbursements in 1971) to the developing countries stagnated in real terms and tended to decline as a share of the latter's total inflow of financial resources while the burden of debt (defined in IBRD terms) of the developing countries rose to over U.S.\$65 billion.
- v) The crisis in the international monetary system aggravated by cross-currents of inflation and recessionary tendencies, in some developed market economy countries led to wide spread pressure for the reform of the system and had a disturbing effect on international trade and payments in the latter part of the period and adverse consequences for the developing countries in general.

- vi) In the absence of adequately rapid progress in formulating and implementing new international trade and aid policies, many developing countries strengthened considerably their efforts to achieve greater self-reliance implying fuller mobilization and employment of all domestic resources, human as well as material.
- vii) The share in and influence over flows of international trade and private investment, and the international transfer of technology, attributable to multinational enterprises grew in importance and became an increasing source of concern in many countries on account of the great influence exercised by such enterprises over trade, technological progress and transfer and hence development.
- viii) Trade between countries having different social and economic systems continued to progress and the still unrealized potential of such trade attracted wider attention amongst all countries at different stages of development.

General and Organizational Matters Relating to UNCTAD III

11. The Third Session of the United Nations Conference on Trade and Development was preceded by a two day pre-conference meeting of senior officials from 11-12 April 1972. The pre-conference meeting discussed the organization of the work of the conference and the number of sessional working bodies to be established beside other organizational matters. On the recommendation of the pre-conference meeting the conference established 9 sessional bodies besides the plenary to deal with specific agenda items. These included, six committees and three working groups. Unlike the case in New Delhi Conference each Committee or working group had one subject or related subjects for its consideration. A brief summary of the work of these bodies will follow. The plenary of the Conference dealt with a number of subjects that were not assigned to any sessional body.

AFRICAN PARTICIPATION IN UNCTAD III

12. 39 African countries attended the conference and participated actively in its deliberations. The share of African countries in the different offices of the Conference were as follows: The African countries were honoured by the office of the General rapporteur of the Conference a task which was very ably discharged by Algeria in the person of Ambassador Raouf Boudjakdji who was also the rapporteur of the African Ministerial meeting preparatory to UNCTAD III which took place in Addis Ababa in October 1971. Four posts of vice-presidents were allotted to Africa and were filled by the following countries: Cameroon, Kenya, Madagascar and Uganda. In addition African countries were allotted the following posts in committees and other sessional bodies.

- Chairman of the 1st Committee (Commodities) filled by Ivory Coast.
- Vice-Chairman of 2nd Committee (Manufacture) filled by Senegal
- Rapporteur of the 3rd Committee (Finance and Monetary) filled by Egypt
- Rapporteur of the 6th Committee (least developed and landlocked countries) filled by Upper Volta.
- Vice-Chairman Working Group II (Economic Co-operation and Regional Integration) filled by Sudan.

13. The African Group during the Conference met daily to co-ordinate their views and to review progress as well as to receive reports and give mandate to its negotiators in the different bodies of the Conference. The work of the Group was conducted under the able leadership of His Excellency Ato Ketema Yifru, Minister of Commerce and Industry of Ethiopia who acted as the African Group Co-ordinator and Chairman for the whole duration of the Conference and held the post of the co-ordinator of the Group of 77 in the crucial last two weeks of the Conference. The African Group also appointed co-ordinators and spokesmen in the different bodies of the Conference from among its members.

14. A group of 31 under the leadership of the president of the Conference on which Africa was represented by 4 countries was constituted to try to reach agreement on issues which could not be solved within the sessional bodies. Towards the end of the Conference this group was

overburdened by so many resolutions; the outcome of such situations was, in many instance, the submission of very watered down compromises which were rejected by the developing countries representatives in the earlier stages of the negotiations. The pressure towards the end of conferences should lead us to investigate ways and means of improving the negotiating machinery both within the Group of 77 and between the 77 and developed countries.

15. Towards the end of its session the Conference elected the new members of the trade and Development Board. It is worth mentioning that the Conference decided to expand the membership of the Trade and Development from 55 to 68 members. Consequently the African seats of the Trade and Development Board increased from 12 to 15 seats. The 15 African seats were allocated as follows:

- East Africa 5 seats allocated to Ethiopia, Kenya, Madagascar, Mauritius and Uganda.
- West Africa 5 seats and were filled by Ghana, Guinea, Nigeria, Senegal and Upper Volta.
- Central Africa 3 seats allocated to Gabon, Rwanda and Zaire
- North Africa 2 seats allocated to Libyan Arab Republic and Sudan.

In allocating the seats to the different sub-regions the Chairman of the African Group drew the attention of the members that in future elections an extra seat should go to Central and North Africa within the African quota.

A Summary of the Work of the Different Bodies of the Conference

16. The Plenary of the Conference

The plenary of the conference besides being the forum for general debate and policy statements by heads of delegations dealt with a number of issues which were not particularly assigned to any sessional bodies. These issues fell mainly under item 7 and part of item 8 of the agenda of the Conference. The main item that came out of agenda item 7 - (statements by heads of delegations) was the suggestion of the President of Mexico that the Conference should draw up a charter on the economic rights and duties of states. After a lengthy and protracted debate, the Conference adopted resolution TD/L.84 ^{1/} in which it established a group of 31 member states to draw up a charter, which at a later stage will be decided upon by the United Nations General Assembly.

^{1/} Resolution number quoted in this report refer to documents issued during the conference. As it is customary in UNCTAD conference a new numbering system will be given to all conference resolutions.

17. Other matters discussed by plenary included; the economic efforts of the closure of the Suez Canal which was suggested by the African Ministerial meeting in Addis Ababa and was consequently included in the agenda of the Lima Conference as well as the agenda of UNCTAD III at the request of the developing countries. This issue was a subject of heated debate in plenary for a number of days. At the end of the discussions the Conference adopted resolution TD/L.52 which inter alia reaffirms Security Council Resolution 242 of 1967, condemns the Israeli Aggression and calls for the re-opening of the Suez Canal, the closure of which is causing serious damage to a number of developing countries particularly African ones.

18. Trade and economic aspects of disarmament, multi-lateral trade negotiations, impact of environmental policies on the trade and development of developing countries, impact of regional grouping of developed countries on international trade including trade of developing countries, the role of co-operative movement in international trade and development, dissemination of information and mobilization of public opinion relative to problems of trade and development and principles governing international trade and development were also taken up by the plenary. Resolutions were passed on all the above issues with the exception of impact of regional groupings of developed countries which was deferred to the Trade and Development Board for further consideration. The resolution on multi-lateral trade negotiations was accompanied by a declaration by the Group of 77 which included points of interest to those countries that could not find their way in the resolution. The important resolution on principles governing international trade and trade policies conducive to development (TD/L.55/Rev.2) was - among many other important resolutions in this conference - subject to a vote where the great majority of the developed market economy countries voted against and the socialist countries of Eastern Europe abstained.

19. The Plenary at the Conference adopted the reports of the sessional bodies of the Conference including resolutions adopted by those bodies or referred to plenary for final decision as well as resolutions which were referred to the President contact group referred to earlier. These resolutions will be dealt with under the relevant sessional body in this report.

The First Committee: Commodities

20. The first committee was assigned all matters dealing with trade in commodities (commodity problems & policies, agenda item 13) as well as export promotion - commodities (agenda item 12 (a)). The outcome of the deliberations on the committee on commodities were most disappointing. It is regrettable that the Committee and the Conference were not able to reach any concrete agreement on the issues before it particularly the question of improved access to markets, and pricing policy including price stabilization, marketing and distributing systems of primary commodities. The Committee and later the Conference adopted unanimously only two resolutions namely "International Cocoa Agreement" and "Competitiveness of Natural Products, Synthetics and Substitutes".

21. Two resolutions on "the exploitation for commercial purposes of the Ocean floor beyond the limits of national jurisdiction" were adopted by the Conference on the vote of the developing countries. A third important resolution on "the stabilization of commodity prices and, in particular, the role of IBRD" was also subjected to a vote where again most of the developed market economy countries either abstained or voted against. This last resolution calls in its operative parts on the IBRD inter alia to provide assistance in the field of agricultural research and technical assistance, facilitate the conclusion of price stabilization agreements and that in general it should make price stabilization an object of its policies. The resolution further calls upon IBRD to give assistance to diversification and give priority to agro-industrial projects.

22. The committee was unable to reach agreement on important question of access to market and pricing policy which constituted the backbone of its work. The draft resolutions on this subject were transferred to the president contact group which worked on them until the early hours of

Sunday morning - two days after the official end of the Conference - and was not able to reach agreement. At the end of its deliberations the contact group was only able to provide a means through which discussions will continue in the future. Thus resolution 40, 5.100 adopted in this respect reverts to an old UNCTAD practice, namely to convert the next sessions of the Committee on Commodities into a special session open to all members to allow further discussions on the matter. It is worth mentioning that such an action is provided for in UNCTAD procedures and the Trade and Development Board could have taken such a decision.

23. The Conference could not reach agreement on the question of diversification although this was the major theme before the 6th session of the committee on commodities. The conference therefore decided to remit both the group of 77 text and the developed market economy countries texts to the Trade and Development Board for further study.

The Second Committee: Manufactures and Semi-Manufactures

24. The second committee fared much better than the 1st committee. It has on its agenda; export promotion - manufactures and semi-manufactures which include:

- (a) preferences
- (b) liberalization of non-tariff barriers
- (c) adjustment assistance measures
- (d) Restrictive business practices

The Committee and consequently the Conference were able to adopt draft resolutions on all the above five items plus a resolution on international sub-contracting. It is worth mentioning that the two main resolutions under items 14 (a) and (b) above were finalized in the president contact group.

25. In summary as regards international trade in manufactures and semi-manufactures it could be said that the Conference has unanimously agreed inter alia that the special committee on Preferences should be established as a permanent machinery within UNCTAD and should be convened as early as possible in 1972 or 1973, with a view to hold consultations on further improvements of the preferential arrangements, taking into

consideration the requests in this connexion made by the developing countries, and that the Committee on Manufactures should accelerate its consideration of means of reducing or removing non-tariff barriers, bearing in mind the need to assist developing countries in their preparations for full and effective participation in the multilateral trade negotiations proposed to take place in 1973.

26. The deliberations of the 2nd committee have laid the basis for further work and expanded on areas of agreement. In the field of preferences and non-tariff barriers and restrictive business practices.

The Third Committee: Finance and Monetary Matters

27. The Committee had for its consideration items 9 and 15 of the agenda dealing with impact of the present international monetary situation on world trade and development especially of the developing countries and item 15 on financial resources for development with its six sub-items. During its deliberations the Committee was able to reach agreement on only one resolution on supplementary financing which inter-alia renewed the request for IBRD to work out detailed arrangements of the scheme and to study ways and means of implementing it and report to the Trade & Development Board.

28. Other matters in front of the Committee were not possible to be resolved by it. These were divided into two categories: those where the areas of disagreement could be narrowed and those where no agreement could be foreseen. The second category was taken for the plenary of the conference for voting while the 1st category was transferred to the president contact group. The 1st category included; total inflow of public and private resources and the resolution on volume, terms and conditions of the flow of public capital to developing countries - the role of multilateral financial institutions on which President contact group reached agreements which appeared in resolutions TD/L.91 and TD/L.80 respectively. In spite of the fact that the two resolutions represent a very much watered down version of the group of 77 resolutions, yet many of the developed countries abstained on them though no one voted against.

29. The resolutions which were not agreed upon were on:-

- foreign private investment
- mobilization of domestic resources
- compensation for losses resulting from the realignment of major currencies
- outflow of financial resources from developing countries including debt servicing.

The text of all these resolutions as presented by the Group of 77 were voted upon on the plenary of the conference and were consequently adopted. A resolution sponsored by Netherlands, Canada and Australia was remitted to the Committee on Invisibles and Financing related to trade for further consideration.

30. On the important question of creating a link between the SDRs and Development Financing, and the international monetary situation the conference worked until the last minute to achieve agreement. The developed market economy countries went back on an agreement they have reached with the developing countries. It was already Sunday morning when the developing countries after threatening to vote for their original group of 77 text were able to get the developed countries to accept a very much watered down text which had a number of reservations by developed countries on its main operative paragraph. All this resolution asks is to draw the attention of the IMF to the statements made during the conference on the desirability of a link between SDRs and development financing and urges the IMF to pursue its consideration of all aspects of proposals for a link between SDRs and development financing.

31. In fact the developing countries would have done much better if they insisted to vote their draft resolution contained in Doc. TD/III/C.3/L.12 earlier in the plenary session than to be forced, at the last moment of the Conference, when they have already lost their majority - due to the travel of many delegations - to accept a very weak resolution on a matter of such principle and vital importance to them.

The Fourth Committee: Insurance, Tourism and Shipping

32. The Committee dealt with agenda items 8 (f) insurance, 15 (g) tourism and 16 Development of Shipping; maritime transport costs; freight rates; and a code of conduct for the liner conference system:

33. Insurance and Tourism were the first issues on which agreement was reached. Draft resolutions on these two issues were negotiated in the Committee and agreement was reached which was later confirmed by the Conference.

34. In the field of shipping, the Conference was able to adopt a number of resolutions on international combined transport, developments of ports, development of merchant marines and freight rates. The resolution on "a code of conduct for liner conferences" presented by the developed countries was met by very strong opposition from the developed market economy countries. Since the developing countries felt very strongly about the

principles included in the resolution it was voted upon and approved with most of the developed countries voting against it. The code of conduct resolution covers all matters in the field of shipping. The first part includes a number of principles and objectives of the code. Under the following major heading relations among member lines, decision making procedures, conference agreements, relations with shippers, publication of tariffs and related regulations, consultations machinery, freight rates, general freight rate increases, promotional freight rates, adequacy of service and provision and machinery of implementation; the developing countries spelt out in great detail what they wanted the Liner Conferences to do. It was because of the importance of all these issues to the trade of the developing countries that they insisted to put this resolution to the vote.

Fifth Committee: Trade Relations among Countries Having
Different Economic and Social Systems

35. The Committee had for its consideration the above titled item which constituted item 18 of the Agenda of the Conference. Following the general debate the Committee was seized by two resolutions one by the socialist

countries of Eastern Europe and the other by the Group of 77. A contact group was established which later was able to present for adoption by the Conference a resolution contained on document TD/L.81 which was adopted without a vote. The resolution recommended a series of measures to facilitate trade and economic co-operation between the socialist countries of Eastern Europe and developing countries as well as East-West Trade and Economic relations; the resolution also provides for the continued use of UNCTAD machinery for consultations in this field and extended responsibilities for the Secretary General of UNCTAD.

Sixth Committee: Special Measures in Favour of the Least
Developed and the Land-Locked Countries

36. The Sixth Committee was seized by the task of drawing up an action programme for the least developed countries and the land-locked countries. The developing countries went to Santiago very confident that the developed countries are ready to do something for those two categories of countries and particularly the least developed ones. This belief was again reaffirmed in the general statements. However, when the developed and developing countries sat together to negotiate the resolution containing the action programme prepared by the Group of 77, the developing countries discovered that it was almost impossible to get anything positive from the developed countries. For ten continuous days negotiations were carried and long hours passed just to convince developed countries to accept past commitments they entered in UNCTAD and elsewhere.

37. On the question of a special fund for the least developed countries and the use of the Capital Development Fund for these countries the reaction of the developed countries was flat rejection. At the end of the negotiations the maximum that was possible to get from developed countries was a request to UNDP to consider studying those two questions.

38. The resolution on land-locked countries was mainly a matter for the developing countries. Land-locked and transit - to settle between themselves. A commendable effort was made by those countries in drawing up a good resolution which was hailed by every one. Again parts of that resolution addressed to developed countries were subject to tough negotiations.

particularly the question of a fund to cover the difference of the transport costs of the land-locked countries. Again a request for UNDP to consider the matter was the maximum the developed countries were ready to offer.

39. The Conference also adopted two resolutions recommended by the 6th Committee on developing Island countries and on identification, the former calls for the establishment of a group of experts to study the particular development problems of developing Island countries while the later inter alia elaborates on the identification criteria for the least developed countries and approved the list of 25 least developed countries.

Working Group I: Institutional Matters

40. This working group was entrusted with all institutional matters related to UNCTAD including review of work of UNCTAD, needed reforms in UNCTAD machinery, elaboration of General Assembly resolution 1995 (XIX) and the role of UNCTAD in review and appraisal of the 2nd Development decade. The Conference adopted 4 resolutions submitted by the working group on the different items on the agenda. It would be recalled that the expansion of the Trade and Development Board and the suggested amendments to resolution 1995(XIX) were also worked out by this group.

Working Group II: Trade Expansion, Economic Co-operation and Regional Integration Among Developing Countries

41. The working group had 9 sessions to discuss the agenda item allocated to it. It was not however able to finalize consideration of the draft report presented by the Group of 77 on the matter and the Group decided that the contact group on the resolution should continue to work on the resolution and report to the plenary of the Conference. The Conference adopted without a vote, but with some reservations by developed market economy countries the resolution presented by the Contact group in this matter contained in document TD/L.76. A resolution on Co-operation between Developing Countries in Housing Policies was withdrawn by the sponsors due to lack of time.

Working Group III: Transfer of Technology

42. It would be recalled that this matter was subject to very tough and protracted negotiations in UNCTAD permanent machinery since the second conference. During the 10th Session of the Trade and Development Board the developing countries were able to get a major concession from the developed countries which was reflected in Resolution 74 (X) of the Board which inter-alia established an inter-Governmental group to study the matter.

43. The Conference adopted the resolution contained in document TD/L.69 which basing itself on the programme of work prepared by the 1st session of the Inter-Governmental group; presents an action programme in the field of transfer of technology.

Summary, Conclusions and Recommendations

44. In summary; the Conference in its 3rd Session was able to adopt 45 resolutions and to remit 4 others to the Trade and Development Board for further consideration. Many of these resolutions were carried by the vote of developing countries. Such resolutions are considered by the developed countries as having no commitment to them. Very little results were obtained in the fields of finance and monetary issues and on commodities. On the question of the special measures in favour of the least developed countries, the results were not at all satisfactory if not disappointing. Many issues which were not originally on the agenda of the Conference seized its attention for a long time.

45. Delays in formally presenting resolutions to the different bodies of the conference contributed to the extreme pressure faced by all delegations particularly African ones. The shortage of the time allotted to the conference has forced the developing countries to accept to transmit all unresolved issues towards the end of the Conference to the President Contact Group of 31. This procedure deprived many experts to participate in the decisions taken at the level of that group which was mainly a political one.

46. It was clear during this conference that the permanent machinery of UNCTAD is increasingly playing a major role in negotiating agreements between developed countries. The African countries are at a great

disadvantage in this respect due to the fact that only 11 African countries have permanent missions in Geneva. In spite of repeated appeals by the OAU Council of Ministers and Heads of State this situation has not improved. It is therefore suggested that this session study this question and give the Secretariat the necessary guide-lines.

47. The Council might wish to consider instructing the Secretariats of the OAU and ECA to convene a meeting of the joint OAU/ECA experts later this year to evaluate the outcome of the third UNCTAD. Consequently it might not be deemed necessary to ~~consider~~ holding the 7th OAU/ECA joint meeting in Geneva this year.

48. Concerted action to secure and follow up action on the Conference will have to be made in different international forums particularly the General Assembly, the UNDP, UNIDO and IBRD/IMF. The OAU political forum might wish to draw the attention of all African delegates to the outcome of the Conference and request them to continue following developments in those forms on issues transmitted to them by the third Conference. Further the Council might wish to entrust the OAU Secretariat with the follow up action by these bodies and report to the Council on progress made.

49. It has been generally noticed that developing countries particularly African ones do not have the manpower or the resources to allow them to send big delegations to UNCTAD Conferences. By contrast developed countries, both market economy and socialist, have both the resources and manpower to do so. Furthermore, the developed countries have at their disposal in these conferences the services of high calibre expertise working in Inter-Governmental organizations such as the EEC, OECD, and CMEA Secretariats. Developing countries obviously lack such facilities and their few regional institutions are generally weak and fully occupied with more important issues on the regional level. It is therefore absolutely necessary for a proper, just and equitable conduct of negotiations and conciliations within UNCTAD to inject a balance in this picture. Historically UNCTAD Secretariats have played a major role in strengthening the case and negotiating position of the developing countries. With the new evolutions and the growing complexity of the development problems it becomes all the more necessary

to have the UNCTAD Secretariat on the side of developing countries. It was noticed during the conference that the interventions and suggestions made by some of the Secretariat members during the negotiations in some of the sessional bodies helped the developing countries in presenting their case better and consequently strengthening their hand in the negotiations. It is, therefore, imperative on the African countries and the developing countries in general to stop any efforts conscious or unconscious which may in any way weaken the supporting role of UNCTAD Secretariat to the developing countries in negotiations. This particular feature of UNCTAD is what makes it different from other forums and which makes it more appealing to developing countries. The African countries might wish to consider institutionalizing and strengthening this historical role of UNCTAD.

COUNCIL OF MINISTERS

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NOTE PRESENTING THE REPORT OF THE ADMINISTRATIVE
SECRETARY-GENERAL OF THE ORGANIZATION OF AFRICAN
UNITY ON UNCTAD III

NOTE PRESENTING THE REPORT OF THE ADMINISTRATIVE
SECRETARY-GENERAL OF THE ORGANIZATION OF AFRICAN
UNITY ON UNCTAD III

1. The third United Nations Conference on Trade and Development opened at Santiago, Chile, on 13 April 1972 and concluded its work in the small hours of 21 May 1972, three days behind on its timetable. In the opinion of all participants, and more particularly of those who took part in the final discussions of the Conference, the least that could be said is that the recommendations made at these meetings were drawn up in an atmosphere of confusion and haste. Of the forty-five resolutions adopted, the industrialized countries voted against twelve, and on twelve others they either abstained or expressed strong reservations. The Conference having been primarily convened in order to increase co-operation between the developed countries and the Third World, with the aim of improving conditions of international trade and of assistance for development, the opposition and reservations of the developed countries on the common programmes embodied in the resolutions undoubtedly marked a setback to UNCTAD's basic purpose.

2. The above remarks will suffice to show the difficulty, within less than two weeks of the closure of the Santiago meeting, of submitting an objective, comprehensive and, above all, useful report on its proceedings first to the Council of Ministers and then to the Assembly of Heads of State and Government. The usefulness of such a report, as with all reports by the Secretary-General, must be gauged by the extent to which it can describe clearly to the OAU policy-making bodies the fields and directions in which new decisions or policies are required in order to ensure substantial progress in the struggle for the well-being of the African people; this struggle alone justifies our active participation in the life and work of the United Nations in general, and of UNCTAD in particular.

What African leaders are offered here, in document CM/452, is an attempt to recapitulate and summarise the main problems raised and the results achieved in the basic sectors which are the concern of UNCTAD. It contains no profound comments and no concrete proposals as to what action should now be taken in view of the largely disappointing results of UNCTAD III.

3. The exceptional opportunity afforded, however, by the meeting of the leading OAU authorities within a few days of the closure of UNCTAD III, calls for a mental effort - even at this stage when things cannot yet be seen in the proper perspective - to provide some suggestions designed to prepare Africa to confront the new threats arising from the weaknesses shown by UNCTAD III. This is not the place to attempt to define the stand which should henceforth be taken by Africa in the various technical fields covered by UNCTAD's overall activities. The Addis Ababa Declaration, the Charter of Lima, and before that, the Charter of Algiers, largely constitute the foundations of the policy which Africa must defend and pursue in confronting the problems of raw materials, manufactured products, the monetary situation, the special conditions pertaining to the less developed countries and those lacking a seaboard, regional economic co-operation, conditions for assistance for development etc., to mention only UNCTAD's more pressing concerns. Any adaptation of policy to the lessons and results of the Santiago meeting can only be imagined in the context of a meeting of African experts or of the Group of 77. It now appears that this would be a long-term matter, one which would certainly require closer co-operation between OAU, ECA and ADB, apart from considerable consultation between African countries, other areas of the Group of 77, and the organizations of the United Nations family dealing with social and economic affairs.

4. What is urgent, however, and what fortunately relates to policy decisions that can immediately be taken and implemented only by the OAU policy-making bodies is to take further practical steps to place Africa in a better position to wage a daily struggle in

what has become, as a result of the setback of the Santiago Conference, the defence of the interests of African peoples and governments in the fields of trade and development. Indeed, that joint struggle must admittedly be steadily conducted within permanent international bodies such as UNCTAD and its subsidiary bodies, as well as ECOSOC, UNDP, GATT, IBRD and IMF, to which all the research work and negotiations that had not been completed in Santiago were only too readily referred. The struggle may perhaps be waged more intensively through other bodies such as the Group of 77, the OAU African Group, the sub-regional groupings on the African continent and national departments responsible for trade and development, which will have the task of shaping and strengthening Africa and Third World unity of action and thought, in order to ensure that the viewpoints of the whole of the peoples of Asia, Latin America and Africa prevail.

5. It is in this general context, that of defining a substitute strategy owing to the failure of UNCTAD III, that it appears above all necessary to take a stand against a disturbingly persistent tendency, echoed in the international press, to deprive UNCTAD of its substance and proclaim the pre-eminence of bilateral relations over negotiations within multinational bodies. The policy-making bodies of the Organization of African Unity, while deploring the weaknesses, indeed the failure of UNCTAD III, should reaffirm their support and adherence to the philosophy and cause for which UNCTAD was established. Further, it will be good policy to declare in no uncertain manner the determination of the peoples and leaders of our Continent to rationalize and strengthen UNCTAD's working methods and means of action with a view to maintaining UNCTAD as the best setting for this meeting between the developed nations and the Third World, in order to improve the conditions of international trade and assistance to economic and social development.

6. It is also within the same context that one of the suggestions contained in report CM/452 can be seen, namely the need to convene as early as possible, a meeting of African experts whose task it will be to assess the results of UNCTAD III at technical and political level,

and to define the guidelines of future action, sector by sector. The joint OAU/ECA Committee on trade and development experts could well proceed to this assessment and prepare this future programme. Above all, it would seem highly desirable, at an early date, to convene a ministerial conference bringing together all African authorities responsible for trade and development to study the experts' findings and to ensure that the decisions and concrete measures advocated in those findings are embodied in all Africa's national, regional and continental policies in the field of trade and development.

There would seem to be an urgent need for a ministerial conference, which alone could define and set in motion, with the required political weight, collective action designed to put an end to the dispersal, and indeed the conflict of interests which have disturbingly emerged between African countries, between the less advanced countries and again, between countries having access to the sea and landlocked countries, between African countries associated with the European Common Market, and others.

7. So far as the Group of 77 is concerned, it is not enough to say that it is vital to the cause of the Third World that it be maintained and strengthened. Nor is it any longer possible to be content to await the eve of UNCTAD IV for Latin Americans, Asians and Africans to evaluate together the conclusions of UNCTAD III and to work out together the framework of action which alone may enable the Third World to retrieve to some extent its lag behind the rest of the world. Another necessity is to convene a conference of the UNCTAD Group of 77 in relation to such a programme at the earliest possible date, to avoid an irreversible deepening of the cleavage of interests in the various regions. There is nothing to prevent the Organization of African Unity from already initiating the necessary steps and starting consultations with a view to convening a meeting of the UNCTAD Group of 77 as soon as possible.

8. To come back to Africa itself, it goes without saying that its role in the Group of 77 as in the international community will be a factor determining the degree of organization, seriousness and permanence that it could give to its action to ensure the defence of its interests within the framework of international bodies responsible for pursuing the tasks devolving upon UNCTAD. One of the most important of these bodies is undoubtedly UNCTAD's Board. The renewed importance of the Board naturally calls for the working out of practical measures to ensure that within the Board, and within the subsidiary bodies, the representatives of the African Continent will organize to defend the interests of the African peoples, with the necessary competence and dedication. In welcoming the reform by which 15 African Member States will be seated on the UNCTAD Board, the OAU policy-making bodies should undertake to do everything they can to ensure that the seats thus obtained are usefully and effectively occupied. Today this is not possible without the existence of permanent African missions in Geneva, the seat of UNCTAD to which each of the African member countries of the Board would delegate officials with the necessary qualifications and technical qualifications to follow effectively the discussions, bargaining and negotiations that will henceforth form the bulk of UNCTAD's and GATT's work. What applies to States represented on the Board also applies to governments which have accepted responsibilities on the subsidiary bodies such as the Committees on raw materials, preferences, invisibles, and so forth. In fact, the ideal would be for all OAU Member States to have permanent missions in Geneva in order to give the support of the Organization as a whole to the work of the African representatives in UNCTAD or any other institution of an economic or social nature.

9. However, the effort thus required of African States, to ensure this constant presence in Geneva, should be completed by a further effort which would make it possible permanently to co-ordinate the work of the different African representatives in the many organizations and Specialized Agencies responsible for implementing UNCTAD's overall programme. To convene meetings of African representatives to offer them full administrative facilities for consulting

one another as frequently as possible, to keep the records of their proceedings and minutes of their deliberations, in short, to provide a secretariat for the various "African Groups" within the international organizations in Geneva, can no longer be conceived of without the existence of a permanent office of the OAU General Secretariat in that City. The establishment of an office, frequently requested by African Permanent Representatives in Geneva, and recommended more than once by various African groups at meetings of European international organizations and by the General Secretariat, is now asked for by the Current Chairman of OAU. The conclusions of the report by His Excellency President Ould Daddah to the Assembly of Heads of State and Government on the mission which took him to the United Nations, to North America, Europe and Japan (Document AHG/59), contained a passage reading thus:

"Switzerland's strategic position in the heart of Europe, the presence on its territory of numerous international organizations and voluntary agencies, as well as communication facilities, call for the establishment of an OAU permanent mission in Geneva..." ^{1/}

The setting up of that office will alone lend full meaning to, and help develop OAU's ever increasing investment to enable the officials of the Economic and Social Affairs Department of the General Secretariat to ensure both here and there, the administrative co-ordination of the work of African plenipotentiaries at meetings held by organizations of an economic and social nature. That investment, important as it is, today points to the serious short-coming that the assistance thus contributed by OAU to the African cause lacks the permanent nature it needs to comply with pleas of Africans within the framework of their participation in the deliberations of international organizations of an economic nature. That investment, sizable as it may be, today shows serious signs of weakness in that it does not give the aid thus contributed by OAU to the African cause a permanent character commensurate with the ever increasing calls made on Africans in the context of their participation in the deliberations of international organizations of an economic nature.

10. The effectiveness of the UNCTAD Board and its subsidiary bodies in promoting the African cause, will not, however, depend solely on the drive of African representatives in Geneva. Its effectiveness will also depend on the impulse and direction given by UNCTAD's General Secretariat to the work, research and negotiations directly or indirectly connected with the sphere of trade and development. This is where attention should be drawn to a discreet yet growing tendency on the part of the big powers, in the interest of a certain "depolitization", to steer UNCTAD's General Secretariat towards a "neutralism" whose obvious aim is to assert the theories and interests of the big powers over those of the countries of the Third World. To offset that tendency, everything possible must be done to ensure that the UNCTAD Secretariat, which was established on the initiative of the countries of the Third World to serve them above all, should maintain a personality and a composition that would make it the guarantor of the cause of the 77 in general and of African peoples in particular, in order to improve the situation of international trade and the conditions of development aid. This would not be possible without a categorical stand by OAU for the recruitment to responsible posts of officials who are nationals of countries of the Third World or who are at least recognized for their objective commitment to the struggle of the countries of Asia, Latin America and Africa. If this holds good in the case of the General Secretariat of UNCTAD, it also holds good for GATT, IMF, IBRD and other organizations of the United Nations family which influence the problems of trade and development.

11. Yet African political representation as the continent's active presence is important only in so far as it lends added weight to negotiations with other international trading partners, and more particularly with the industrialized countries. Here we have methods which would make for a better atmosphere of co-operation and mutual aid with industrialized countries, methods as decisive as the efforts geared to national development and inter-African co-operation. This is why, apart from the common action of the Committee of 77 or UNCTAD, Africa must seek the best means of access

to the governments and peoples of those countries which largely hold the keys to an improvement in conditions of aid and international trade. It does not seem premature to begin to reflect on ways and means of extending to the economic and social fields certain experiments undertaken by OAU to arouse the understanding, goodwill and assistance of the big powers in Europe and America with regard to major African political causes. There is nothing to prevent an OAU crusade under the august leadership of the current Chairman of the summit meeting, with a view to presenting to the governments and peoples of industrialized countries, whether they have a market economy or a socialist economy, the urgency of the solutions recommended in the Addis Ababa Charter and in the Lima Charter. Such action would, in fact, amount to preparing for UNCTAD IV a better psychological climate from which the whole Third World would only benefit.

12. It would perhaps not be irrelevant to reaffirm solemnly here and now Africa's desire to act as host to UNCTAD IV and to set up consultation machinery at the continental level to help choose the date and venue for those meetings; what is more, it seems appropriate to envisage the political and physical organization of the Fourth UNCTAD here and now as a collective undertaking. The extreme complexity of running United Nations Conferences for Trade and Development, the unduly high cost of the undertaking and above all, the need to translate African solidarity once again into reality, show that OAU as a whole should make this now indispensable contribution by Africa to the Third World's struggle against international inequalities.



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