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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Letter dated 28 June 1989 from the Permanent Representative of Malaysia  
to the United Nations addressed to the Secretary-General

On behalf of the Group of 77, I have the honour to transmit to you herewith the declaration adopted at the special ministerial meeting of the Group of 77 held at Caracas from 21 to 23 June 1989 (see annex).

I should be grateful if you would arrange to have the above-mentioned declaration of the Ministers for Foreign Affairs of the Group of 77 circulated as an official document of the General Assembly under agenda items 12, 18, 28, 34, 36, 37, 38, 39, 43, 44, 77, 78, 83, 84, 85, 87, 88 and 89 of the preliminary list.

(Signed) Ambassador RAZALI Ismail  
Permanent Representative of Malaysia  
to the United Nations  
Chairman of the Group of 77  
New York

ANNEX

Caracas Declaration of the Ministers of Foreign Affairs of  
the Group of 77 on the occasion of the twenty-fifth  
anniversary of the Group

The Ministers of Foreign Affairs of the member countries of the Group of 77 met at Caracas, Venezuela, from 21 to 23 June 1989, on the occasion of the twenty-fifth anniversary of the creation of the Group.

They reviewed the evolution of the world economy during the past 25 years, the achievements of the Group and the difficulties it has encountered in its effort to restructure international economic relations on a just and equitable basis.

They assessed the transformations taking place in the world economy and international economic relations, analysed opportunities and challenges that those changes pose for international economic co-operation for development, and charted out a strategy and course of action for meeting these challenges. They also provided guidance for intensifying co-operation under the Caracas Programme of Action, and for improving the organizational effectiveness of the Group.

I. LOOKING TO THE FUTURE: CALL FOR THE REVITALIZATION OF THE NORTH-SOUTH DIALOGUE

The Ministers of the member countries of the Group of 77 issued the following communiqué:

1. On the threshold of the twenty-first century, the member countries of the Group of 77 are faced with a world situation that, though highly complex and uncertain, provides a unique opportunity for giving a renewed thrust to international co-operation for development.
2. The member countries of the Group are pursuing development objectives in a very unfavourable external environment. The least developed among them are facing special difficulties. Many of these countries are undergoing strenuous efforts of adjustment, which are exacting heavy social and political costs.
3. Developing countries are pursuing wide-ranging policy reforms and are ready to integrate with the world much more freely than in the past. A more open and co-operative world economy is vital for the success of their effort.
4. A promising process of reduction of global political tensions has been under way in the last few years. This provides a propitious setting for new initiatives. The improvement in the international political climate should be consolidated by extending it to all the regions of the world and through a search for a prompt and enduring solution to the major international economic and social problems, particularly those affecting developing countries.
5. This should be in keeping with contemporary reality, in particular the full recognition of the compulsions of global interdependence. Today's problems can be solved only by nations acting together, not by each of them going its own way. No country or group of countries, however powerful it may be, can isolate itself from the consequence of global social, economic and environmental problems or succeed, without detriment to its own interest, in shifting the burden of solving these problems to the weaker members of the international community.
6. A multilateral, concerted and comprehensive approach is vital for finding and implementing truly effective and lasting solutions to contemporary problems; this cannot be achieved through partial, short-sighted and unilateral measures and mechanisms. Arbitrary unilateral actions can only have the effect of sapping confidence, undermining the multilateral system and process and adversely affecting the development prospects of developing countries.
7. The member countries of the Group of 77 reaffirm their deep commitment to solving economic, social, cultural and humanitarian international problems through international co-operation, as envisaged in the Charter of the United Nations, thereby contributing to the achievement of international peace and security.
8. They reaffirm their right and aspiration to share equitably in world growth and progress, particularly in the benefits of modern science and technology, with a view to improving the lot of their peoples.

9. It is in times of crisis that international solidarity is most essential, even imperative. A serious and constructive dialogue between developed and developing countries is urgently called for if the international community is to avoid an irreversible breakdown of the international economic system. The Group of 77 reaffirms its readiness and commitment to such a dialogue. It urges the developed countries to reciprocate. In this regard, there is an urgent need to forge a consensus centred on growth and development. Such an understanding should lead to effective co-operative action in the interrelated areas of money, finance, trade, external debt and development.

10. The Ministers hereby declare their resolve to take advantage of every possible opportunity in the coming years to promote systematic action and foster dialogue. The Caracas Declaration provides a useful and timely contribution to this endeavour, as part of the efforts which the Group will continue to make, particularly at the special session of the General Assembly devoted to international economic co-operation, to be held in April 1990, and in the elaboration of an international development strategy for the 1990s.

## II. GROUP OF 77 AND THE PROMOTION OF INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT

1. The creation of the Group of 77, 25 years ago, was the result of the collective perception of developing countries that their problems are shared and common and originate in the inherently inequitable pattern of international economic relations. It represented their resolve to remedy this situation through international co-operation based on a mutuality of interests. In its objectives, the Group of 77 reflected the principles and purposes of the Charter of the United Nations and the conviction that maintaining international peace and security requires the resolution of international economic social and humanitarian problems. The Group therefore reaffirms the validity and supreme necessity of restructuring international economic relations on a just and equitable basis. It shall continue to place abiding faith in multilateral co-operation in the forums of the United Nations.

2. Since its inception on the occasion of the first session of the United Nations Conference on Trade and Development in June 1964, the activities of the Group of 77 have vastly expanded. In these 25 years it has not only become a major actor in international economic relations, but also a prime initiator of ideas, concepts and proposals relating to development co-operation. Its increasing role is a clear affirmation of the belief of newly emerging countries that political freedom, to be effective and meaningful, must be translated into economic independence and must result in an improvement in the living standards of their people. Together with the Movement of Non-Aligned Countries, the Group has come to symbolize the underlying unity and solidarity of developing countries and represents their common world view on international economic issues.

3. In the past 25 years, the Group of 77 has taken a number of initiatives to promote economic co-operation for the development of developing countries. It has had important achievements to its credit, the most notable of which was the consensus adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order at the sixth Special Session of the General Assembly - an objective that remains valid and relevant.

4. The constructive attitude exhibited by the Group of 77 did not receive an adequate response from the developed countries. This has, in many cases, resulted in a lack of implementation of agreements and commitments reached by consensus. The Group is convinced of the validity of its approach and shall continue with its efforts to promote dialogue and co-operation at every opportunity.

5. The Group of 77 has attached fundamental importance to promoting economic co-operation among developing countries. Such co-operation is necessary to reduce the vulnerability of the developing countries to external factors and to maximize complementarity to accelerate the development of their economies. The Caracas Programme of Action adopted in 1981 is a major effort to translate these objectives into practical co-operative action. The Group renews its commitment to intensify co-operation among developing countries to work towards the attainment of collective self-reliance.

6. The developing countries have always been conscious of their own responsibility in the development of their economies. The success of their efforts, however, requires supportive external conditions. They have therefore striven to improve the international economic environment in order to make it conducive to development.
7. In spite of the constraints faced by them, they have made significant gains in their economic and social development. However, because of a marked deterioration in external conditions, there has been a major setback to their development efforts during the 1980s. Living conditions in many developing countries are lower than they were at the beginning of the decade. In many countries, economic and social infrastructure painfully built over the years has been seriously eroded, thus impairing their economic growth and development prospects. The burden of adjustment has been disproportionately high for developing countries and is exacting unacceptably high social and political costs. Absolute poverty has increased in many parts of the world.
8. Official development assistance continues to stagnate at less than half of the internationally accepted targets. Foreign direct investment and commercial bank lending have fallen sharply. The developing countries are facing the problems of massive external debt, a decline in commodity prices to unprecedentedly low levels, deteriorating terms of trade and increasing protectionism in the markets of developed countries. All these have resulted in the paradoxical phenomenon of a reverse transfer of resources from developing to developed countries. Monetary conditions have demonstrated a tendency to instability and exchange rate misalignments. Major imbalances still persist, adding to the element of uncertainty. The international economic situation has continued to be characterized by systemic deficiencies and asymmetries, as well as structural imbalances. The developing countries have borne the brunt of the sluggish growth conditions, thereby further widening the economic, technological and scientific gap between developed and developing countries.
9. During much of the 1980s, the North-South dialogue has remained muted. Multilateral economic co-operation was rendered ineffective at the time it was required most. Major industrialized countries have often not paid due regard to the far-reaching consequences of their policy postures for the rest of the world, in particular the developing countries.
10. The least developed among the developing countries, facing formidable structural handicaps, experienced extreme deterioration in their overall socio-economic situation during the 1980s, in spite of significant domestic policy measures undertaken by them pursuant to the Substantial New Programme of Action for the 1980s adopted by the United Nations Conference on the Least Developed Countries. The effects of their adverse external economic climate - characterized, inter alia, by an inadequate flow of external assistance, a dramatic decline in the terms of trade of their products, a mounting debt to gross domestic product ratio - have been further compounded by the failure to implement the recommendations of the Substantial New Programme of Action and its mid-term review. To this end, the Group of 77 underscores the significance of enhanced international efforts to reactivate the growth and development of the least developed countries, and emphasizes the importance of the Second United Nations Conference on the Least

Developed Countries to be held in 1990 in adopting a substantial plan of action for the sustained development of the least developed countries for the 1990s.

11. The land-locked and island developing countries also continue to suffer from unique problems and inherent disadvantages that have a negative impact on their development. The Group stresses the importance of urgent action by the international community to address the particular problems and special needs of these countries.

12. The current economic situation in Africa, characterized by the low level of economic growth, calls for a more effective implementation of commitments by developed countries between now and the end of 1990, in order to enable the development and economic growth objectives contained in the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 to be carried out. To this effect, the orthodox structural adjustment programmes currently in force should be reviewed and replaced by other more viable alternatives that would take full account of the social, political and economic realities of Africa, restore growth, and facilitate its long-term development.

13. The Group of 77 emphasizes the urgency of the full implementation of the Special Plan of Economic Co-operation for Central America, in support of the efforts being made under the Esquipulas-II Agreements to achieve peace and development in the region.

14. The Group of 77 reiterates that colonialism, neo-colonialism, interference in the internal affairs of other States, apartheid, racism and all forms of racial discrimination, foreign aggression, occupation, domination, exploitation and destabilization constitute fundamental obstacles to the economic and social development of developing countries. The Group reaffirms its commitment to take effective measures individually and collectively to put an end to such practices.

15. In southern Africa, the situation continues to be gravely affected by the policies of political and economic destabilization and acts of aggression pursued by the South African apartheid régime against front-line and other neighbouring States. The international community should exert greater pressure on the apartheid régime to abolish its abhorrent policies and immediately stop its acts of destabilization and aggression. The international community should at the same time increase assistance to these countries to enable them to implement their economic recovery and development programmes. Furthermore, the apartheid régime should also be compelled to act in accordance with Security Council resolution 435 (1978) to enable the people of Namibia to control their resources and destiny.

16. The Palestinian people have continued to live within the hardships of the Israeli occupation, which has deprived them of their land and their natural and other resources and has led to a deterioration of their living conditions. The struggle of the Palestinian people to attain their political, social and economic freedom and their right to development calls for action by the international community to give their utmost support to the heroic intifadah of the Palestinian people. Furthermore, the Arab people in the Syrian Golan and in parts of southern Lebanon are still under Israeli military occupation, which has deprived them of



their land and other resources, thus impeding their economic and social development. The Group of 77 is eager to see the termination of this occupation.

17. The Group of 77 calls upon the international community to adopt urgent and effective measures in order to eliminate the use of coercive measures, including blockades, embargoes and the freezing of assets, against developing countries, which have been on the rise and have taken new forms.

18. The factors operating in the world economy in recent years have threatened to accentuate the polarization between North and South. It is not possible to sustain a world divided between the haves and the have-nots. No country can isolate or immunize itself from the negative impact of this inherently unstable situation. A world economic structure based on self-perpetuating inequalities cannot last forever. It must be transformed through co-operative international action.

19. The international political climate has improved significantly. Encouraging progress has been made towards finding solutions to regional and global conflicts. There has been a ferment of economic and political ideas in many parts of the world. These provide a propitious setting for new initiatives. On the other hand, if emerging economic compulsions are not adequately accommodated, the resulting strains may very well undermine the current trends towards global peace and harmony.

20. The current relaxation of tension is a window of opportunity for the international community. It is based on the realization of the impending threat to the survival of the human species posed by the nuclear arms race, degradation of the environment and such other non-military threats to security as hunger, squalor, disease, illiteracy, gross economic inequality both within and among nations, and natural and man-made disasters. The solution of such vast and complex problems calls for a concerted and coherent approach within a multilateral framework.

21. International economic structure is becoming increasingly multi-polar. At the same time, there is a trend of integration of the economies of developed countries. Socialist countries are in the process of carrying out wide-ranging reforms aimed at a closer integration of their economies with the mainstream of the world economy. Many developing countries are also ready to integrate with the world economy more freely than in the past. Several developing countries are also endeavouring to strengthen their regional integration processes. Success of these integration strategies requires a much more open and co-operative world economy. At the same time it is imperative that unified and integrated markets of developed countries be outward-looking and enhance rather than diminish the market access of developing countries.

22. The modern technological revolution, particularly in information and communication technologies, has made the nations of the world more interdependent and world economic issues more interrelated than ever before. The implications of the macro-economic policies of major economic powers travel beyond their national boundaries and affect the economies of all countries, particularly developing countries. The co-ordination of these policies should be more broadly based and compatible with the growth and development needs of all countries, in particular the developing countries. Moreover, current economic and social problems have

become so complex that it is beyond the capacity of a single nation or group of nations to solve them in isolation. It is, therefore, essential to ensure equitable and collective management of global interdependence with a view to achieving socially just, economically sound, sustained development.

23. These tasks facing the international community are feasible only if they are undertaken in the context of an expanding and growing world economy. It is, therefore, necessary to forge a global consensus on growth and development and to work out a package of policies that can restore the world economy to vigorous growth conditions, and, in particular, assist in the eradication of absolute poverty.

24. Growth in the world economy can be lasting and self-sustaining only if all its constituent parts grow in harmony. The existence, at the same time of underutilized capacity in developed countries and vast potential demand in developing countries calls for a bold initiative for substantial injection of purchasing power in the developing countries. This should be effected by a greatly enhanced flow of concessional financial resources and a substantial degree of debt reduction. These steps will not only accelerate development in developing countries but will also improve the prospects of the world economy.

25. As a first step, the net transfer of resources from developing countries must be reversed to stop depriving the economies of developing countries of the investment and capital needed to develop and modernize their productive capacity and to address the legitimate social needs of their populations.

26. The attainment as quickly as possible of the internationally agreed targets for official development assistance (ODA) adopted by the General Assembly two decades ago is of vital importance. The emergence and intensification of the debt crisis has shown the international financial system to be inadequate to transfer a sufficient volume of resources on adequate terms and conditions to developing countries, as well as that commercial lending cannot substitute for official and multilateral flows of resources.

27. Emphasizing that many developing countries are devoting a considerable share of their scarce resources to the development of their human resources, the Group stresses the need to continue to strengthen and expand the human resources base of developing countries. Their capacity to face the challenges of development and accelerated technological changes in order to achieve sustained development, calls for the support of the international community for the efforts of developing countries in this area, fully in accordance with their national priorities and plans.

28. Multilateral financial co-operation for development should be oriented towards sustained and durable economic growth and development of all developing countries, in accordance with their objectives and priorities. Such co-operation should take into account their social needs as well as their long-term requirements for socio-economic transformation and development in addition to their short-term fiscal and financial management needs.

29. As part of the efforts to increase the flows of resources to developing countries, industrialized countries should give incentives for increasing foreign investment in developing countries complementing domestic capital in accordance with the laws, objectives and priorities of the latter.

30. The debt crisis has attained serious political and economic dimensions and has emerged as one of the main obstacles to growth and development in the developing countries. It needs to be resolved in the spirit of shared responsibility and on the basis of an integrated and comprehensive strategy. The Group of 77 calls for a substantial and timely reduction of the stock and service of external debt of developing countries, as well as a significant flow of new financial resources commensurate with their economic needs. For many low-income countries, the resumption of development requires a substantial cancellation of their debt burden. With a view to solving the severe debt crisis and preventing the aggravation and proliferation of the external indebtedness of developing countries, the international community should undertake measures in the interrelated areas of trade, money and finance.

31. In this connection, the Group of 77 expressed its appreciation to the important initiative of His Highness the Amir of Kuwait during the forty-third session of the General Assembly with a view to solving the problem of debts of developing countries.

32. A substantial increase in the export earnings of developing countries should be facilitated, inter alia, through consolidation and broadening and strict implementation of special and differential treatment, unrestricted access of their products to markets of developed countries, elimination of protectionism and of other measures taken by developed countries such as production and export subsidies, improved terms of trade and fostering of a stable and remunerative international commodity market and transfer of technology that would enable developing countries to expand and diversify their productive base.

33. The international trading system should be strengthened and improved, with a view to making it more responsive to the trade and development needs of developing countries. The Group of 77 attaches great importance to the Uruguay Round of trade negotiations as a means of strengthening the multilateral trading system. It hopes that the subjects and issues of particular interest to developing countries will be given full attention so that there is a balanced outcome resulting in enhanced export prospects for developing countries in consonance with their trade and development needs and aspirations. In this context, the Group of 77 welcomes the agreement recently reached in the Uruguay Round towards the liberalization of trade in agriculture. The Group of 77 urges the developed countries to fully respect the agreement reached during the seventh session of UNCTAD that the observance of multilaterally agreed commitments with respect to trade in goods should not be made conditional on receiving concessions in other areas.

34. Members of the Group of 77 will continue to make every possible effort to prevent the deterioration of the environment. The Group reaffirmed its commitment to the strengthening of international co-operation on protection of the environment, which required a global, multilateral effort within the forums of the

United Nations to address the problems in all its aspects. The concept of sustainable development must necessarily include meeting the basic needs of peoples of developing countries, maintaining adequate levels of growth for attaining their social and economic objectives and improving the quality of life in a healthy, safe and clean environment. The concept of sustainable development should not be used as a pretext for additional conditionality in the policies of multilateral development and financial institutions. They emphasized that poverty and environmental degradation are closely interrelated and that environmental protection must therefore be viewed as an integral part of the development process and cannot be considered in isolation from it. Excessive pressures on natural resources on account of poverty and rising population have given rise to problems such as land degradation, deforestation and desertification, which need to be addressed with a sense of urgency along with efforts to deal with global environment problems. In this context, the Group emphasized the importance of supportive measures in favour of developing countries in any arrangement for concerted multilateral co-operation for the protection of the environment. There is an urgent need for the international community to set aside net additional financial resources for environmental co-operation, which should, inter alia, be used to give access to and permit the transfer of environmentally safe technologies. Alternative technologies should be made available to the developing countries on concessional terms. Since developed countries account for the bulk of the production and consumption of environmentally damaging substances, they should bear the main responsibility in the search for long-term remedies for global environment protection and should make the major contribution to international efforts to reduce consumption of such substances. The Group reiterates that measures taken at the international level should take full account of the existing asymmetry in global production and consumption patterns and should consciously seek to redress it.

35. The Group of 77 welcomes Brazil's offer to host the proposed second world conference on environment and development.

36. The Group of 77 is of the view that significant opportunities have arisen for giving a new thrust to the development dialogue and breathing new life into the mechanisms and modalities of international economic co-operation. The Group is determined to avail itself of every opening for serious and meaningful dialogue in a spirit of mutual interest and human solidarity. In this context, it is determined to make its contribution to broadening international understanding and promoting international co-operation through the special session of the General Assembly and the elaboration of an international development strategy for the 1990s, the forthcoming eighth session of UNCTAD and such other political level meetings, including summit gatherings of developed and developing countries, as may be organized.

37. At the special session of the General Assembly, the Group will endeavour to reach agreement with the developed countries on the lines of action for resolving in an integrated way some of the pressing problems of its member countries, including money, finance, resource flows, trade, commodities, external debt and development, taking due account of the existing asymmetry and incorporating in the deliberations the special needs and circumstances of the developing countries. The

objective will be at least to reach a consensus on the nature of the problems, on the approach required to solve them, and on the principles and modalities to be applied. This will indeed be the earliest possible opportunity of resuming the North-South dialogue on a comprehensive basis, in all seriousness and with a sense of purpose. The process of the elaboration of an international development strategy for the 1990s should enable these objectives to be pursued in a long-term perspective. At the same time, it should provide a coherent framework for international co-operation and an opportunity for Governments to undertake specific commitments.

### III. ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

1. Since its creation in 1964, the Group of 77 has sought to promote economic co-operation among the developing countries. The Ministers reaffirmed their commitment to strengthening economic co-operation among developing countries to work towards the attainment of collective self-reliance.
2. The Caracas Programme of Action on economic co-operation among developing countries, adopted in May 1981, was an expression of the aspirations of developing countries and a reflection of their desire to promote such co-operation as a complement of North-South co-operation and as an integral part of the collective action of the Group aimed at the restructuring of international economic relations and at the establishment of the new international economic order. It marked the beginning of a new phase of such co-operation, providing a blueprint of measures in eight sectors with a well-defined mechanism for implementation and follow-up. The activities of the Programme have suffered as a consequence of the financial and economic structural obstacles faced by developing countries and of imbalances affecting international economic relations. Despite the many difficulties encountered in its implementation, the Programme remains an essential tool for the promotion of economic co-operation among developing countries. The Ministers stressed the need to intensify co-operation thereunder.
3. The Ministers noted that the present international situation posed difficulties and opportunities to the promotion of South-South co-operation. On the one hand, programmes of economic co-operation among developing countries tended to be a casualty of the worsening economic situation of developing countries, which constrained their means of payment and forced them to focus on immediate needs. On the other hand, the increased protectionism of the North and the lack of repercussions of the economic dynamism in the North on developing countries, along with the emergence of new opportunities for complementarities such as the ones afforded by surplus manufacturing and investment capabilities, provided a renewed relevance to economic co-operation among developing countries.
4. The Ministers expressed their satisfaction that the agreement on a Global System of Trade Preferences among Developing Countries had come into force in April 1989. They appealed to those signatories of the agreement who had not yet ratified it to do so at the earliest opportunity. They also underlined the need to start the second round of negotiations under the system as soon as possible. These negotiations could consider the question of providing some financial underpinning for trade conducted under the Global System.
5. The Ministers emphasized the need to give the necessary priority to intensifying co-operation in the sector of science and technology, including the transfer of technology, which is one of the most promising areas where economic co-operation among developing countries should be strengthened. They welcomed the fact that the Center for Science and Technology of the Non-Aligned and other Developing Countries would become operational shortly. They expressed the hope that the Center would become an important and dynamic instrument to promote scientific and technological development of developing countries.

6. The Ministers also emphasized the necessity to give high priority to the sectors of trade and technical co-operation among developing countries in order to promote a much more effective utilization of the technical capacities of the developing countries. The Ministers welcomed the work carried out by the International Center for Public Enterprises of Developing Countries (ICPE), particularly in providing technical assistance to enterprises of developing countries.

7. The Ministers took the view that activities in economic co-operation among developing countries should be selected after a clear and in-depth assessment of the economic benefits that they would yield to the participating countries, and that emphasis should be placed on those sectors and activities that would produce concrete and tangible results, without neglecting the efforts that need to be undertaken towards the full implementation of the recommendations regarding all the sectors of the Caracas Programme of Action.

8. The Ministers agreed that increased attention should be given to all levels of economic co-operation among developing countries: bilateral, subregional, regional and global.

9. The Ministers welcomed the work being carried out by non-governmental organizations in developing countries in support of the Caracas Programme of Action.

10. The Ministers took note of the positive results of the meetings of the representatives of chambers of commerce and industry of member countries of the Group of 77 and the regional meetings of the chambers, and encouraged them to further develop concrete modalities to enhance their mutual co-operation. The Ministers also welcomed the valuable work carried out by the Association of State Trading Organizations of member countries of the Group of 77.

11. The Ministers recognized the work undertaken by the South Commission and expressed their expectation that it will provide a valuable contribution to increased awareness of the international community, in particular in terms of international co-operation requirements in support of economic co-operation among developing countries.

12. The Ministers acknowledged with satisfaction the continuous support of UNCTAD, the United Nations Industrial Development Organization, and the United Nations Development Programme and its special unit on technical co-operation among developing countries towards the implementation of the Caracas Programme of Action as well as the Buenos Aires Programme of Action for technical co-operation among developing countries and to respond positively to the requests presented by the different chapters of the Group of 77. The Ministers also called upon the Group's chapters to actively seek such support from the organizations concerned.

13. The Ministers expressed their support for the work of the International Fund for Agricultural Development and stressed that, on the basis of its present structure, ways and means should be agreed upon to secure a sound and largely self-sustaining financial base for the Fund, thus ensuring the effective pursuit of its mandate long into the future.

14. The Ministers reaffirmed the validity of the mandate given by the twelfth ministerial meeting to the Intergovernmental Follow-up and Co-ordination Committee to adopt concrete recommendations to ensure the implementation of the Caracas Programme of Action. They requested that the Intergovernmental Committee meet at Kuala Lumpur, Malaysia, from 31 July to 5 August 1989, to submit to the thirteenth annual meeting of the Ministers of Foreign Affairs of the Group of 77 a report that should include specific recommendations on the following:

(a) Additional steps that need to be taken to enhance the implementation of the Caracas Programme of Action;

(b) The new role and function of the Intergovernmental Committee in the light of the decision adopted by the eleventh annual meeting of the Ministers for Foreign Affairs to biennialize the Committee's meetings;

(c) Increased participation in economic co-operation among developing countries of enterprises, from the public and private sectors as well as research and training institutes;

(d) Concrete measures for enhancing the efficiency of the supporting mechanisms of the Caracas Programme of Action, including a review, assessment and proposals for updating the priority sectors;

(e) Concrete suggestions for the harmonization and integration wherever possible of the respective sectors of the Caracas Programme of Action and the Action Programme for Economic Co-operation of the Non-Aligned Movement;

(f) Utilization of the Perez-Guerrero Trust Fund and appropriate steps to be taken so as to realize the full benefits for which the Fund was set up, including the review of the guidelines and criteria for utilizing the Fund as well as adjustments in the appointment dates of the members of the Committee of Experts, designated for a two-year period, so that renewal of half of the members takes place every year in order to strike a proper balance between continuity and rotation.

15. In order for the Intergovernmental Committee to fulfil its mandate, the Ministers urged member countries to ensure participation of competent senior officials of the respective Ministry in charge of economic co-operation among developing countries and heads of national focal points, as envisaged in the Programme of Action.

16. The Ministers were of the view that there is a need to strengthen co-operation among developing countries in sectoral areas identified in the Caracas Programme of Action, as well as other areas related to development. Such efforts could be pursued in the context of the harmonization of efforts between the mutual co-operation programme of the Movement of Non-Aligned Countries and the Group of 77 in the light of the review outlined in paragraph 14 (d) above.

17. The Ministers agreed on the following measures regarding the Perez-Guerrero Trust Fund, with a view to ensuring its full utilization:



(a) Regional groups of the Group of 77 in New York should designate urgently the new members of the Committee of Experts of the Perez-Guerrero Trust Fund;

(b) The core of assistants of the Chairman of the Group of 77 will provide continuing support for the work of the Committee, in order to ensure a permanent operating and follow-up capability in identifying, selecting and recommending projects as well as in assisting the Chairman in monitoring the implementation of the approved projects;

(c) The Chairman of the Group of 77 in New York should approach directly, in consultation with concerned Governments, organizations and institutions in developing countries capable of preparing projects eligible for financing under the Perez-Guerrero Trust Fund. Such an approach must go beyond sending invitations to submit project proposals. In carrying out this task, which should take place under the co-ordination of appropriate authorities and designated focal points of developing countries, the participation of the members of the Committee of Experts should be sought in order to benefit from their experience and expertise;

(d) The Chairman of the Group of 77 should request UNDP to provide financial support for the participation of the experts to the Fund's Committee meetings. Until this project becomes fully operational, an interim financial arrangement out of the Trust Fund resources will be set up in order to ensure the presence of experts at the Fund's meetings, up to a maximum of two meetings a year. The state of implementation of this paragraph should be reviewed by the meeting of the Intergovernmental Follow-up and Co-ordination Committee, at which appropriate decisions would be taken.

#### IV. ORGANIZATIONAL EFFECTIVENESS OF THE GROUP OF 77

1. The annual meeting of the Ministers for Foreign Affairs of the Group of 77, held at the Headquarters of the United Nations in New York prior to the beginning of the substantive work of the regular session of the General Assembly, shall have a duration of one day and will be in the form of an exchange of views on major priority issues. Such an exchange of views should be well-prepared, with a draft agenda agreed upon in advance.
2. This Ministerial meeting shall be preceded by an annual meeting of the Group of 77, of a duration of two days, with the participation of the chairpersons of the various chapters of the Group, who shall introduce a report on their activities during the past year and make concrete recommendations for the consideration of the Ministers. Such a meeting should result in the adoption of a declaration on the relevant topics or agenda items before the General Assembly.
3. The Ministers of the Group of 77 shall, as necessary, continue to hold preparatory meetings prior to important international conferences.
4. After each session of the General Assembly and of other relevant organs, organizations and bodies of the United Nations system, the Group of 77, in the various chapters shall hold short meetings in order to assess the results of such sessions, in the light of the goals and objectives assigned to the Group by its States members.
5. At the beginning of each calendar year, each chapter of the Group of 77 should consider, as appropriate, with a view to harmonizing procedures and strengthening co-ordination among them, electing one chairperson and two vice-chairpersons, acting under the exclusive authority of the former, for a one-year mandate, in accordance with its regional distribution.
6. Taking into account the increasing number of meetings within the United Nations system and their technical character, the Group of 77, in each chapter, shall designate co-ordinators on main themes or issues requiring experience and expertise. The co-ordinators shall assist the chairperson in the elaboration of draft positions, proposals or other documents, and report regularly to the Group of 77 for its consideration, through the existing working structure.
7. Meetings of the Group of 77 at the ambassadorial level, as at the delegate/expert level, should continue to be called more often, on all issues requiring their respective attention and decision.
8. In order to strengthen co-ordination and communication, and to ensure consistency between the various chapters of the Group of 77, the respective chairperson shall communicate and co-ordinate the positions of the Group on all relevant issues and activities. The services and facilities available at the Office of the Chairperson in New York should be fully utilized by all chapters.