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COMMISSION COMMUNICATION TO THE COUNCIL

Seventh Special Session of the UN General Assembly and mid-term review and appraisal
of the International Development Strategy for the Second UN Development Decade

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SUMMARY WITH COMMENTS

International economic cooperation is assuming growing importance in the work of the United Nations agencies. Following the Sixth Special Session of the General Assembly in April 1974, which led to a "Declaration" and a "Programme of Action", the new special session (1 - 12 September 1975) on development and international economic cooperation must in particular give an impetus to the International Development Strategy for the Second Decade, which is at present undergoing its mid-term review. The Preparatory Committee for the Seventh Special Session will hold its second meeting from 16 to 27 June.

In this context the Community and the Member States can and must play a constructive and active role; however, they will be able to play this role and receive an adequate hearing only if they show a united front. Community action should be based on a spirit of dialogue and conciliation and aim to provide a real consensus. As to the substance, the Development Strategy should be adapted to take account of changes which have occurred since the beginning of the Decade and in the light of the new relations of strength prevailing in the world. The Community's contribution should be concerned with a balanced range of subjects answering the major concerns of the developing countries and providing real chances of progress.

For raw materials, the Commission confines itself to repeating the proposals contained in its Communication to the Council of 22 May 1975.

On the matter of international trade it is first of all proposed to state that the Community is willing to maintain and improve its generalized system of preferences. With regard to the multilateral trade negotiations the Community should confirm that it intends to take into consideration the interests of

the developing countries, in line with the directives approved by the Council. Moreover, measures affecting import arrangements should be accompanied by action to promote trade relations.

On the subject of industrial cooperation and the transfer of technology, the Community and its Member States should identify themselves more clearly with the industrial results proper of the Lima Conference (UNIDO). A special effort must be made to help firms play a part in industrial cooperation in such a way as to meet the developing countries' interests. To this end, the Community and the Member States should indicate their will to cooperate with the governments of developing countries, to step up information, promotion and cooperation activities, to encourage investment and other outside help, to improve the conditions for the transfer of technology, while insisting on the need for a favourable climate for foreign firms. The Community must be aware of the consequences which the redeployment of certain industries to developing countries will have for its internal structures.

With regard to the transfer of real resources it is suggested that the official development assistance objective be confirmed, a geographical reorientation of aid envisaged, special priority given to food problems, particular attention paid to the problem of indebtedness and triangular cooperation be developed. Lastly, it is proposed that constructive attitudes be adopted at the international financial institutions as regards the "third window", the "oil facility", the link between SDRs and development aid, and modification of IMF quotas.

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The purpose of this Communication is to submit to the Council the information and factors of assessment necessary for participation by the Community in the above exercise and, more particularly, the Commission's recommendations for the purpose of defining the Community contribution to the Seventh Special Session of the United Nations General Assembly.

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Introduction: Antecedents and background

1. The growing importance of economic cooperation at international level and the increased interest shown in such matters by the United Nations have over the past few years had a clear-cut effect on the activities of the United Nations organs. The tendency to incorporate these activities into increasingly structured programmes is more and more marked.

The first United Nations Development Decade covered the sixties. It was drawn up in relatively vague terms and included only two precise quantitative objectives, concerning the transfer of resources to developing countries and the average growth rate of the national product of those countries.

The International Development Strategy was adopted by a consensus, with certain reservations, on 24 October 1970 (Resolution No 2626 (XXV)). It lays down a programme for the Second Decade, takes up again and reinforces the same growth objectives, supplements them by other objectives and endeavours also to assess the qualitative changes on the way towards integrated economic and social progress. In addition, appropriate arrangements were adopted for reviewing regularly the implementation of this Strategy in order to assess progress, determine inadequacies and their causes and recommend, where necessary, supplementary policies and aims.

This review and general appraisal of progress achieved is carried out by ECOSOC every two years.

The first appraisal by the General Assembly took place at its 28th Ordinary Session in 1973 (Resolution No 3176 (XXVIII)).

The purpose of the second appraisal, which is to be undertaken now, is to review the situation half-way through the Decade.

2. Because of the economic crisis which broke out at the end of 1973 a special session of the General Assembly, the sixth of its kind, was held in New York in April 1974 on the initiative of the President of Algeria, Mr Boumedienne.

Its immediate aim was to examine the problems of raw materials from the point of view of development and in particular their influence on the situation of the countries most seriously affected by the crisis. The main object of its work, nevertheless, was to assess the existing economic order and define the rules for a "New International Economic Order." These rules are defined in general terms in a "Declaration" (Resolution No 3202 (S-VI)) and expressed in more specific form in a "Programme of Action" (Resolution No 3202 (S-VI)).

In the eyes of the developing countries, all United Nations activities in the economic field must henceforth follow the lines of this Declaration and Programme of Action so that, as all the provisions contained in them are progressively implemented, a "new international economic order" can replace the old relations based on strength. The Programme of Action specifies, for example, that it complements and strengthens the goals and objectives of the International Development Strategy and that the latter will have to be adapted in order to align it on the Declaration on the Establishment of a "New International Economic Order" and the Programme of Action.'

It should be noted that although the Declaration and Programme of Action were formally adopted by a consensus, they nevertheless include a large number of provisions which were not acceptable to most developed countries. The developing countries' refusal to take account of the reservations expressed on this occasion and the resulting ambiguity have made it more difficult to resort subsequently to the consensus procedure.

3. At its 28th Session in 1973 (Resolution No 3172 (XXVIII)), the General Assembly decided to devote a special session to development and international economic cooperation with a view to examining the main themes and problems connected with the development process, identifying and adopting the necessary changes in the structures and organs of the United Nations and studying the transformations which should be undertaken in the general configuration of international economic relations.

This special session will take place from 1 to 12 September 1975. It will be prepared by a Preparatory Committee which, after a brief session on

organizational matters (March 1975) will meet from 16 to 27 June in order to finalize a paper recapitulating the specific recommendations in the light of which the General Assembly will at its special session be able to give a boost to the Development Strategy on the basis of objectives and supporting policies intended to ensure that they are carried out in accordance with a strict timetable.

4. In this context, the results of the World Food Conference and the Second General UNIDO Conference must not be forgotten since they represent achievements which the work of the UN will have to take into account. This also applies to the Charter of Economic Rights and Duties of States adopted at the last Ordinary Session of the General Assembly. This Charter, however, includes a relatively large number of articles which most developed countries, particularly the Member States of the Community, have not been able to accept in their present wording. Finally, the Fourth UN Conference on Trade and Development, to be held next year in Nairobi, will represent a major new element among those determining the direction to be taken by the Seventh Special Session.
5. On the same lines, the conclusions of the meeting of the OECD Council, which took place at ministerial level on 28 and 29 May 1975, should be mentioned; following that meeting the Ministers expressed their firm determination to pursue the dialogue with developing countries in all appropriate forums, particularly at the Seventh Special Session of the General Assembly. They also decided that the OECD should examine the economic relations between its member countries and developing countries with a view to identifying new and constructive avenues which may be explored regarding certain fundamental questions and to giving renewed support and impetus to the negotiations conducted elsewhere.
6. The mid-term review and appraisal of the International Development Strategy, the action to be taken following the Sixth Special Session of the General Assembly on the establishment of a "New International Economic Order" and the decisions to be taken at the Seventh Special Session of the General Assembly are inseparably linked.

Although strictly speaking these are three distinct exercises they nevertheless all directly concern economic cooperation for development. This is why the Commission considers that it must deal with the mid-decade review and appraisal of the International Development Strategy and the preparation for the Seventh Special Session of the General Assembly at the same time. The deadlines which the Member States and the Community will have to meet are set out in Annex III.

