

UNITED NATIONS ECONOMIC and SOCIAL COUNCIL

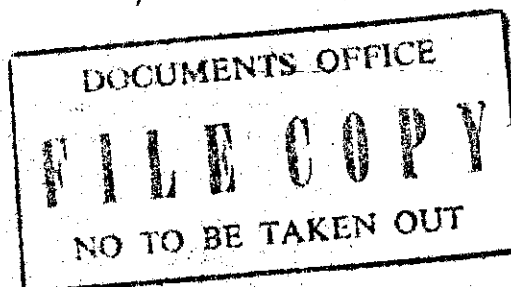
Distr.
GENERAL

E/CN.14/545
E/CN.14/UNCTAD III/PM/5
20 October 1971

Original: ENGLISH/FRENCH



ECONOMIC COMMISSION FOR AFRICA
ORGANIZATION OF AFRICAN UNITY



REPORT OF THE AFRICAN MINISTERIAL MEETING PREPARATORY TO UNCTAD III Addis Ababa, 8-14 October 1971

TABLE OF CONTENTS

PART		Paragraphs	Page
I	SUMMARY OF MEETING - - - -	1-14	1-2
II	ACTION PROGRAMME - - - -		3-4
	Special Measures for the Least Developed Among the Developing Countries - - - -	1-4	5-11
	Other Special Measures Related to the Particular Needs of the Land-locked Countries - -	5-7	12-14
	Special Problems of Developing Island Countries - - - -	8-9	15
	Export Promotion - - - -	10-17	16-17
	Commodity Problems and Policies -	18-40	18-23
	Manufactures and Semi-manufactures -	41-50	24-26
	Financial Resources for Development -	51-59	27-31
	Impact of the Present International Monetary Situation on World Trade and Development, Especially as far as the Developing Countries are Concerned - - - -	60-66	32-34

TABLE OF CONTENTS. (cont'd)

PART		<u>Paragraphs</u>	<u>Page</u>
II (cont'd)	Policies for the Development of Shipping and the Reduction of Maritime Transport Costs - -	67-119	35-44
	Trade Expansion, Economic Co-operation and Regional Integration among the Developing Countries - - -	120-137	45-49
	Trade Relations Between Developing Countries and the Socialist Countries of Eastern Europe - - - -	138-141	50-51
	Transfer of Technology - - -	142-145	52-54
	Review of the Institutional Arrangements of UNCTAD - - -	146-147	55-56
ANNEXES			
I	Resolution: Economic effects of the closure of the Suez Canal		
II	Agenda		
III	List of participants		
IV	List of documents		

PART I: SUMMARY OF MEETING

1. The African Ministerial Meeting Preparatory to UNCTAD III organized jointly by the Economic Commission for Africa and the Organization of African Unity took place in Addis Ababa from 8 to 14 October 1971.
2. The purpose of the Meeting was to draw up an Action Programme with specific African objectives in the fields of trade and development to serve as African common positions to be submitted to the Ministerial Meeting of the Group of 77 in Lima, Peru.
3. The Ministerial Meeting had been preceded by three meetings of experts: the Sixth ECA/OAU Joint Meeting on Trade and Development, the Second Regular Meeting of the Association of African Central Banks and the meeting of the African Group at IMF and IBRD. Reports of these meetings were before the Ministerial Meeting as main working documents. A list of documents is reproduced in annex IV.
4. Representatives of the following member States of ECA/OAU were present: Algeria, Burundi, Cameroon, Central African Republic, Chad, Congo (Democratic Republic of), Congo (People's Republic of), Equatorial Guinea, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Liberia, Libya, Madagascar, Malawi, Mauritania, Morocco, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Tunisia, Uganda, Upper Volta and Zambia.
5. Representatives of the following African organizations or institutions attended the Meeting as observers: ADB, EAC and OCAM. A representative of the Secretary-General of UNCTAD, a representative of the host country for UNCTAD III (Chile) and a representative of the host country for the Ministerial Meeting of the Group of 77 (Peru) was present as invited guests for the opening sessions.
6. A list of participants is attached to this report as annex III.
7. Opening statements were made by H.E. Ato Ketema Yifru, Minister of Commerce, Industry and Tourism on behalf of the Imperial Government of Ethiopia, and by representatives of the Administrative Secretary-General of the Organization of African Unity and the Executive Secretary of the Economic Commission for Africa.
8. The Ministerial Meeting elected H.E. Ato Ketema Yifru (Ethiopia) as Chairman and the Hon. A. Amandi M.P. (Ghana) and H.E. Mr. Abderahim Abdelmouti (Chad) as Vice-Chairmen. H.E. Mr. Raouf Boudjakdji (Algeria) was elected Rapporteur.
9. The provisional agenda prepared by the secretariat was adopted with the addition of two items: (i) the economic effects of the closure of the Suez Canal and (ii) item 8 of the provisional agenda of UNCTAD III. The agenda was adopted on the understanding that delegations should be free to refer also to other items on the provisional agenda of UNCTAD III not included in the agenda for the Ministerial Meeting, as appropriate. The agenda is reproduced in annex II.

10. The Meeting set up a Drafting Group composed of Burundi, Egypt, Ethiopia, Ghana, Ivory Coast, Kenya, Nigeria, Senegal, Somalia, Tunisia and Zambia to consider the Action Programme. The Hon. A. Amandi (Ghana) was Chairman of the Drafting Group.
11. The representative of the Secretary-General of UNCTAD read a message from the Secretary-General to the Meeting. H.E. Ambassador Herman Santa Cruz of Chile delivered a message from the President of Chile, host country for UNCTAD III, and H.E. Ambassador F. Valdivieso of Peru delivered a message from the Government of Peru, host country for the Ministerial Meeting of the Group of 77.
12. The meeting heard a report from the Chairman of the Sixth ECA/OAU Joint Meeting on Trade and Development, H.E. Raouf Boudjakdji (Algeria). The Governor of the Somali National Bank, Dr. A.N. Herzi, reported on the meetings of the Association of African Central Banks and the African Group at IMF and IBRD. H.E. Mr. Benie Nioupin (Ivory Coast) reported on the work of the Preparatory Committee for the Lima meeting in his capacity as Chairman of the Preparatory Committee.
13. The following countries, while not formally reserving their position on the resolution which is reproduced in annex I, expressed the view that the resolution should not go beyond the scope of economics: Cameroon, Ghana, Ivory Coast and Togo. The delegation of Liberia reserved its position on the resolution. The delegation of Sierra Leone reserved its position on the last preambular paragraph of the resolution. Before the adoption of the report, the delegation of Algeria recalled the position of its country with regard to Security Council resolution 242 (1967).
14. At its last session, the Ministerial Meeting adopted the Action Programme which is reproduced in Part II of this report and the resolution which is reproduced in annex I.

PART II: ACTION PROGRAMME

1. We, Ministers of African States meeting in Addis Ababa, Ethiopia, from 8 to 14 October 1971, at the African Ministerial Meeting Preparatory to UNCTAD III,
2. Inspired by the principles enshrined in the Charter of the Organization of African Unity,
3. Guided by the decisions of the Heads of State and Government of the Organization of African Unity and the resolutions of the First Conference of Ministers of the Economic Commission for Africa held in Tunis in February 1971,
4. Vigorously reaffirm resolution CM/Res/245(XVII) adopted in June 1971 by the African Heads of State and Government concerning the permanent sovereignty of African countries over their natural resources for the promotion of the economic and social progress of their peoples;
5. Having assessed, reviewed and critically examined policies pursued and results recorded in the field of trade and development since our last meeting in Algiers in October 1967,
6. Considering that few results have been achieved since the adoption of the Charter of Algiers which retains its full relevance and must continue to inspire us in our future actions,
7. Reaffirm the principles contained in the Charter of Algiers, which was intended as a frame of reference and a guide for very long-term action, and to propose the essential elements for real and sincere international co-operation;
8. Bearing in mind that since the last Ministerial Meeting in Algiers in 1967 the African countries have endeavoured at all levels, national, regional and international, to promote their economic development,
9. Regretting that despite this fact little economic progress has been achieved,
10. Noting with concern that in several parts of Africa, foreign occupation, aggression and pressures form serious additional hinderances to economic development and economic co-operation,
11. Determined to accelerate their economic and social progress,
12. Reiterate our conviction that economic growth and social progress are the responsibility, in the first place, of our peoples, and that the attainment of national and regional goals depends fundamentally on each country's efforts and on the ever closer co-operation and harmonization of our countries' economic policies,

13. Convinced, however, that the attainment of these goals also depends largely on recognition by the international community of its responsibilities as expressed in the International Strategy for Development; and on the proper discharge of such responsibilities,

14. Concerned that although the solution of development problems has been a major preoccupation of the international community and most of the goals and aims of African developing countries have been identified, defined, and clearly presented to the rest of the world, the decisions, recommendations, and principles so far adopted have not been translated into action,

15. Assert that the success of the third session of the United Nations Conference on Trade and Development depends largely on the principle that member States in agreeing to measures adopted at UNCTAD should bind themselves to respecting faithfully their commitments within a given time-table for implementing such measures,

16. Fully conscious of the great importance of maintaining and cementing the unity and solidarity of the developing countries, members of the Group of 77,

17. Convinced that it is in the lasting unity and solidarity among the developing countries that the members of the Group of 77 will be better armed to defend their common interests,

18. Affirming in addition that this unity must be based on an equitable sharing of rights and obligations by all regions and all countries members of the Group of 77,

19. Call upon all developing countries to approach the Lima meeting of the Group of 77 firmly determined to reinforce their solidarity and to promote international co-operation in the field of trade and development;

20. Solemnly declare that the following Action Programme reflects the collective stand of African countries, embodies our determination to achieve the economic transformation of Africa for widespread improvement in living standards of their peoples, and to re-affirm our belief in international co-operation and our hopes and aspirations during the Second Development Decade.

Special Measures for the Least Developed
Among the Developing Countries

1. Whatever criteria are adopted as bases for identification of the least developed among developing countries, African countries constitute by far the majority of these countries. Out of the 25 "hard core" of the least developed among the developing countries identified by the Committee for Development Planning, 16 belonged to the African region.
2. This "hard core" of the least developed countries was selected on the basis of three main criteria: per capita gross domestic product of \$100 or less; share of manufacturing in total gross domestic product of 10 per cent or less; and literacy rate of 20 per cent or less.
3. If other appropriate criteria had been used for purposes of identification, most, if not all, African countries could have qualified for inclusion in the list of the least developed among the developing countries. Therefore, other appropriate criteria should be developed by the group of experts to be appointed by the Secretary-General of UNCTAD as recommended in paragraph (iv) of Section (VII) below to identify the relatively less developed countries and the relatively disadvantaged countries so that measures relating to specific sectors in their economy are taken by the international community.
4. While every effort should be made to evolve satisfactory criteria for the identification of the least developed among the developing countries, special measures should be formulated in the following areas in favour of the least developed among the developing countries, and especially African ones, which would be supplementary to the general measures applicable to all developing countries:

I. Commodities

Commodity agreements

- (i) Favourable treatment in the allocation of basic export quotas, exemption from quota cuts fully or partially and from payment of dues and subscriptions to the authorities administering the agreement;
- (ii) Exemption wholly or in part from contributions to the prefinancing of bufferstocks. Failing this, international financial institutions should assist them on a grant basis to make the necessary payments.

Diversifications

- (i) Specific measures should be taken to encourage the establishment of industries for the processing of the locally produced food-stuff and raw material. Consideration should be given to the creation of special funds to assist these countries to diversify and to raise their productivity through research and the use of modern techniques

of production and distribution so as to improve the quality, grading, packaging and marketing of their commodities. More importantly, such funds should be used to assist the least developed countries to make appropriate changes in their economic structure through diversification of existing structures of production and trade. The fund could be derived from voluntary contributions or assessments from both producing and consuming countries.

Access to markets

- (i) The highest priority should be accorded to the solution of problems affecting primary commodities, including processed and semi-processed products, of particular interest to the least developed countries. In the current and future multilateral negotiations on liberalization of non-tariff barriers, special consideration should be given to the possibility of giving preferential treatment to the least developed countries, bearing in mind paragraph 6 of Section II of recommendation A.II.1 of the first session of UNCTAD;
- (ii) Revenue duties and other fiscal charges on the consumption of tropical beverages such as coffee, cocoa and tea, should be eliminated or reduced and at the same time special financial assistance should be provided to these countries based on a certain proportion of the proceeds derived from revenue duties still in force;
- (iii) Domestic support policies to producers in developing countries should be reconsidered, especially those directly affecting the interests of the least developed countries.

II. Manufactures and semi-manufactures

- (i) Intensive technical and financial assistance should be provided to help remove the internal institutional and structural obstacles to industrialization and to the promotion of both import substitution and the establishment of export-oriented industries;
- (ii) Highest priority should be accorded to the elimination of quantitative restrictions and other non-tariff barriers (e.g., border taxes, and administration obstacles) affecting processed and semi-processed agricultural products, of interest to the least developed countries.

Generalized System of Preferences

- (i) It is necessary to create a special industrialization and technical co-operation fund for the least developed countries derived from contributions from the preference-giving countries. Such contributions could balance those which are accruing to more advanced developing countries because of their higher level of industrial development. The fund should be conceived for the duration of the system and its facilities should be available to the least developed countries in the form of grants for specific projects linked to the

industrial sector. The purpose of the fund should be to assist the least developed countries to start and to accelerate their process of industrialization so as to ensure that all developing countries will gain equitable benefits from the Generalized System of Preferences;

- (ii) The scheme should extend for a longer period to the least developed countries;
- (iii) The scheme should cover all processed and semi-processed agricultural and mineral products;
- (iv) Escape clauses should not apply to the least developed countries;
- (v) Rules of origin for the implementation of the generalized system of preferences, especially criteria for substantial transformation, should take into account the special situation of the least developed countries;
- (vi) There is need to grant equivalent advantages to least developed countries that might lose their special preferences in certain developed country markets.

Restrictive business practices

- (i) Identification of restrictive business practices adversely affecting the interests of the least developed countries and elimination of such practices.

III. Development finance and technical assistance

- (i) The international community should ensure that within the general aid strategy the needs of the least developed countries be given special attention, either by the acceptance of specific targets for contributions to their development, supported by a machinery for implementation, or by the establishment of programmes in terms of specific objectives to be achieved, which donors should agree to underwrite;
- (ii) In extending technical assistance to the least developed countries special attention should be given to difficulties experienced by these countries in meeting counterpart requirements. Bilateral and multilateral agencies should consider granting complete exemption of these requirements in respect of the least developed countries;
- (iii) During the first years of their independence the capacity of the least developed among the developing countries to identify and formulate projects which could be submitted for assistance was understandably severely limited. Least developed countries which for that reason had low rates of utilization of UNDP assistance are now being penalized within the UNDP system with Indicative Planning

Figures which for some countries may make it necessary with a downward revision of existing project commitments. High priority should therefore be given to an immediate revision of the system of allocation of UNDP resources with a view to eliminate its present bias against countries which for historical reasons have started late in their national planning and programming activities;

- (iv) While technical assistance has an especially crucial role to play, financial assistance stands out as one of the basic requirements for accelerated growth of the least developed countries. Being at a very early stage of development, they require large-scale investments in costly infrastructure of all types. As a consequence, their need for financial assistance on concessional terms is far greater than can be assumed from the size of their population. Urgent attention should therefore be given to increasing, both absolutely and in relative terms, the flow of resources from IDA to the least developed countries. As a rule, financial aid to these countries should systematically be given on soft terms, preferably by grants, or at least with a grant element of 80 per cent;
- (v) Some of the special measures recommended in specific areas within the competence of UNCTAD involve the creation of certain funds. For a more effective co-ordination of the uses to which such funds would be put, and for ease of administration, it is desirable to consolidate these funds. Consideration should therefore be given to the establishment of a special fund in favour of the least developed among the developing countries;
- (vi) Developed countries should ensure stability of prices of their exports to developing countries, especially the least developed among them. In the event of increases of prices the developed countries should agree to compensate the developing countries, particularly the least developed ones, for any losses resulting from such price increases.
- (vii) In general, all forms of financial and technical assistance to the least developed countries should be tested by the criterion whether they contribute to fuller mobilization of indigenous resources so as to ensure that it does not simply reinforce the enclave nature of so much foreign investment and even foreign aid. This could be achieved by:
 - (a) larger contributions towards local costs;
 - (b) use of indigenous facilities and training of local counterparts;
 - (c) development of enterprises that finally will transfer ownership and management;

- (d) ensuring that the assistance is not guided solely by financial criteria, but that full consideration is given to the long-term social rate of return, including secondary effects, from development projects;
 - (e) improving the level of productivity, especially that of foodstuffs;
 - (f) ensuring that the least developed among the developing countries should receive a very important contribution from existing IDA resources and from those of the UNDP.
- (viii) All financial assistance should be stable and cover the requirements of development plans of the least developed countries. Consortia of donors should be set up in order to review the financial needs of each least developed country with a view to meeting these needs.

IV. Shipping

- (i) Developed countries and competent international institutions should devote special attention to the needs of these countries in the field of shipping and ports in extending development finance on concessional terms. Owing to poor port facilities in many of the least developed countries, technical and financial assistance in this field should be accorded special priority;
- (ii) In the application of promotional rates for non-traditional exports, particular attention should be given to the possibility of applying preferential rates to products of particular interest to the least developed countries.

V. Trade promotion

- (i) Developed countries should accord favourable treatment to products originating from least developed countries, e.g., by subsidizing the organization, running and participation in trade fairs, advertising campaigns, the exchange of trade missions and the establishment of direct business contracts;
- (ii) Adequate technical and financial assistance should be provided for the strengthening of regional and sub-regional promotional institutions;
- (iii) Technical and financial assistance to promote research aimed at finding new end-uses for primary products in order to promote their consumption in foreign markets.

VI. Measures in the field of economic co-operation and regional integration

- (i) In any regional economic grouping, the following actions could be examined at the regional level to facilitate such association:
 - (a) In the case of balance of payments difficulties, the least developed partner country might be permitted to impose quantitative restrictions or other measures with equivalent effect;
 - (b) Temporary exemption for alignment of the tariffs of the least developed country with the common external tariff of the regional group;
 - (c) The possibility of granting greater fiscal incentives for new investment in least developed partner countries;
 - (d) A more-than-proportional share of financial resources from regional development banks, special development funds, etc., to provide for a more balanced infrastructure among the participating countries, agricultural and industrial investment and preferential terms and conditions of finance for the least developed countries;
 - (e) A least developed country may be allowed the first choice of industries to be established for the regional market consistent with their rational, regional industrialization;
 - (f) Existing regional agreements in respect of meat, livestock, sugar and rice should be extended as far as possible to include more countries, taking into account the interests of the least developed among them. Efforts should also be made to conclude similar agreements in respect of other commodities of special importance to the least developed countries.
- (ii) The following actions need to be taken at the multinational level:
 - (a) Multinational projects in the fields of industry, transport communications, energy, manpower development and natural resource surveys;
 - (b) The building up of the necessary regional and sub-regional institutions;
 - (c) The creation of regional and sub-regional payments arrangements;
 - (d) Interim support to the needs of the least developed countries arising from obligations which they have to undertake in connexion with their participation in arrangements for economic co-operation. In particular, IMF should permit members to make special drawings exclusively designed to overcome deficits

resulting from trade liberalization commitments. Drawings under such a special facility should be independent of original drawing rights.

VII. Institutional arrangements

- (i) The Secretary-General of UNCTAD should work out for presentation to the third session of UNCTAD a detailed and comprehensive action programme for the Second Development Decade in favour of the least developed among the developing countries, and in this connexion take into account the work of other United Nations bodies and the suggestions made in this Action Programme;
- (ii) The list of countries already identified as the hard core by the Ad hoc Expert Group of UNCTAD 1/ and CDP 2/ should be approved with a view to appropriate action by governments and international organizations;
- (iii) An inter-governmental group should be established within UNCTAD to be entrusted with the formulation, development and review and appraisal of policies and projects in favour of the least developed countries. A special department should be established within the secretariat of UNCTAD to facilitate the work of the inter-governmental group;
- (iv) The Secretary-General of UNCTAD, in accordance with the recommendation of the Ad hoc group of expert, should appoint a group of experts serving in their personal capacity, to assist the inter-governmental group and to review, inter alia, the criteria now being used for the identification of those countries in order to establish the criteria for identification of the less developed and the relatively disadvantaged in the context of a specific policy measure or any sector of economic activity;
- (v) The General Assembly should draw the attention of other organs of the United Nations system to the course of action taken in UNCTAD with a view to initiating similar activities in their respective areas of competence;
- (vi) Countries members of UNCTAD, especially developed ones, should study measures they might take in favour of the least developed among the developing countries, including means by which such measures might be implemented, and report their findings at the third conference of UNCTAD;
- (vii) International organizations concerned, notably the UNDP, IDA and the regional development banks should apply more of their resources to the least developed countries. Developed countries or groups of countries should keep this purpose in mind when providing these organizations with additional support.

Other Special Measures Related to the Particular Needs
of the Land-locked Countries

5. Thirteen out of a total of eighteen land-locked developing countries can be found in Africa. The position of these countries, in particular, because of the high costs of transportation, the poor development of their infrastructure, inadequate and inconvenient transport, storage and port facilities, the lack of opportunity to use their own transport equipment and to establish their own transport facilities and the unfavourable trend of transport tariffs and charges, is a factor seriously inhibiting the expansion of their trade and economic development.

6. To assist in remedying these difficulties, action is required in the following areas:

I. Administrative and other measures

(i) Agreements should be concluded between land-locked developing countries and their transit neighbours with respect to:

(a) the appointment of representatives in transit ports;

(b) the establishment of procedures for inter-governmental consultation to ensure that the needs and problems of both land-locked and transit countries are kept under review;

(c) the simplification of customs and other procedures and formalities and the limitation of documentation;

(d) familiarizing the officials concerned with the spirit of transit agreements.

(ii) Agreements should be sought between neighbouring countries covering transport facilities in order to:

(a) facilitate the free circulation of the road vehicles of parties to the agreement across frontiers on a reciprocal basis;

(b) allow the free movement of rolling stock of parties to the agreement which have inter-connected railway systems.

II. Transport infrastructure

(i) Technical and financial assistance should be provided by the international community for the evaluation, installation, improvement and maintenance of facilities for:

(a) road transport in both land-locked developing countries and their transit neighbours in order to produce all-weather through transport routes for heavy vehicles;

- (b) rail permanent ways and rolling stock and, where economically feasible, the extension of the rail systems of transit countries into land-locked countries;
 - (c) inland waterways to raise the standard of navigability so that continuous year-round use is possible;
 - (d) air transport to ensure that each land-locked developing country has at least one airport fully equipped to international standards;
 - (e) postal and telecommunications systems to raise them to modern standards;
 - (f) the establishment of alternative transport routes to the sea from land-locked countries where economically feasible, specific attention being given in this connexion to establishing trunk routes of use to all countries within a region;
 - (g) special studies of the possibilities of equalizing their total transport costs with those of countries that are not land-locked, thus making their export products equally competitive.
- (ii) Technical and financial assistance should be given by the international community for the investigation, and the establishment where economically feasible, of new forms of transport, with particular reference to pipelines for oil, natural gas and other suitable products;
- (iii) Liner conferences should take into account the special problems of the land-locked countries and grant preferential tariffs to their merchandise.

III. Economic structure

- (i) Technical and financial assistance should be provided by the international community to the land-locked developing countries for feasibility studies and investment to adapt their economies to the land-locked situation, including:
 - (a) the development of import substitute industries, particularly of industries producing high bulk, low value goods;
 - (b) an increase in the value of potential exports by the processing of raw materials and by the careful grading, packing and presentation of products;
 - (c) thorough exploration to determine the resource endowment of minerals, together with measures, including the investigation of new forms of transport, to make their exploitation possible;

- (d) development of the economies of the land-locked developing countries along two lines, namely, complementarity with their neighbours and the production of high value low bulk goods to reduce the adverse effects of transport costs;
- (e) investigation of the possibilities of developing tourism, with the necessary infrastructure of hotels and improved internal transport;
- (f) thorough consideration of the possibilities of using air transport to penetrate markets abroad for high quality products;
- (g) the need to establish some regular machinery for approaching the problems of the land-locked developing countries on a regional or sub-regional basis.

7. As was requested by the Trade and Development Board at its eleventh session, 1/ the Secretary-General of UNCTAD should prepare a comprehensive action programme within the competence of UNCTAD and within the framework of the International Development Strategy for the Second United Nations Development Decade and of the relevant provisions of Board resolution 69(X) in favour of the land-locked developing countries and present it to the third session of the United Nations Conference on Trade and Development.

1/ TD/B/385, para. 400.

Special Problems of Developing Island Countries

8. Developing island countries generally, and those which are located in Africa in particular, are faced with a number of specific problems linked to their geographical nature arising out of difficulties of communication with neighbouring countries and the distance from market centres, and out of frequent natural catastrophes such as monsoons and cyclones, all of which hamper their economic development to a large extent.

9. As a first step, the secretariats of ECA and UNCTAD should carry out studies with a view to identifying in depth the above and related problems and making recommendations on the best means of solving these problems within the framework of the Second United Nations Development Decade.

Export Promotion

10. Trade promotion has a major role to play in the expansion of trade both among African countries and between African countries and the rest of the world. Considerable work remains to be done both at national and regional levels to collect and disseminate information about African markets. Special efforts will have to be undertaken with a view both to helping African countries in taking advantage of GSP and diversifying their trade with non-African countries on a commodity and geographical basis.

I. Action at the African level

11. It is necessary to create or streamline national trade promotion institutions which should play an overall co-ordinating role and lead all efforts in the field of trade expansion. The trade promotion machinery should, in particular, be able to assist the efforts of individual export-oriented industries by providing them with up-to-date market information, and liaison between them and similar organs of other African countries. Such machinery should also evolve national programmes for training of executives at all levels in the field of trade promotion. This is of special interest to the least developed African countries, whose particular needs are not always attended to at the present time as adequately as would have been desirable.

12. It is necessary to establish an Association of African Trade Promotion Organizations, with a view to promoting the exchange of ideas on and experience in African trade, exhibitions and trade fairs and also to furthering trade promotion and assisting African Governments in the formulation of trade policies conducive to trade expansion and increased intra-African trade.

13. The ECA should make a thorough study of governments' purchasing policies with a view to bringing out how such policies could be made to assist in the expansion of intra-African trade.

14. Regional development banks should assist in re-financing export credits.

II. Action at the international level

15. More resources should be put at the disposal of the African Trade Centre to allow it to expand its activities, particularly in the area of training, oriented towards the expansion of intra-African trade and in the field of advisory services.

16. The Africa Trade Centre, in co-operation with UNCTAD, should assist in training national trade promotion experts.

17. A full and co-ordinated programme of technical assistance in the field of export promotion should be set up with a view to assisting developing African countries in taking advantage of GSP. The initiative taken by UNCTAD to present a Special Fund Project to UNDP to provide technical assistance to the developing countries, and in particular to the least developed among them, in connexion with GSP, is welcome. It is important, however, to ensure not only that developing African countries will receive preferential attention in this respect, but also that such a programme of technical assistance will be directed especially to the needs of the least developed African countries.

Commodity Problems and Policies

18. Primary commodities constitute 80 to 90 per cent of African exports. They are highly concentrated in terms of their range with nine commodities accounting for about four-fifths of Africa's primary commodity exports. This means that the great bulk of African exports is subject to great price fluctuations, with obvious and well-known implications for the planning of the foreign trade sector and of the economy as a whole. The main problems in the commodity field are as follows:

- (i) Trade liberalization, access to markets and pricing policy;
- (ii) The principle of standstill;
- (iii) Removal of barriers;
- (iv) General agreement on commodity arrangements;
- (v) International commodity agreements;
- (vi) Commodity round;
- (vii) Diversification;
- (viii) Synthetic and substitutes;
- (ix) Financing of bufferstock;
- (x) Consultations and co-operation among developing producing countries;
- (xi) Minimum share of markets.

19. The rise in African exports during the last decade has been mainly due to expansion in production of minerals. As far as African exports of agricultural products are concerned, difficulties have, with few exceptions been experienced in regard to prices and/or outlets. As regards prices, the general trend of key commodities has been a downward one, though increases have been observed in the most recent years for some of them. This has had unfavourable repercussions on African economies, especially in the last two years in view of a marked deterioration in their terms of trade (of about 6 per cent from 1969 to 1970). Difficulties with respect to outlets have also been experienced, with an increasing number of African exports facing growing competition from synthetics and substitutes, or facing heavy barriers, mostly of a non-tariff nature, specially in the case of commodities in processed form. To solve these problems, action will be required before and after the third session of UNCTAD in the following areas:

I. Trade liberalization, access to markets and pricing policy

20. Developing countries should pursue their efforts to secure stable, equitable and remunerative prices as well as improved access to the markets of developed countries on the basis of their draft resolution on pricing policy and access to markets, as contained in TD/II/C.1/L.10.

21. Further, on the basis of the proposals which the Secretary-General of UNCTAD has been requested to submit to the Third Conference ^{1/} developing countries should press for institutional measures that should be adopted to secure the full application of the principles agreed upon in these two important fields.

22. Products of special interest to African countries and which can best be processed in Africa on account of raw material availability should be left to the exclusive processing by African producing countries. Appropriate adjustment measures should be taken by developed countries with a view to allowing developing countries, especially African, to become gradually the major suppliers of certain processed and semi-processed products.

II. The principle of standstill

23. In regard to the Principle of Standstill, paragraph 25 of the International Development Strategy for the Second Development Decade states that "no new tariff and non-tariff barriers will be raised nor will the existing ones be increased by developed countries against imports of primary products of particular interest to developing countries". There is therefore need to make institutional arrangements within UNCTAD for keeping this matter under constant review and arrangements for consultations in case of a breach of the standstill.

III. Removal of barriers

24. It is suggested that the developing countries while urging international action should press for developed countries or groups of developed countries to take unilateral or joint action for reduction or elimination of duties and barriers on a preferential basis in favour of developing countries, as advance action prior to any multilateral negotiations that might be arranged in the near future, taking into account paragraph 6 of Section II of recommendation A.II.1 of the first session of UNCTAD.

IV. General agreement on commodity arrangements

25. It is necessary for developing countries to press at the Third Conference for the adoption of a set of generally acceptable principles and guidelines in the commodity field in accordance with Conference resolution 17(II), with a view to achieving a basic reform of international commodity policy.

V. International commodity agreements

26. The Secretary-General of UNCTAD should prepare, for submission to the Third Session of the Conference, in co-operation with the international bodies concerned, and in particular with the governing councils and the secretariats, of the Agreements, and in the light of the experience of the operation of existing international commodity agreements, a study on their effectiveness,

^{1/} TD/B/327. Chapeau to resolution 73(X).

seeking the views and suggestions of these bodies in connexion with measures designed to maximize possible benefits therefrom to all participating countries, especially the developing countries, which would facilitate the improvement of existing international agreements on commodities and the negotiations of entirely new agreements.

27. Such a study should be carried out in such a way as to assist the Third Conference in the elaboration of the general agreement on commodity arrangements.

28. There is need for developing countries to press for international action, including when appropriate, conclusion of international agreements or arrangements on commodities referred to in Conference resolution 16(II). They should in particular press for the conclusion of an international cocoa agreement before the third session of UNCTAD.

29. Procedures should be laid down as regards the manner in which action could be taken on agreements reached on matters of fundamental importance in UNCTAD from time to time.

VI. Commodity negotiations

30. Developing countries should press for a "Commodity Round" with developed countries to examine ways and means whereby unit prices of manufactured imports from developed countries and unit prices of exports from developing countries could be "linked", with a view to remedying the deterioration of the terms of trade of developing countries.

31. With the above in view, and as was decided by the Trade and Development Board at its eleventh session, ^{1/} the Secretary-General of UNCTAD should prepare a factual study, to be submitted to the third session of the Conference, reporting on developments in the terms of trade over the longer term, paying particular attention to the situation of the developing countries and especially of the least developed among them, concentrating especially on recent developments in this area, and indicating where possible deterioration which has taken place.

32. Developing countries should ensure that appropriate action is taken at the third conference on the findings of that study.

33. The procedures for convening and the frequency of international conferences on specific commodities should be considered with a view to simplifying them.

VII. Diversification

34. Efforts in the field of diversification should be directed, inter alia, to the following:

- (i) Developed countries should formulate a policy encouraging access to their markets and a pricing policy which will facilitate the carrying out of diversification programmes of developing countries;

^{1/} TD/B/385, para. 164.

- (ii) Developed countries should undertake to carry out structural readjustments through provision of appropriate adjustment assistance measures in order to allow expansion of imports from developing countries and particularly in respect of countries heavily dependent on exports of commodities facing structural marketing problems;
- (iii) Developed countries should support diversification funds. In this regard, the World Bank Group and other multilateral financial institutions should be requested to create special funds to assist developing countries to effect a rapid rate of diversification of their economies;
- (iv) Developed countries should extend the product coverage of their schemes of generalized system of preferences, particularly to primary products, processed and semi-processed primary products;
- (v) Developed countries should facilitate the transfer of technologies which will enable developing countries to achieve rapid vertical diversification of their economies;
- (vi) Developing countries request that a preliminary survey on the available infrastructure be carried out from funds available to UNDP for regional projects, in order to identify the minimum that is necessary to enable them to benefit from any programme on diversification. UNDP resources for regional projects should consequently be increased.

VIII. Synthetics and substitutes

35. The Permanent Group on Synthetics and Substitutes has already recognized the importance of research and development in this field and has organized its work on the basis of systematic surveys of the extent of research and development facilities that are at present available. While the work currently under way in the Permanent Group on Synthetics and Substitutes on the promotion of research and development in this field is proceeding, it is proposed that developing countries should seek action from developed countries and international organizations concerned, as follows:

- (i) Developed countries should take measures to discourage large production and development of synthetics and substitutes which compete directly with natural products;
- (ii) Developed countries and international financial organizations should provide necessary assistance to enable developing countries to effectively implement their diversification programmes;
- (iii) Developed countries should eliminate tariff and non-tariff barriers on natural products facing competition from synthetics and substitutes;

- (iv) Developed countries should provide assistance to enable developing countries to engage in research and to develop efforts for improving the competitive position of their natural products and to find new uses for such products;
- (v) Developed countries and international financial institutions should mobilize international resources to finance research and development in developing countries;
- (vi) Developed countries and international organizations concerned should extend technical assistance to developing countries for trade promotion and marketing of their natural products;
- (vii) Developing countries should make special efforts to increase the trade of primary commodities among themselves on mutually advantageous basis, in particular those commodities facing competition from synthetics and substitutes;
- (viii) African countries should take appropriate steps to increase food production for international consumption.

IX. Financing of bufferstocks

36. Developing countries should continue to press developed consuming countries to accept responsibility for the financing of bufferstocks in international commodity arrangements without prejudice to other measures for financial assistance in favour of developing countries. It is therefore important to press for the improvement of the facilities offered by the IMF in this respect.

X. Complementary financing

37. A system of complementary financing should be established whereby some of the existing resources in IMF could be utilized to offset shortfalls in export earnings from groups of commodities or individual commodities of developing countries. It should be the responsibility of IMF to work out the mechanism of the scheme and its feasibility.

XI. Consultations and co-operation among developing producing countries

38. Ways and means to reinforce co-operation among developing countries themselves should be considered and specific commodities selected for initiating such efforts. In particular the developing countries should in the field of commodities, both agricultural and mineral, establish international organizations of commodity exporting developing countries.

39. ECA should carry out a study on consultations and associations among African producers or with other developing countries' producers with a view to drawing upon, and applying to them, the lessons to be learnt from the experience of OPEC.

Manufactures and Semi-manufactures

41. Manufacturing still represents an insignificant share of GDP of most African countries compared with that of the developing countries in Latin America and Asia. Africa is thus the least industrially developed of the developing regions.

42. African industrialization strategies have so far been mostly based on import substitution. For most African countries, exports of manufactured and semi-manufactured goods have constituted only a small share of their total production of manufactures. However, it is of the utmost importance that African countries should increase substantially the share of products with high value added in their exports. African countries should endeavour to increase their exports of manufactures and semi-manufactures.

43. An action programme in the field of manufactures and semi-manufactures should fall into the following parts:

I. Action at the national level

44. Industries which depend heavily on the availability of natural resources would appear to offer the greatest scope for the expansion of manufactured exports from African countries. In most cases it would be a matter of upgrading agricultural exports and increasing their degree of processing, but in a limited number of countries there is scope for a substantial export-oriented enlargement of industries in which minerals constitute the basic raw materials. Particular attention should be paid to:

- (i) The need to reduce high installation and running costs;
- (ii) The need to develop African ownership and entrepreneurship;
- (iii) The need to develop export-consciousness in the foreign trade set up;
- (iv) The role of export promotion.

II. Action at the sub-regional and regional levels

45. Consideration should be given at the sub-regional and regional levels in order to achieve the following advantages:

- (i) Economies of scale through joint national and multinational industries based on enlarged markets;
- (ii) Strengthening industrial competitiveness through lower unit cost of production;
- (iii) Pooling of financial resources, technical know-how and facilitating the expansion of exports to non-African markets through the creation of joint ventures.

46. The following multinational industries could be considered:

- (i) Basic industries of major importance to development, whose economic and technical optima are very high;
- (ii) Processing industries in which considerable economies of scale could be realized as the plant is enlarged;
- (iii) Industries in which special-purpose machines can be used to greatly increase worker productivity and to reduce costs;
- (iv) Industries which require specialized machinery for mass-production.

III. Action at the international level

47. Assistance from the international community will be required in many respects. In particular:

- (i) Developed countries should immediately, and on a preferential basis, remove non-tariff barriers on manufactured and semi-manufactured products of developing countries;
- (ii) Developed countries should take advance action to eliminate or reduce progressively non-tariff barriers on products of interest to developing countries without waiting for the results of any general multilateral negotiations. Particular attention should be paid to the possibility of giving preferential treatment in favour of the least developed among the developing countries in such liberalization.
- (iii) Restrictive business practices affecting the trade and development of developing countries should be identified and appropriate measures taken for their elimination;
- (iv) Developed countries should provide suitable adjustment assistance measures and evolve programmes for adjustment of their industries and workers to encourage an expansion of imports from developing countries. Such programmes should be drawn up for implementation early in the Second Development Decade;
- (v) Governments of developed countries should encourage their firms, especially those which have subsidiaries in developing countries or relationships with firms in developing countries, to make the maximum use of sub-contracting in order to stimulate the expansion of trade in parts and components from developing countries;
- (vi) Developed countries should accord unrestricted and duty-free entry to hand-made and handicraft products from developing countries. Tariff nomenclatures of developed countries should be restructured so as to facilitate the granting of this duty-free entry;

- (vii) UNCTAD should be concerned actively with the liberalization of quantitative restriction and other non-tariff barriers. Arrangements should be made within UNCTAD to carry out a programme of liberalization of non-tariff barriers on a continuing basis. These arrangements should include systematic product-by-product examination of quantitative restrictions and other non-tariff barriers; effects of these barriers on the trade of developing countries; and making recommendations for the liberalization of those barriers, including special or preferential treatment in favour of the least developed among the developing countries.

48. Developing countries should ensure that appropriate action is taken at the Third Conference on the two draft resolutions on removal or reduction of non-tariff barriers which had been remitted to the Trade and Development Board by the Committee on Manufactures ^{1/}.

IV. The General System of Preferences

49. The General System of Preferences as it now stands is likely to make only a very limited contribution to the prosperity of African countries. Adequate financial and technical measures should therefore be taken for the establishment and development of industries likely to further the exports of products included in the GSP, as well as financial assistance for pre-investment studies for such industries. To this end, the third session of UNCTAD should consider the creation of a special industrialization and technical co-operation fund derived from contributions from the developed countries. Such a transfer of resources from these countries would balance in a more equitable way the benefits accruing to various developing countries from GSP.

50. Also within the framework of GSP, the following action should be taken:

- (i) Developed countries which have not yet implemented the general system of preferences should establish a firm time-table for doing so, bearing in mind that in the International Development Strategy they had committed themselves to implementing their schemes as early as possible in 1971;
- (ii) The solution of the unresolved issue of reverse preferences should be resolved in the manner agreed to in resolution 75 (S-IV) of the Trade and Development Board of UNCTAD. Those preference-giving countries who now enjoy reverse preferences and those who demand their abolition should between them work out and propose solutions;
- (iii) The preference-giving countries should endeavour to include processed and semi-processed agricultural products in their schemes;
- (iv) The Special Committee on Preferences should be maintained for at least the duration of GSP.

^{1/} TD/B/352 - TD/B/C.2/112, paragraph 146 and annex II.

Financial Resources for Development

51. Developing Africa's share of total external financial assistance fell from 35 per cent in 1960 to about 23 per cent in 1967. In addition to the declining share, aid to Africa fluctuated more than for the other developing regions. The volume of aid to Africa reached its peak in 1962 when it stood at \$1,777 million. By 1967 it had declined to \$1,610 million which would be equivalent to only \$1,490 million in 1960 prices.

52. Multilateral aid is playing an important role in the flow of external resources to Africa. However, as the total net multilateral flow increased from \$209 million in 1961 to \$976 million in 1967, the flow to Africa increased only from \$125 million to \$260 million, which represents a decline in the relative share of the region from 60 per cent in 1961 to about 25 per cent in 1967-1969.

53. Debt servicing has been one of the most disquieting features of Africa's reverse flow of external resources. Debt service payments by 35 African countries for which data are available has been estimated at \$744 million in 1968. It increased by about 56 per cent between 1967 and 1969. No other developing region registered a rise of such magnitude.

54. The proportion of the national income of African countries which is devoted to the financing of investments is below 20 per cent.

55. In the light of the foregoing, a series of measures should be taken.

I. Action at the national level

56. African countries should take measures with a view to:

- (i) Improving their fiscal mechanism, streamlining and strengthening systems of tax administration and undertaking necessary tax reforms;
- (ii) Keeping public current expenditure under close scrutiny in order to release the maximum resources for investment and improving efficiency of public enterprises;
- (iii) Reorganizing and providing incentives for the mobilization of private savings through commercial banks, post office savings banks, thrift institutions, etc.;
- (iv) Defining the roles and proportion of both domestic and foreign investment in development policies and assessing the costs and benefits of private foreign investment and the policies and incentives formulated to ensure equitable benefits for investors and governments from industrial ventures;

II. Action at the regional level

- (i) Regional development banks should assist in regional payment arrangements;
- (ii) African countries should give their full support to the establishment of an African Development Fund by the African Development Bank;
- (iii) Direct financial aid as well as technical assistance should be encouraged among African countries, paying special attention to the needs of those African countries which might be encountering, for reasons beyond their control, stubborn and protracted economic and financial difficulties hampering their economic development.

III. Action at the international level

57. For international assistance to Africa to be effective, it should aim at (a) increasing the flow of external assistance and take into account the special requirements of African countries, and (b) generating structural transformation and changes in African countries by enabling them to utilize their own natural resources and have complete control over their economies.

58. To this end, developed countries should:

- (i) Honour and fulfil previous commitments taken during UNCTAD II and reiterated in International Development Strategy for the Second Development Decade regarding the transfer of one per cent of their GNP at market prices and agree on a time-table for the carrying out of this commitment. The developed countries which have already fulfilled the aid target should endeavour to maintain their level of assistance;
- (ii) Accept, in the case of socialist countries, voluntary targets for the level of their aid efforts and secure increased volume of aid;
- (iii) Implement the provision contained in the Development Strategy for the Second United Nations Development Decade as regards the transfer of 0.7 per cent of GNP as net official resources transfers;
- (iv) Accept a time-table for achieving the goals suggested in conference decision 29 II;
- (v) Recognize the necessity of harmonizing, to some extent, the terms and conditions governing financial aid and of making these terms and conditions more flexible;
- (vi) Accept the principle for the establishment of a multilateral interest equalization fund;

- (vii) Noting that some African countries have experienced net capital outflow, developed countries should therefore take the necessary steps to reverse this tendency by fiscal and/or other appropriate measures such as tax remission on reinvestments of profits and other earnings accruing to private capital investors;
- (viii) Implement the decisions taken in the DAC meeting in Tokyo in 1969 relating to conditions of aid;
- (ix) Accept the Pearson recommendations in relation to servicing of debt and the provision of programme assistance;
- (x) Eliminate the practice of granting tied credits in their programmes of assistance for development;
- (xi) Eliminate the requirements sometimes imposed on developing countries to import from developed countries specified values of certain goods as a condition for the utilization of aid funds;
- (xii) Eliminate the prohibition on developing countries to export goods manufactured from raw materials imported with aid funds;
- (xiii) Consider granting longer-term aid in order to enable African countries to plan with confidence on such a basis;
- (xiv) Strive to achieve a better balance between aid and technical assistance in their bilateral programmes;
- (xv) Accept the establishment of a time target for the introduction of supplementary financial measures and the provision of additional development finance for this purpose;
- (xvi) Ensure that export credits be granted to developing countries according to the criteria compatible with the objectives of planned development. Further, they should also accept the recommendation of the Pearson Report relating to the pooling of export credit with development financing;
- (xvii) Take over suppliers credits from companies registered in their territories and spread the repayment on easy terms in order to reduce the adverse effect of such credits on the balance-of-payment of developing countries;
- (xviii) Give more sympathetic consideration to the legitimate requests of African countries relating to multilateral projects including provision of financial assistance aimed at facilitating trade liberalization between developing African countries;

- (xix) Give favourable consideration to the request made by African countries that both bilateral and multilateral loans should be more equitably distributed among developing countries so that aid will be used to reduce the growing international inequalities. Africa as the least developed among developing regions, should have a relatively greater share of both bilateral and multilateral resources.

59. To assist in attaining the objectives referred to in paragraph 57, the following action should be taken within the framework of multilateral organizations:

(i) In the case of UNCTAD:

- (a) a special body should be created within the machinery of UNCTAD to find practical solutions to the debt servicing problems of developing countries. Consultations could be held within such a body between representatives of debtors and creditors countries and international experts serving in their personal capacity.

(ii) In the case of UNDP:

- (a) the administrator should use the powers given to him by paragraph 16 of the annex to General Assembly resolution 2688(XXV), on the capacity of the United Nations development system, to adjust the Indicative Planning Figures for African countries in order not to penalise the latter and to ensure that the Indicative Planning Figures correspond more closely to their needs and capacities. The Administrator should also implement resolution E/RES/1615(II) of ECOSOC on the financial contribution to the UNDP in such a way as to reflect the new increased projection figures in the country programmes. Some flexibility should also be given to African countries in the administration and allocation of UNDP funds within their country programming procedures;
- (b) UNDP should apportion its grants and technical assistance in such a way that Africa receive a larger proportion of the resources of UNDP in order to enable them to raise their manpower and executive capacity. A given percentage of the IPFs should be set as a floor to guarantee that developing countries make use to the fullest extent possible of available funds.

(iii) In the case of IBRD and IDA:

- (a) apportion their loans in such a way that Africa may receive a larger proportion than hitherto of the resources of IDA;

- (b) devise a bolder lending technique that would permit them to assist the timely preparation, execution and financing of small projects calling mostly for local currency expenditures;
 - (c) amend the procurement regulations of IBRD to the effect that developing countries repay in monies actually borrowed and withdrawn;
 - (d) expand programme lending as distinct from project lending as a way of assisting developing countries in their overall development programmes;
 - (e) accept to finance, in the case of IBRD, projects on which a financial return may not be guaranteed, but whose socio-economic impact on national development may be considerable.
- (iv) In the case of the IMF:
- (a) agree to amend Article XXIII, Section 3, to enable international organizations to hold SDR's so that a link between the increased international liquidity resulting from the creation of the SDR's and the provision of additional development finance for the developing countries could be implemented during the second allocation of SDR's in 1972;
 - (b) agree to transfer SDR's to the African Development Bank as a contribution to the African Development Fund;
 - (c) authorize African countries to exercise special drawing rights designed specifically to cover deficits resulting from the implementation of measures intended to liberalize trade among themselves, providing that the drawing rights exercised for this special purpose, would be distinct from the ordinary drawing rights.

Impact of the Present International Monetary Situation
on World Trade and Development, Especially as far as the
Developing Countries are Concerned

60. The adjustments now taking place in the world monetary and trade system may cause great difficulties in the management of African economies:

- (i) Most African countries pose the problem of a small country closely tied to a major power in the trade and monetary fields by institution and by history;
- (ii) Most African economies are characterized by an extreme open-ness;
- (iii) Foreign currencies constitute more than 80 per cent of the total reserves of African countries. The equivalent percentages for the United States, other developed countries and other developing countries (i.e., excluding Africa) are 2, 40 and 70 per cent respectively;
- (iv) African exports to the United States represent less than 7 per cent of total exports. About 70 per cent is made up of foodstuffs and beverages and 25 per cent of mineral fuels. The United States has traditionally a surplus in its trade with the region;
- (v) A 10 per cent across-the-board reduction in total official bilateral net flow of resources from the United States to Africa will reduce total official bilateral assistance to the region by about 2 per cent.

61. The measures adopted by United States on 15 August 1971 most directly affecting the trade and development of developing African countries are:

- (i) The suspension of the convertibility of dollar into gold and the subsequent floating of almost all other major currencies;
- (ii) The imposition of a 10 per cent ad valorem surcharge on United States imports which are not subject to quantitative restrictions and which are duty free;
- (iii) A 10 per cent reduction in American economic assistance.

62. The African countries consider that:

- (i) The restrictions imposed by the industrialized countries on international trade are prejudicial to the economies of the developing countries whose income depends basically on revenue from exports. They urgently request exemption from the 10 per cent import surcharge recently imposed by USA;

- (ii) Any reduction in aid to the developing countries is not an appropriate means of solving the problems of imbalance between the developed countries, but, on the contrary, is likely to seriously hamper their economic development. The United States is requested to restore the 10 per cent cut in foreign aid to all developing countries without discrimination.

63. The current international monetary crisis is the result of an imbalance among developed countries. A major factor in triggering off the crisis has been large speculative movements of capital. African developing countries have fully co-operated in efforts to preserve the stability of the international monetary system. They are in no way responsible for the balance-of-payments imbalances among developed countries. On the contrary, they have loyally refrained from aggravating the situation by moving their currency reserves. However, they are now called upon to carry a relatively heavier burden of the present monetary adjustment process than the developed countries, as a result of the larger proportion of foreign currencies in their reserves.

64. It is essential that the solution to the present crisis should not impose additional burdens on the developing countries. It should, on the other hand, deliberately provide for development in a manner that was lacking in the old system by:

- (i) Creating conditions under which the export trade of developing countries can expand and become more diversified;
- (ii) Promoting a transfer of resources at least in the amounts provided for in the International Strategy for Development.

65. The following considerations and guidelines should be taken into account in the exploration of solutions to the crisis:

- (i) It is indispensable to the restoration of stability and confidence in the world monetary system that there should be an early return to fixed parities with very narrow margins;
- (ii) Within the new international monetary system, exchange reserves should be constituted collectively and managed collectively. The IMF should undertake, as a matter of urgency, the task of developing the SDR scheme as a substitute to the reserve currency system which has so far been tied to gold and national currencies.
- (iii) The creation of a link between SDR's and additional resources for financing development should be made an integral part of the international monetary system;
- (iv) The adherence of the developing countries to a new international monetary system necessarily presupposes the existence of a permanent system of guarantees against exchange losses affecting the reserves of these countries. In any event, losses inflicted on the exchange reserves of these countries by reason of the deterioration of the present monetary system should be compensated. This could be

achieved by the allocation to such countries of additional SDR's. IMF should work out an adjustment scheme to ensure developing countries against involuntary losses because of currency speculations in certain currencies of developed countries, especially when this leads to devaluation;

- (v) Any contemplated changes in the international monetary system should take into consideration the interests of the developing countries. In searching for a solution to the present international monetary crisis, the whole international financial community should fully participate in the process of decision-making. In this regard, the role and the authority of the Fund should be fully re-established and strengthened in all matters that concern the whole international community as the only way of safeguarding the interest of all member countries;
- (vi) The representation of the African countries within IMF should be increased by both the provision of a greater number of seats and an increase in the number of votes allocated to each country.

66. In the light of the above considerations and guidelines, and in accordance with resolution 84(XI) of the Trade and Development Board, the Secretary-General of UNCTAD should:

- (i) Bring these views of African countries to the attention of member governments and the International Monetary Fund;
- (ii) Engage in urgent consultations with the Managing Director of the International Monetary Fund and in such other consultations as may be necessary with a view to ensuring that the interests of all, especially the developing countries are taken fully into account in any further evolution of the international monetary system;
- (iii) Carry out with all due urgency and with the co-operation of the International Monetary Fund and such other agencies as he sees fit, and with assistance of a group of experts to be convened if necessary, studies within the competence of UNCTAD, concerning:
 - (a) the impact of the current international monetary situation on world trade and development, especially of the developing countries;
 - (b) the elements which should contribute to the necessary reform of the international monetary system for the purpose of ensuring that it provides an adequate framework for the maintenance of monetary, exchange and financial stability so as to promote world trade and development, especially of the developing countries;
- (iv) Submit the above-mentioned studies and the results of his consultations as soon as possible and in any event to the next session of the Committee on Invisibles and Financing related to Trade and to the third session of UNCTAD.

Policies for the Development of Shipping and the
Reduction of Maritime Transport Costs

67. As at mid-71, after the Fifth Session of the Committee on Shipping, the main areas which are still causing a lot of concern to developing countries and which should be considered at UNCTAD III are as follows:

- (i) Evolution of a code of conduct for liner conferences;
- (ii) Rises in freight rates and maritime transport costs; promotional freight rates;
- (iii) Technological progress in shipping;
- (iv) Consultation on shipping;
- (v) Financial assistance for the acquisition of new and second-hand ships by developing countries;
- (vi) Multinational shipping enterprises (in the context of the special problems of the least developed among the developing countries and land-locked countries).

68. In spite of the efforts of African countries to expand their merchant marines, their share in the world merchant fleet has remained at the very low level of 0.6 per cent. The volume of cargoes generated by their trade has increased sixfold over the decade. Their share in international sea-borne trade amounted to 15.3 per cent of goods loaded and 2.06 per cent of goods unloaded.

69. Operational conditions for national-owned merchant marines have not been favourable. Some shipping lines of developing African countries have been admitted into liner conferences, but they have experienced difficulties in obtaining a sufficient number of sailings and in obtaining high-rate paying cargoes. They have not been admitted as members of way-port conferences.

70. Development of existing and new ports is either in progress or in the planning stage in most African countries. But Africa's trade is still capable of great expansion. The long-term solution of Africa's ports can therefore only be to increase the facilities available and the efficiency of port operations. Both these measures necessitate the investment of capital, which is currently not readily available.

71. Freight rates in African trades have greatly increased in the recent past. The increases have been arbitrary and unilateral. These widespread and frequent increases have had serious adverse repercussions on the exports and balance-of-payments of African countries. Even with such disturbingly frequent freight rate increases, conferences servicing African trade have still not been able to ensure adequacy of shipping services.

72. The arrangements to establish consultation machinery in Africa have so far been inadequate and ineffective because of the dilatory tactics employed by liner conferences.

73. Within the context of shipping, ports, and connected inland transport, all developing African countries should be considered to be among the least developed of the developing countries. Special measures in favour of the least developed countries should, in these fields, apply to the African region.

74. Liner conferences should take into account the geographic situation of the African land-locked countries and grant preferential tariffs to their merchandise.

75. An action programme in the field of shipping should fall into two parts, one dealing with action that should be undertaken by African countries themselves, and the other with action to be carried out at the international level, including UNCTAD III.

I. Action by African countries at the regional level

The objectives to be aimed at by developing African countries should centre mainly on the following areas:

- (i) Development of merchant marine
- (ii) Development of ports
- (iii) Protection against arbitrary and unilateral freight increases by maintaining constant consultation effective enough to counter-act any such action.
- (iv) Strengthening of consultation machinery.

76. Attainment of many of the above objectives would be facilitated by action on a regional level. To that end, a suitable institutional machinery is required. African Governments should consider establishing an African Committee on Shipping, Ports and Related Inland Transport, either as a parallel committee to the ECA/OAU Joint Meeting on Trade and Development, or as a Working Group of that meeting. This machinery should establish a programme of work to be carried out in close co-operation with global organizations such as UNCTAD, ILO and IMCO. The following areas will call for regional action:

- (i) Cargo flow analyses
Analyses should be carried out on country, sub-regional and regional basis
- (ii) Shipping and ports statistics

(iii) Training

- (a) establishment of regional training centres for sea-going personnel;
 - (b) training schemes in shipping economics and management for middle-management level;
 - (c) training seminars for top management;
 - (d) training centres for ports labour; and
 - (e) establishment of economic and operational training courses for port management.
- (iv) Integrated ocean, coastal and inland transport
- (v) Establishment of free zones in ports, where necessary
- (vi) Development of coastal shipping facilities
- (vii) Establishment of multinational shipping companies at the sub-regional and regional levels
- (viii) Setting up of joint ventures between coastal and overseas shipping interests in Africa and shipping companies in developed maritime nations
- (ix) Establishment of shippers' councils at national, sub-regional and regional levels and strengthening of co-operation amongst them
- (x) Sub-regional and regional planning of technical and financial assistance programmes.

II. Action to be undertaken at the international level

77. African countries, together with other developing countries, should propose a Charter on Shipping for adoption at UNCTAD III.

78. It is of primary importance to the developing countries of Africa that such a Charter not only be a reiteration of previous UNCTAD decisions in the field of shipping and ports. Therefore, in the first section of the Charter, dealing with objectives and implementation, the principle should be incorporated that, in agreeing to measures in UNCTAD, member countries bind themselves to implement such measures in practice, by national legislation or by other suitable means. African countries should give high priority to this point, as otherwise the decisions of UNCTAD in the field of shipping remain largely meaningless.

79. Below follow proposals for the operative contents of a new "Charter on Shipping", that might be proposed by the developing countries for adoption by UNCTAD III.

Objectives and implementation

80. Action is required for the early achievement of the following objectives:

- (i) the reduction of maritime transport costs and freight rates;
- (ii) the promotion of the earnings of developing countries from maritime transport and the reduction of the outflow of foreign exchange from those countries arising from maritime transport;
- (iii) the achievement by the merchant marines of developing countries of an increasing and substantial participation in the carriage of cargoes generated by the foreign trade of those countries. Developed countries should accept the conclusion of maritime agreements concerning the at least equal sharing of the value of freight with developing countries which have merchant marines.

81. In order to achieve these objectives and facilitate necessary action by governments, shipowners and shippers, governments of both developed and developing countries should:

- (i) assure by legislative and other appropriate means that UNCTAD decisions are carried out by all interests concerned; national authorities; shippers and shipowners. Such legislative and other measures should be brought into force at the latest twelve months after their adoption by the appropriate UNCTAD body: The Committee on Shipping, the Trade and Development Board, or the Conference;
- (ii) assure that UNCTAD resolutions and recommendations are effectively brought to the notice of all interests concerned;
- (iii) keep the agreed objectives in shipping and ports under review within the machinery of UNCTAD in the context of the measures recommended in this Charter. Additional measures to attain the objectives should also be considered by the regional economic commissions and UNCTAD in due course. The Committee on Shipping, as the competent organ of the Trade and Development Board, should play the leading and co-ordinating role in reviewing the achievement of the objectives and their further development and amplification;
- (iv) satisfy themselves that action taken in pursuance of the above objectives should be guided by the following considerations and recommendations:

Establishment and development of merchant marines by developing countries

82. Developing countries should aim at creating national or multinational merchant marines with a view to solving the problems that arise in this field and thus break the monopoly held by the developed countries.

Assistance, promotion and protection

83. Developing countries should be enabled to expand their national and multinational merchant marines through the adoption of such measures as they may find necessary to permit their shipowners to compete in the international freight market and thus contribute to a sound development of shipping.

84. It would be both legitimate and necessary for developing countries to protect their shipping industries through national legislation, administrative acts and financial assistance. Such protective measures could include flag preferences and the right to cargo reservation, long repayment periods, various forms of income tax relief, etc.

Conference membership - way port trade

85. National shipping lines of developing countries should be admitted as full members of liner conferences operating in the national maritime trade of the countries concerned and have an increasing and substantial participation in the carriage of cargoes generated by their foreign trade.

86. Conference membership should not be limited in the access to cargo carried by the conference, but include way-port trade. National shipping lines of developing countries should be admitted as members of way-port conferences.

Terms of shipment

87. In policies for the development of merchant marines of developing countries, adequate attention should be given to the economic implications of terms of shipment which, because of prevailing institutional arrangements, tend to limit the developing countries' choice of ships for their trade.

Financial assistance

88. A specialized international financial institution should be established for providing soft-term credits for financing the purchase of new and second-hand ships by developing countries, or special funds should be established for these purposes under the auspices of IBRD or regional development banks.

89. Such an institution or funds should have adequate facilities for the repayment of a substantial portion of the loan in the developing countries' national currencies or alternatively a moratorium for the first ten years until they have earned sufficient foreign exchange.

Credit terms

90. Bearing in mind the economic problems of developing countries and their limited resources, ships should be sold to them on the following minimum terms and conditions:

- (i) New vessels should be sold to developing countries on deferred payment terms involving repayment over a period of 15 years after the delivery of the vessels, with a suitable period of grace;
- (ii) Suitable second-hand vessels should be sold to developing countries on deferred payment terms extending up to 10 years;
- (iii) The cash down payment up to the time of delivery of vessels sold to developing countries should not exceed 15 per cent of the price of the ships in the case of new vessels and 20 per cent of the price in the case of second-hand vessels;
- (iv) The rate of interest for such deferred payment should not exceed 5 per cent per annum;
- (v) Credit should be extended to the shipowners in the developing country instead of the shipbuilder in the shipbuilding country and a guarantee from a bank in a developed country should no longer be demanded.

91. The governments of developed countries should accept the guarantees given by the national financial institutions of the developing countries as adequate cover for the deferred portion of payments for vessels, both new and second-hand, purchased by developing nations.

92. Governments of developed countries should be ready to offer supplementary guarantees to private financial institutions in their countries in order to facilitate financing of the purchase of new and second-hand tonnage by developing countries.

93. In order to assure the availability of new ships for the fleets of developing countries, 10 per cent of the shipbuilding production for export by the developed countries should be earmarked for sale to developing countries on a preferential basis.

Development of ports

94. A concerted national and international effort should be evolved to promote the development and improvement of ports. As part of this effort, there should be considerable enlargement of financial and technical assistance to developing states for both increasing the capacity and degree of sophistication of port facilities and improving organization, management and operation of their ports.

95. Shipowners and liner conferences should co-operate closely with port authorities, especially in developing countries, so as to make effective use of port improvements. Port improvements should benefit the country in which the port is located, either by reflecting in lower freight rates or by increased port dues and charges.

96. Liner conferences, in consultation with shippers and port authorities, should avoid averaging rates over ranges of ports to the extent of discouraging improvement in individual ports. For this purpose a discount should be given on rates to ports where improvements have taken place, in the same way as surcharges are levied in difficult ports.

97. Consultations between shipowners, liner conferences, port authorities and shippers should have as one of its principal aims to achieve the lowering of freight rates whenever ports are improved resulting in quicker turn-round of ships.

98. The regional economic commissions should be enabled through adequate funding to assist in port and related inland transport development in an appropriately integrated fashion, with support, as necessary, from the UNCTAD secretariat. Such assistance should be directed towards:

- (i) convening regional and sub-regional seminars and conferences on the problems of port development and organization;
- (ii) setting up, in co-operation with ILO and UNCTAD and governments, sub-regional or zonal training institutions for all levels of port labour and management;
- (iii) formation of zonal and sub-zonal associations of ports and harbours in order to combine their efforts to facilitate further development and improvement of ports, etc.

Freight rates and conference practices

Freight rates

99. Every effort should be made to reduce maritime transport costs and freight rates. In order to ensure stability in freight rates, liner conferences should not effect general increases in freight rates at intervals of less than two years.

100. In the determination and adjustment of liner freight rates, priority should be given to:

- (i) the need to review, adjust and revise freight rates, which shippers and other interested parties, including public authorities, of developing countries consider to be high, bearing in mind the importance of as low a level of freight rates for the exports of developing countries as is commercially possible and the feasibility of providing special freight rates to promote non-traditional exports of developing countries;

- (ii) the need to avoid freight rates set at levels which cannot be justified by the normal criteria for freight rate structures, and also to avoid freight rates and conference practices which have the effect of frustrating the exports of a product from a developing country while encouraging the exports of the same product from another country served by the same conference;
- (iii) the special problems of the least developed among the developing countries, in order to encourage and promote the import and export interest of these countries;
- (iv) port improvements leading to a reduction of the cost of shipping operations in ports;
- (v) technological developments in maritime transport;
- (vi) improvements in the organization of trade.

Liner conference practices

101. Maritime transport costs, the level and structure of freight rates, conference practices, adequacy of shipping services and related matters should continue to be kept under review within the United Nations Conference on Trade and Development, and additional measures to attain the objective set out in this field should be considered within the work programme of the permanent machinery of the Conference.

102. It is also necessary that further improvements be made in the liner conference system and that all unfair and discriminatory practices, where such exist, should be eliminated. Furthermore, it is essential that liner conferences should observe and be seen to observe known principles of fair practices, particularly in the trades of developing countries, which should take full account of the needs of suppliers and users of shipping services and in particular of the needs of economic development.

103. It is noted that a meeting of European and Japanese Ministers of Transport held in Tokyo in February 1971 envisaged the drawing up of a Code of Conduct for liner conferences by the ship-owners of the developed countries. Such a code, however, is of universal interest and universal application. It should therefore be acceptable to developing countries and must be formulated with their full participation.

Consultation machinery between shippers, shipowners and government agencies

104. Every effort should be made to encourage the institution and operation of shippers' councils or equivalent bodies, and the establishment of effective consultation machinery.

105. Such consultation machinery should include government's agencies, which are to ensure that their trade will be facilitated rather than hampered by shipping practices.

106. In particular such machinery should provide for consultation by liner conferences well before publicly announcing changes in freight rates. In addition to avoiding general freight rate increases at intervals of less than two years, liner conferences should give prior notice of a minimum of three months in the case of increases in freight rates on individual commodities.

107. In order to make consultation machinery effective, liner conferences should provide to all interested parties their tariffs and other relevant information, including the data on costs and revenues of member lines on individual trade routes. Furthermore, it is necessary that representatives of liner conferences in developing countries should be appointed and given sufficient powers to negotiate and make decisions upon appropriate matters within their competence. In this way consultations concerning the trade of developing countries can be held as often as practicable in the developing countries concerned.

108. The need to promote intra-regional trade among developing countries should be given priority in the negotiations between conferences, shippers and governments.

109. Effort should be given to the establishment of regional and sub-regional shippers' councils which can stimulate the development of national shippers' councils and also play a useful part in consultation with shipowners at the regional or sub-regional level. The United Nations' regional economic commissions, in co-operation with other regional organizations and UNCTAD, can play an important role in promoting the development of regional and sub-regional associations of this kind. It is recommended that a first step in this direction should be for each regional economic commission to convene a regional conference of shippers' organizations and other shippers' interests which could consider what form of regional and sub-regional machinery would be appropriate.

Technological progress in shipping

110. It is recognized that the rapid technological and organizational changes which take place in international shipping may benefit the developing countries by reducing total transport costs, provided this is reflected in the rates of freight and does not involve excessive investment in shore equipment and in land transport systems.

111. However, several of the new developments, notably containerization, are exceedingly demanding on capital, while their value in terms of rate reduction to developing countries remains doubtful.

112. For the above reasons, thorough study should be made through the regional economic commissions and the UNCTAD machinery of all economic, technological and organizational progress in shipping, with particular reference to developing countries, before final decisions are made by national authorities.

International shipping legislation

113. The economic and commercial aspects of international legislation and practices in the field of shipping should continue to be reviewed within the machinery of UNCTAD with the object of securing a balance of interests between the cargo-owner (shipper) and the carrier (ship-owner) and from the standpoint of their conformity with the needs of economic development in particular of the developing countries in order to identify areas where modifications are needed. Recommendations for such modifications should be submitted to the United Nations Commission on International Trade Law (UNCITRAL) for the drafting of new legislation, amendments or other appropriate action. The subjects to be considered in this review shall include bills of lading, liner conference practices, charter parties, general average, marine insurance and such other matters as the Committee on Shipping may refer to the Working Group on International Shipping Legislation for consideration or the Working Group itself may decide to consider.

Special measures in favour of the least developed among the developing countries

114. In the application of promotional rates of non-traditional exports, particular consideration should be given to the least developed among the developing countries.

115. Governments of developing and developed countries should request participants in the consultation machinery between shipowners and shippers to pay special attention to the problems of the least developed countries, and to accord them preferential treatment in the fixing of rates and conditions for transport.

116. In the cases where the least developed among the developing countries are also land-locked, a special study should be made of the possibilities of equalizing their total transport costs with those of countries that are not land-locked, thus making them equally competitive in the markets.

117. In respect of the land-locked countries, particular efforts should be made of providing transit-services and free-zones in ports.

Financial and technical assistance

118. Governments of developed countries members of the United Nations Conference on Trade and Development should, upon request made by developing countries within the framework of their over-all development priorities, duly consider extending, directly or through international institutions, financial and technical assistance, including training, to developing countries to establish and expand their national and multinational merchant marines, including tanker and bulk carrier fleets, and to develop and improve their port facilities.

119. Within assistance programmes, special attention should be paid to projects, including training projects, for formulating national maritime transport policies and for developing the shipping and ports of the least developed among the developing countries and reducing their maritime transport costs.

Trade Expansion, Economic Co-operation and Regional Integration among
the Developing Countries

120. Present constraints on economic co-operation between African countries are of many kinds. Some of them are of a commercial, financial and infra-structural nature. They range from lack of communication and telecommunications between neighbouring countries to difficulties arising from the existence of high tariff walls and the multiplicity of monetary regimes.

121. Others are more of an economic and institutional nature. There is a certain hesitation on the part of members of existing groupings, and in particular of prospective partners in multinational organizations, to accept the commitment to share investment opportunities, because of fear of receiving unfavourable treatment.

122. There is also the difficulty of achieving an equitable distribution of gains and benefits within the groupings. This has sometimes resulted in a pronounced discontent on the part of the least developed countries, which are affected mostly by this problem.

123. Inadequate institutional machinery, including insufficiency of skilled manpower resources, has been another contributory factor in the low level of performance of some existing multinational organizations. This problem has been reflected in the inability to implement agreed decisions in so far as the required action demands the input of a substantial amount of technical resources.

124. The tendency for technical assistance to exhibit an in-built bias towards country programmes, as distinct from multinational partnership schemes, has meant slowness and, in many instances, inability of multilateral projects to attract sufficient external resources to support the agreed programme.

125. To eliminate the above and other constraints on economic co-operation between African countries, action is required at various levels.

I. Action at the African level

126. Within the framework of the policy of self-reliance that was adopted at the ninth session of the ECA Commission, action is required of African States in many respects. It is incumbent on the African States to establish associations among themselves for harmonizing their own views, and concerting action with other primary producing developing countries, with a view to protecting their interests in world commodity markets. The African States should shoulder their own legitimate responsibility in such matters as intra-continental negotiations for mutually beneficial preferential trade arrangements, identification of products and projects suitable for intra-African trade expansion and execution of suitable payment arrangements.

127. They should also undertake schemes related to the building of transport and communication infrastructure.

128. African countries with persistent surpluses of savings should invest in ADB, and thus minimize the latter's resort to external resources for assistance. The same self-help principle requires that African States devise an effective formula for industrial harmonization, allocation of specific industries, and the sharing of benefits from multinational industries and the ownership and control of such industries.

129. The circumstances seem to be more ripe now for joint action. In the first instance, the opportunities for national import substitution appear to have been extended in many countries. While these remained numerous in the early stages of industrialization, they did not make co-operative action seem imperative, as their demands in terms of technology, skills, investments and markets tended to be generally within the capacity of most individual States. With that stage now being rapidly passed, and with further advances in industrialization being heavily dependent on expensive technology-based processes and large skill requirements, investments and markets, the argument for industrial harmonization has been reinforced.

130. The key role of industry in economic growth has been one of the factors delaying decisions on harmonization of industrial development, as the benefits foregone by surrendering industrial investment opportunities to neighbouring countries appear so great. The way out of this difficulty is to increase the number and variety of commitments in any integration negotiation. This approach is crucial to the problems of distribution of benefits. Equal treatment of unequals in such a way as general liberalization of trade, and equal allocation of investments which can only intensify existing inequalities, should be avoided. Deliberate measures should provide for more favourable treatment of the less developed.

131. Economic co-operation provides a suitable framework in which to cater for the interests of the least developed and landlocked States. In such matters as access to the sea, diversification of their economies, including the establishment of integrated industries with strong economic linkages, the required range of special measures in their favour could be sustained where countries belong to the same economic grouping. The great emphasis which the African countries place on self-reliance within the African region lends support to this approach.

132. Another area in which co-operative initiatives by the African States should command high priority is the development and utilization of human resources. Skill shortages are among the most acute problems of the region, but surpluses are already beginning to emerge in some skill areas in several countries. This is where the scheme of mutual technical assistance established by ECA and OAU holds promise. Both this scheme, and the joint utilization of training facilities should help ease the problem, particularly for the least developed countries.

133. Closely related to the foregoing is the need to improve the institutional structure of the multinational groupings. This calls for a rationalization of the groupings themselves, if administrative and other costs are to be kept to a minimum.

134. It is recommended that African countries within each sub-region into which Africa has been divided should take all possible steps and exhibit the necessary political will to overcome the difficulties that have so far stood in the way of trade expansion, economic co-operation and regional integration among them. Specifically, they should aim at bringing to fruition within the United Nations Second Development Decade the plans already agreed namely to form a single multinational organization in each sub-region and embracing the whole of each sub-region, charged with the task of promoting trade expansion, economic co-operation, and regional integration among component States of each sub-region as a preliminary and preparatory step towards the larger and final goal of trade expansion, economic co-operation, and regional integration among African countries.

135. There should be a greater degree of exchange of information and consultations among the African countries on their trade and development policies as well as their objectives with respect to economic co-operation so as to enable the countries to determine their development priorities.

136. African countries should adopt positive measures to harmonize their development programmes and trade policies before approaching the developed countries for assistance.

137. Deliberate efforts should be made by the African countries to encourage the creation of economic co-operation groupings among themselves as an essential element for economic development of the region.

II. Action by developed market economy countries

(i) Developed market economy countries, in pursuance of their Declaration of Support contained in the Concerted Declaration 23(II) and UNCTAD trade and Development Board resolution 53(VIII), should expand their bilateral and multilateral, financial and technical assistance programmes for supporting trade expansion, economic co-operation and regional integration efforts of developing countries. They should, in particular, take measures with a view to facilitating the transfer of foreign technology, appropriate to the needs of Africa. Also developed countries should adjust their aid to Africa, with a view to giving assistance in:

- (a) building the necessary infrastructure for the expansion of intra-African trade;
- (b) supporting the creation of regional payment arrangements by financing credit balances in such schemes;

- (c) compensating the least developed members of groupings for handicaps and losses they might sustain in co-operative partnership schemes.
- (ii) Developed countries should, for the treatment of origin, under their general system of preferences, give cumulative treatment to countries belonging to sub-regional or regional groupings in order to enable the members of such groupings to derive full benefits from the system.
- (iii) Developed countries should prevail upon those of their firms which have joint ventures, associations or fully owned subsidiaries in developing countries to eliminate all restrictive practices which may hamper the growth of industry and expansion of trade among member countries belonging to sub-regional or regional groupings.
- (iv) Developed countries, members of IMF, should support moves for the establishment by the Fund of a special facility to enable developing countries members of regional or sub-regional groupings to overcome balance of payments problems arising out of their trade liberalization commitments.
- (v) In the context of any measures for untying of aid allowing for procurement in developing countries, developed countries should take steps to facilitate the effective participation in international bidding of enterprises in developing countries belonging to the same economic groupings;
- (vi) The development of trade and economic links among the African countries is a necessary pre-condition for economic development of the continent. The developed countries should therefore come forward to assist in the establishment and strengthening of economic co-operation institutions among the African countries.
- (vii) The developed countries should give greater assistance in the training of personnel to run the African economic co-operation institutions, especially in the field of trade expansion.

III. Action by socialist countries of Eastern Europe

- (i) The socialist countries of Eastern Europe, in accordance with the relevant provisions of conference Resolution 15(II) should raise the priority accorded within their individual aid policies and programmes to financial and technical assistance to trade expansion, economic co-operation and regional integration among developing countries. In this connexion, particular attention should be directed to:

- (a) multinational infrastructure and industrial projects;
 - (b) technical assistance in areas related to trade expansion and co-ordinated development activities, such as co-ordination of planning, location of industries and use of State trading agencies in support of trade expansion commitments.
- (ii) The socialist countries of Eastern Europe should, with the consent of the developing country concerned, take steps to multilateralize their payments arrangements, so as to permit balances in their mutual trade to be used for financing of trade within sub-regional and regional groupings of developing countries.
- (iii) Socialist countries of Eastern Europe should also be requested to give direct assistance to economic co-operation groupings.

IV. Action by multilateral organizations

- (i) Development banks should give priority attention to financing of multinational projects prepared by African countries, members of a sub-regional or regional grouping.
- (ii) IMF should be invited to consider the possibility of establishing a special facility to support integration-linked with trade liberalization efforts by developing countries, members of a sub-regional or a regional grouping.
- (iii) Regional and sub-regional development banks as well as the specialized agencies of the United Nations should make efforts to exchange their information and experience in order to contribute better to schemes of regional and sub-regional integration efforts in the developing countries.

Trade Relations Between Developing Countries and the Socialist Countries
of Eastern Europe

138. From 1963 to 1968, exports from African countries to the socialist countries of Eastern Europe increased from US\$ 311 million to \$507 million, while African imports from the same countries rose from \$294 million to \$492 million. However, even at the 1968 level, the trade between African countries and the socialist countries of Eastern Europe, represented only 5.2 per cent of total African exports and 5.7 per cent of total African imports.

139. There is great scope not only for expanding the volume and value of trade between these two groups of countries but also for diversifying the structure of trade, as well as for enlarging its geographical basis. There are, however, a number of problems of a trade policy, administrative and institutional nature arising mainly out of differences in economic systems to which solutions should be actively sought after if the existing trade potential is to be explored.

140. With the above in view, African countries should aim at two main objectives at UNCTAD III:

- (i) to secure commitments as specific as possible on the steps that should be taken to implement the policy objectives outlined in resolution 15(II).
- (ii) to establish a firm and definite timetable for the implementation of those commitments.

141. In pursuance of these main objectives, socialist countries should be asked to:

- (i) Intensify the dissemination of information on the possibilities of imports from the developing countries, notably by the organization of seminars, symposia and training courses, as well as assist the export promotion efforts of the developing countries.
- (ii) Take into account in their plans the existing and potential production and exports of the developing countries, as well as the diversification projects of the developing countries and assist in their implementation.
- (iii) Intensify the economic, scientific and other forms of co-operation with the developing countries, aiming at developing the industrial structure and increasing the exports from the developing countries, especially from the least developed among them, in such a manner that the greatest possible number of developing countries could benefit from such co-operation.

- (iv) Implement measures adopted by the United Nations organizations, particularly UNCTAD, to stimulate the transfer of technology to developing countries.
- (v) Take steps to extend industrial co-operation in trade to the greatest possible number of developing countries with a view to concluding industrial co-operation arrangements, such as co-production, sub-contracting deliveries in the framework of licensing arrangements and supplementing of production capacities.
- (vi) Accept manufactured goods from the developing countries in partial repayment of credits.
- (vii) Set up multilateral payment arrangements between socialist countries of Eastern Europe and developing countries, with a view to facilitating trade settlements.
- (viii) Begin discussion with developing countries with a view to finalizing the nature of the preferential treatment and commitments on specification of operational measures they should take for implementing the "Joint Declaration" made at the Special Committee on Preferences at the second part of its fourth session.

Transfer of Technology

142. A major problem facing African countries in the field of transfer of technology has been the limited relevance of the development of science and technology in the developed world to the problems facing African countries, in particular problems bearing upon the transformation of the socio-economic structures in Africa. To this is added the inadequacy of the inherited educational systems and the insufficiency of financial resources available to African countries to improve the quality of education and teaching methods necessary to foster the development of scientific and technological research. African countries should, therefore, aim at developing their capacity to identify and choose technology relevant to their economic and social transformation. To this end, African countries should:

- (i) realign their education and training systems with the needs and demands of a progressively developing economy and society;
- (ii) create the necessary infrastructure for development in the field of science and technology, for example, consideration may be given to the introduction in the planning ministries or agencies of a capacity for technological analysis and planning;
- (iii) strengthen their regional co-operation in the field of science and technology, including training and the exchange of African expertise;
- (iv) co-operate with other developing countries in exchanging technological information, particularly in relation to adaptation of imported technology, indigenous technology and in the establishment of technological research institutions.

143. For these objectives to be fulfilled, assistance from the international community will be required in many respects. In particular, it should:

- (i) urgently take measures to fully implement the provisions of paragraph 63 of the International Development Strategy for the Second United Nations Development Decade;
- (ii) provide access to new technology and facilitate the transfer of existing technology to African countries on concessional terms. The establishment of technology banks, libraries and information centres should be considered;
- (iii) assist African developing countries in the establishment of institutes of applied technology by providing finance, technical know-how and by making available to African institutes, including universities, results of research relevant to their economic development;

- (iv) draw up and implement programmes for promoting transfer of technology to developing countries in accordance with operative paragraph 64 of the International Development Strategy for the Second United Nations Development Decade;

144. The United Nations and its system of organizations and agencies should help in the achievement of these objectives and in particular:

- (i) assist the developing countries in Africa to create the necessary infrastructure of manpower and utilization of technology for development, in particular, through the completion and implementation of the United Nations World Plan of Action;
- (ii) co-ordinate their efforts and programmes for the support of science and technology at the regional level under the aegis of the Economic Commission for Africa;
- (iii) place more resources at the disposal of ECA to enable it to carry out fully its co-ordinating role in the application of science and technology to development within the region. ECA itself should expand its activities in this field, especially in respect of studies, meetings and seminars, training and advisory services.

145. In answer to the more urgent and specific needs of the countries within the region, the following action proposals are suggested:

- (i) each member country in the African region should prepare a study to ascertain the range and types of technology to be introduced (acquired) for the execution of the individual projects with high priority in its development plan. Assistance may be requested from ECA for this purpose;
- (ii) ECA in association with UNCTAD and UNIDO should prepare joint studies as to the availability of the technologies required for the implementation of high priority projects in the development plans of the African countries, the alternative sources of supply and the range of terms available. Such studies should facilitate negotiations for transfer of technology on concessional terms;
- (iii) ECA should carry out a study on the terms and conditions under which African countries could ideally import various technologies including patents and copyrights. In its study, the secretariat must take into account the financial aspect of technical transfers and, in particular, of the effects on the balance of payments and of technical transfer payments;
- (iv) UNCTAD, in co-operation with ECA, should undertake a study cataloguing all available technologies within the African region and other developing regions with a view to indicating possible ways and means of transferring technologies among African countries, on the one hand, and between the African regions and other developing regions, on the other;

- (v) involvement of African countries in the field of scientific research should be speeded up. Assistance of UNDP should be sought so as to ensure the development and growth of indigenous technology as well as the adaptation of imported technology to the environment and requirements of Africa;
- (vi) a special multilateral fund should be set up to finance the costs of acquiring and retaining technology within Africa or the exchange of such technology between African countries;
- (vii) where the demand for a particular type of technology is widespread and of considerable importance, UNIDO, in association with ECA should investigate the opportunities for adapting such technology so as to make it more labour-intensive and sponsor pilot programmes of such adapted technologies in the field;
- (viii) where the studies recommended reveal that two or more countries require the same type of technology for similar categories of projects, attempts should be made to bring these countries together in a collaborative effort to negotiate jointly for the transfer of such technology on improved terms than if they acted separately.

Review of the Institutional Arrangements of UNCTAD

146. The Conference is expected, "in the light of experience", to review "the effectiveness and further evolution of institutional arrangements with a view to recommending such changes and improvements as might be". ^{1/} Such review of institutional arrangements of UNCTAD would be most appropriate at the third Conference. When the Conference is not in session, the Trade and Development Board carries out the functions which fall within the competence of the Conference. Ever since the establishment in 1964 of UNCTAD as an organ of the General Assembly the number of subsidiary bodies of the Board has increased beyond what is specifically indicated in paragraph 23 of General Assembly resolution 1995(XIX). This increase in the number of subsidiaries of the Board has, in no small measure, helped to facilitate UNCTAD's responsiveness to the demands made on it as a consequence of varied developments which have taken place in the field of trade and development since 1964.

147. There has been occasions when the Board itself had to resort to the creation of ad hoc bodies to deal with problems which are of a longer term nature. Extension of the lives of such ad hoc bodies for defined periods has not helped to remedy the situation. The time has now come for a review to be undertaken of the activities of the Board and of its subsidiary bodies with a view to determining in which direction improvements will be required and more particularly in regard to the organization and structure of these bodies. Where existing bodies are unable to deal adequately with some of the new problems that have arisen within UNCTAD, consideration should be given to the need for creating appropriate subsidiary bodies for dealing with these problems. As to the nature and type of these improvements, the African countries would welcome concrete proposals from all other States members of the UNCTAD which could form the basis of discussions on this matter at the third conference. In addition to whatever proposals which might be forthcoming from other States members of UNCTAD, the African countries would wish to submit the following viewpoints for the considerations of the Conference:

- (i) that any improvement of the UNCTAD machinery which might be contemplated should take into account the provisions of General Assembly resolution 1995(XIX) and 2725(XXV), Board decisions 19(II) and 45(VII) and paragraph 82 of the International Development Strategy;
- (ii) that the system of the review of the implementation of the recommendations of the Conference should be broadened so as to take within its stride the review and appraisal of the objectives and policies of DD II which fall within the competence of UNCTAD;

^{1/} See paragraph 30 of General Assembly resolution 1995(XIX).

- (iii) that greater attention be given in future review of implementation of the recommendations of the Conference to individual country performance in order to assess the progress achieved and to highlight the obstacles encountered in the implementation of individual measures;
- (iv) that discussions at the level of the subsidiary bodies of the Board should be such as would enable these bodies to assist the Board in its review of the implementation of the recommendations of the Conference and of the policies and objectives of DD II;
- (v) that the Secretary-General of UNCTAD should be allowed greater flexibility in carrying out consultations on commodities in the manner which he might deem most appropriate;
- (vi) that the Conference should review the procedure for conciliation within UNCTAD with a view to determining why this procedure has never been resorted to in practice and to suggest ways and means for dealing with any inadequacies which such a review may reveal;
- (vii) that consideration should be given to the need for an increase in the number of seats for African countries in the Board and its subsidiary bodies in order to reflect in a more equitable manner Africa's share in the overall membership of UNCTAD;
- (viii) that a main committee of the Board should be established for dealing with special measures in favour of the least developed countries and the land-locked developing countries.

Annex I RESOLUTION^{1/}

Economic Effects of the Closure of
The Suez Canal

The Ministerial Meeting,

Recalling the resolutions of the Assembly of the Heads of States and Governments of the OAU: AHG/Res. 53(V) of September 1968, AHG/Res. 57(VI) September 1969, AHG/Res. 62(VII) September 1970 and AHG/Res. 66(VIII) of July 1971 concerning the continued aggression against Egypt,

Recalling the recommendation of the Sixth ECA/OAU Joint Meeting on Trade and Development held in Geneva in August 1971 evidencing that the closing of the Suez Canal has had a disastrous effect on the trade of many African countries which undermines their economic development effort,

Taking note of the special interest in this subject shown by the over-whelming majority of countries members of the Board of the UNCTAD during its eleventh session,

Reviewing the Note prepared by the UNCTAD secretariat on the matter (E/CN.14/UNCTAD III/PM/3),

Taking into account with deep concern the statements of various delegates emphasizing the grave effects of the closure of the Suez Canal on their respective countries,

Realizing that the closure of the Suez Canal is due to the continued Israeli occupation of the territories of three Arab States, one of them being a member of the OAU:

1. Urges for a quick opening of the Suez Canal in response to the needs of the international community; and to this end, supports firmly the current efforts taking place within the framework of the United Nations and the Organization of African Unity aiming at the full implementation of the United Nations Security Council Resolution 242 (1967) including inter alia the Israeli withdrawal from the occupied territories,

2. Decides to keep the subject of "The Economic Effects of the Closure of the Suez Canal, as an item on the Agenda of future meetings of the Ministerial meeting,

3. Requests the inclusion of the above mentioned subject in the agendas of the Ministerial meeting to be held in Lima October/November 1971, and the UNCTAD III to be held in Santiago (April/May 1972).

^{1/} Adopted by the Meeting at its last session, Thursday 14 October 1971.

Annex II AGENDA^{1/}

1. Opening of the meeting
2. Election of officers
3. Adoption of the agenda and organization of work
4. Third session of the United Nations Conference on Trade and Development and Ministerial Meeting of the Group of 77:
 - (i) (a) Special measures for the least developed among the developing countries;
 - (b) Other special measures related to particular needs of the land-locked countries;
 - (c) Special problems of island developing countries.
 - (ii) Export promotion.
 - (iii) Commodity problems and policies.
 - (iv) Manufactures and semi-manufactures.
 - (v) Financial resources for development.
 - (vi) Impact of the present international monetary situation on world trade and development, especially as far as the developing countries are concerned.
 - (vii) Policies for the development of shipping and the reduction of maritime transport costs.
 - (viii) The economic effects of the closure of the Suez Canal.
 - (ix) Trade expansion, economic co-operation and regional integration among developing countries.
 - (x) Trade relations with socialist countries.
 - (xi) Transfer of technology.
 - (xii) Review of the institutional arrangements of UNCTAD.
 - (xiii) Examination of recent developments and long-term trends in world trade and development in accordance with the aims and functions of UNCTAD:

^{1/} Adopted by the Meeting at its second session, Saturday, 9 October 1971.

- (a) Review of the implementation of the policy measures within UNCTAD's competence, as agreed upon within the context of the recommendations, resolutions and other decisions of UNCTAD; guidelines for UNCTAD's work programme.
 - (b) Steps to achieve a greater measure of agreement on principles governing international trade relations and trade policies conducive to development.
 - (c) Impact of regional economic groupings of the developed countries on international trade, including the trade of developing countries.
 - (d) Trade and economic aspects of disarmament.
 - (e) Impact of environment policies on trade and development, in particular that of the developing countries.
 - (f) Insurance.
5. Any other business.
6. Adoption of the report.

Annex III LIST OF PARTICIPANTS/LISTE DES PARTICIPANTS

MEMBERS/MEMBRES

ALGERIA/ALGERIE

S.E. M. Raouf Boudjakdji, Ambassadeur, Représentant permanent auprès de l'Office des Nations Unies et les institutions spécialisées à Genève (Chef de la délégation)

M.M. Allouane, Conseiller des Affaires étrangères

M. Debagha Slim Tahr, Conseiller des Affaires étrangères

M. Bouzarbia, Chef Section OEI

M. Bouyoucef, Sous-directeur des ensembles économiques

BURUNDI

S.E. M. Joseph Ndabaniwe, Ambassadeur en Ethiopie

M. Sibomana Simeon, Directeur de la coopération, Ministère des Affaires étrangères

M. André Bibwa, Conseiller au Plan

CAMEROON/CAMEROUN

S.E. M. El Hadj Mahmoudou Haman Dicko, Ambassadeur du Cameroun à Addis-Abéba (Chef de délégation)

M. H. Djengue Ndoumbi, Directeur des organisations internationales au Ministère des Affaires étrangères

M. Idriss Veyssah Njoya, Directeur du commerce au Ministère du développement industriel et commercial

M. Hayatou Sadou, Directeur des produits de base au Ministère du développement industriel et commercial

M. Maurice-Marcellin Tchinda, Deuxième Secrétaire à l'Ambassade du Cameroun à Addis-Abéba

CENTRAL AFRICAN REPUBLIC/REPUBLIQUE CENTRAFRICAINE

S.E. M. Jean-Marie Wallot, Ministre, délégué à la Présidence, chargé des relations avec le secteur privé

CENTRAL AFRICAN REPUBLIC/REPUBLIQUE CENTRAFRICAINE (cont'd/suite)

M. Henri Guerilla, Directeur général des douanes

M. Robert Doukou, Chef de service du commerce extérieur

CHAD/TCHAD

S.E. M. Abderahim Abdelmouti, Ministre du commerce et de l'industrie
(Chef de la délégation)

M. Mahamat Gabdou, Directeur du commerce

CONGO (DEMOCRATIC REP. OF)/CONGO (REP. DEMOCRATIQUE DU)

S.E. M. Jean Nguza, Ambassadeur et Représentant permanent du Congo à Genève

S.E. M. Martin-Fortuné Ipoto, Ambassadeur

M. B. Kabombo, Délégué de la Banque nationale

M. R. Mutombo, Premier Secrétaire

CONGO (PEOPLE'S REPUBLIC OF)/CONGO (REP. POPULAIRE DU)

M. Elie T. Itsouhou, Secrétaire d'Etat

M. S. Okabe, Directeur des douanes

M. MOUNGOUNGA-NKOMBO, Directeur du commerce extérieur

EQUATORIAL GUINEA/GUINEE EQUATORIALE

H.E. Mr. Samuel Ebuka, Ambassador

Mr. Cristino Etayi, First Secretary

EGYPT/EGYPTE

H.E. Dr. Hussein Khalaf, Head Ambassador

H.E. Mr. Hassan Sirry Esmat, Ambassador of Egypt to Ethiopia

Mr. Hassan Shoukry Selim, Counsellor, Ministry of Foreign Affairs

Mr. Moustafa Hamdy, Commercial Counsellor

EGYPT/EGYPTE (cont'd/suite)

Mr. Saad Alfaragi, First Secretary, Ministry of Foreign Affairs

Mr. Mohammed Abdelhamis Saad, First Secretary (Commercial)

Mr. Moustafa Shaker El-Khatib, Commercial Secretary

ETHIOPIA/ETHIOPIE

H.E. Ato Ketema Yifru, (Leader) Minister of Commerce, Industry and Tourism

H.E. Ato Bekele Endeshaw, Vice-Minister of Commerce, Industry and Tourism

Dr. Debebe Worku, Foreign Trade Expert

Ato Merga Afeta, Industrial Expert

Ato Lakew Berhane, Department of Marine

Ato Mebrahtu, Marine Department Engineer

GHANA

Hon. Mr. A. Amandi, M.P., Ministerial Secretary, Ministry of Trade, Industries and Tourism (Leader)

H.E. Mr. H.R. Amonoo, Ghana Ambassador to Ethiopia (Alternate leader)

H.E. Mr. K.B. Asante, Ghana Ambassador to Switzerland (Alternate leader)

Mr. Y.K. Quartey, Shipping Commissioner, Ministry of Transport and Communications

Mr. P. Amkrah, Principal Commercial Officer Ministry of Trade, Industries and Tourism

Mr. D.B. Pabi, Senior Economist, Development Planning Secretariat

Mr. M.A.F. Riberiro, Senior State Attorney, Ministry of Justice

Mr. K.O. Beecham, Assistant Secretary, Ministry of Foreign Affairs

Mr. Mark Yeboah Asomaning, Commercial Attaché, Ghana Mission to United Nations, Geneva

Mrs. M. Chinery-Hesse, Senior Economics Officer, Development and Planning Secretariat

IVORY COAST/COTE D'IVOIRE

S.E. M. Béné Nioupin, Ambassadeur, Représentant permanent à Genève
(Chef de la délégation)

S.E. M. Louis Guirandou, Ambassadeur de la République de Côte d'Ivoire
à Addis-Abéba

M. Jean Baptiste Amethier, Directeur des Affaires économiques et des
relations économiques extérieures

M. Kablan Duncan, Sous-directeur des interventions économiques extérieures

M. Jules Nenebi, Sous-directeur des autorisations et de la réglementation
du commerce extérieur

M. Sidifé Cisse, Chargé d'études au Ministère du Plan

M. David Amuah, Chargé d'études au Centre ivoirien du commerce extérieur

M. Tandé Desire, Premier Secrétaire auprès de la Mission permanente de
Côte d'Ivoire à Genève

M. Félix Abouanou, Secrétaire général du Conseil ivoirien des chargeurs

KENYA

Hon. Mr Z.M. Anyieni, M.P., Assistant Minister for Commerce and Industry
(Leader)

Dr. E.I. Maluki, Chargé d'Affaires, Kenya Embassy, Addis Ababa

Mr. A.E.O. Nyneque, Head of Economic and Trade Division, Ministry of Foreign
Affairs

Mr. Arvind Govind Barve, Assistant Director of Trade and Supplies

Mr. J.J. Isige, Commercial Attaché, Kenya Embassy, Paris

Mr. J.A. Mudavadi, Planning Officer, Ministry of Finance and Economic
Planning

LIBERIA

Mr. Nathaniel Eastman, First Secretary, Liberia Embassy, Addis Ababa

LIBYA/LIBYE

Mr. Ahmed A. El-Atrash, Under Secretary of State, Ministry of Economy
Mr. Abdelrahim Naas, Director General of Foreign Trade Dept.
Mr. E. Ben Saud, Director, Budgeting Division
Mr. Mohammed Taher Busriweel, Ministry of Economy
Mr. Taher Hassan Dabbash, Ministry of Unity and Foreign Affairs

MADAGASCAR

S.E. M. Césaire Rabenoro, Ministre du commerce et de l'industrie
(Chef de la délégation)
M. Solofo Rabearivelo, Conseiller au Ministère des Affaires étrangères
Mme Joujou Rapierre, Administrateur civil au Ministère du Plan
M. René Robson, Chef de division au Ministère des Travaux publics et
des communications
M. Elie Razanakilona, Chef de Division des relations internationales
(Direction du commerce)
M. Frédéric Rasamoely, Chef du Service des finances extérieures
Ministère des finances
M. René Fidèle Rajaonah, Attaché commercial à l'Ambassade de Bruxelles

MALAWI

H.E. Mr. C.M. Mkona, Ambassador to Ethiopia
Mr. Bonaventura Ulaya, First Secretary

MAURITANIA/MAURITANIE

S.E. M. Ely Ould Allaf, Ambassadeur de la Mauritanie à Bonn

MOROCCO/MAROC

M. Abdellatif Imani, Délégué général au Plan et au développement régional
M. Abdelaziz El Belghiti, Chargé de Mission auprès du Premier Ministre
M. Kamal Bouhamdi, Directeur adjoint du commerce extérieur
M. Mostapha Alaoui, Chargé d'affaires, Ambassade du Maroc à Addis-Abéba

NIGERIA

H.E. Mr. Alhaji Shetima Ali Monguno, Minister of Trade and Industry (Leader)
Mr. V.A. Adegoroje, Permanent Secretary, Federal Ministry of Trade
Mr. O.A. Adesoye, Head of Economic Division, Federal Ministry of Trade
Mr. S.B. Falegan, Senior Economist, Research Department, Central Bank of Nigeria
Mr. B.O. Awokoya, First Secretary, Permanent Mission of Nigeria, Geneva
Mr. F.A. Adetula, Head, Economic Affairs Division, Federal Ministry of Economic Development and Reconstruction
Miss H.A.B. Balogun, First Secretary, Economic, Embassy of Nigeria

RWANDA

S.E. M. L. Munyanshongore, Ambassadeur
M. Philippe Munyankindi, Premier Secrétaire

SENEGAL

M. Birahim Gallo Fall, Chef de délégation, Conseiller technique au secrétariat d'Etat au Plan
M. Becaye Sene, Directeur, Commerce extérieur
M. Cheikh Cisse, Chef de division, Ministère des Affaires étrangères
M. Mansour Secr, Chargé d'affaires a.i., Ambassade du Sénégal
M. J. Parsine Crespin, Premier Secrétaire, Ambassade du Sénégal

SIERRA LEONE

Hon. Mr. S.A. Fofanah, Head, Minister of Trade and Industry
H.E. Mr. Philip J. Palmer, Ambassador to Ethiopia
Mr. C.A. Browne-Marke, Permanent Secretary, Ministry of Trade and Industry
Mr. V.E. Macauley, Counsellor, Sierra Leone Embassy
Mr. S.M. Williams, Information Attaché, Sierra Leone Embassy

SOMALIA/SOMALIE

Dr. Mohamed Warasama Ali, Head, Secretary of Commerce

Dr. A.N. Herzi, Governor, Somali National Bank

Mr. Mohamed Ganni, General Manager, Livestock Development Agency

Mr. Aden Omer Elayeh, Head of Department, Somali National Bank

Mr. Mohamed Haji Hassan, Director General, Ministry of Transport

Mr. Scerif Mohamed Omar, Director, Ministry of Commerce

Mr. Leone Fici, Head Department, Somali national Bank

SUDAN/SOUDAN

H.E. Mr. Osman Abdalla Hamid, Ambassador to Ethiopia, Head of Delegation

Mr. Farouk Ibrahim Elmagboul, Assistant Under-Secretary, Ministry of
Economics, Commerce and Supply

H.E. Mr. Abdel Mageid Hag Elamin, Minister Plenipotentiary, Ministry of
Foreign Affairs

Mr. Fatah Alrahman-Taha, Director of Economic Research, Public Corporation
for Transport Sector

Mr. Ali Abdel Hafeez Omer, Senior Inspector, Ministry of Planning

Mr. Abdel Sayed Taha, Senior Inspector, Ministry of Industry

TANZANIA/TANZANIE

Mr. O.M. Katikaza, Head, Principal Secretary, Ministry of Commerce and
Industry

Mr. M.G. Abdullah, Commissioner for Commerce

Mr. A.A. Abbas, Commercial Officer

Mr. P.E. Temu, Senior Research Fellow

Mr. Z.M.J. Velzi, Marketing Officer

Mr. Daudi T. Ballali, Senior Economist, Bank of Tanzania

Mrs. T.S. Karumuna, Embassy of Tanzania

TOGO

S.E. M. Nanamale Gbegbeni, Head, Ministre du commerce
M. Jacques Brenner, Chef de la Division du commerce extérieur
M. Ferdinand Djomeda, Directeur de l'industrie
M. Alexandre Akakpo, Economiste
Mr. Robert Mensah, Direction de l'économie, Ministère des finances

TUNISIA/TUNISIE

S.E. M. Taoufik Smida, Ambassadeur de Tunisie en Afrique de l'est
M. M. Messedi, Ingénieur en Chef, Chef de la Division industrielle
au Ministère de l'économie nationale
S.E. M. Béchir Guiblaoui, Ministre Conseiller
M. Mohamed Ben Abdelhafid, Chef de la Division des organisations
internationales
M. Mouldi Hammami, Premier Secrétaire, Ambassade de Tunisie à Addis-Abeba
M. Mansour Hadj Slimane, Attaché de Presse

UGANDA/UGANDA

Hon. Mr. W. Lutara, Minister of Commerce, Industry and Tourism (Leader)
H.E. Mr. M. Lubega, Ambassador to Ethiopia
Mr. A.K.K. Mubanda, Permanent Secretary, Ministry of Commerce and Industry
and Tourism
Mr. Harold Acemah, Assistant Secretary
Mr. Ssembatya, Chief Commercial Officer
Mr. G. Nkojo, Chief Economist
Mr. Gowa, Chairman, Coffee Marketing Board
Miss Mildred G. Mulira, Secretary

UPPER VOLTA/HAUTE VOLTA

M. Marc Yao Oubkiri, Directeur de la coopération internationale
(Chef de la délégation)

M. Kamadini Sylvestre Cuali, Chef service commerce extérieur

M. O. Lompo, Ingénieur-agronome à la Direction du développement rural

ZAMBIA/ZAMBIE

Hon. Mr. A.J. Soko, Minister of Trade and Industry

Hon. Mr. P. Chanda, M.P., Minister of State and Ambassador to Ethiopia

Mr. A.N.T. Mulala, Under-Secretary, Ministry of Trade and Industry

Mr. Martin Chaba Jangulo, First Secretary, Zambian Mission in Tanzania

Mr. Bonaventure David Chileshe, Under-Secretary in Ministry of Finance

Mr. Kayumbu Venus Kasapatu, Acting Head of Development Services Dept.
Indeco Ltd.

OBSERVERS/OBSERVATEURS

AFRICAN DEVELOPMENT BANK/BANQUE AFRICAINE DE DEVELOPPEMENT

Mr. A.F. Kodock, Assistant Director of operations

EAST AFRICAN COMMUNITY/COMMUNAUTE DE L'AFRIQUE ORIENTALE

Hon. Dr. Robert John Ouko, Minister

Miss Florence Binta, Assistant Secretary

OCAM

M. Rasolonjatovo Ranaivo, Chef, Service du commerce

INVITED GUESTS/INVITES

UNCTAD/CNUCED

Mr. Moses Adebango, Representative of the Secretary General, Deputy Secretary
Trade and Development Board

CHILE/CHILI

H.E. Mr. Herman Santa Cruz, Ambassador Permanent, Mission in Geneva

PERU/PEROU

H.E. Mr. F. Valdivieso, Ambassador of Peru in Egypt

Annex IV LIST OF DOCUMENTS

<u>Symbol</u>	<u>Title</u>
E/CN.14/UNC AD III/PM/1/Rev.1	Provisional agenda
E/CN.14/UNCTAD III/PM/2/Rev.1	General Assembly Resolution 1995(XIX) Establishment of the United Nations Conference on Trade and Development as an organ of the General Assembly. Extract
E/CN.14/UNCTAD III/PM/3	The economic effects of the closure of the Suez Canal
E/CN.14/UNCTAD III/PM/INF/3	Meetings of the African Group at the 1971 Annual Meetings of IBRD and IMF
E/CN.14/535 E/CN.14/WP.1/45/Rev.1 OAU/TRAD/44/Rev.1	Report of the Sixth ECA/OAU Joint Meeting on Trade and Development
E/CN.14/536 E/CN.14/AMA/36	Report of the Association of African Central Banks on its Second Regular Meeting
<u>Technical background documents</u>	
E/CN.14/WP.1/28 OAU/TRAD/27	The proposed scheme of general preferences and African countries
E/CN.14/WP.1/30 OAU/TRAD/29	Aid to Africa
E/CN.14/WP.1/34 OAU/TRAD/33	Economic co-operation and regional integration among the developing African countries (Provisional note by the secretariat)
E/CN.14/WP.1/35 and Corr. 1 OAU/TRAD/34 and Corr. 1	International financial and monetary issues implications for Africa's trade and development (Provisional note by the secretariat)
E/CN.14/WP.1/37 and Add.1 and Corr.1 OAU/TRAD/36 and Add.1 and Corr.1	Shipping and ports Suggested African positions at the Third Session of the United Nations Conference on Trade and Development
E/CN.14/WP.1/41 OAU/TRAD/40	An action programme in favour of the least developed African countries (Provisional note by the secretariat)