SECOND UNITED NATIONS DEVELOPMENT DECADE*

Report of the Preparatory Committee for the Second United Nations Development Decade on its third session

CONTENTS

I. INTRODUCTION ....................................................... 1 - 3 2

II. FURTHER CONSIDERATION OF AN INDICATIVE TARGET FOR OVER-ALL GROWTH RATE, INCLUDING TARGET FOR PER CAPITA GROWTH RATE AND OTHER TARGETS AND OBJECTIVES ..................................................... 4 - 9 3

III. POLICY MEASURES CONCERNING INTERNATIONAL TRADE; FINANCIAL RESOURCES FOR DEVELOPMENT; TRADE EXPANSION, ECONOMIC CO-OPERATION AND REGIONAL INTEGRATION AMONG DEVELOPING COUNTRIES; SCIENCE AND TECHNOLOGY ..................................................... 10 - 13 5

IV. INITIATION OF DISCUSSION OF POLICY MEASURES IN OTHER KEY AREAS ..................................................... 14 6

V. FURTHER ELABORATION OF SOME PARTS OF THE DRAFT FRAMEWORK OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND DECADE ..................................................... 15 - 16 6

VI. PROVISIONAL AGENDA FOR THE FOURTH SESSION ..................................................... 17 7

VII. TIME AND PLACE OF THE FOURTH SESSION ..................................................... 18 8

Annex

PROGRESS REPORT ON DRAFT FRAMEWORK OF AN INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE ..................................................... 1 - 19 1 - 7

* Item 40 of the provisional agenda.

69-20077
I. INTRODUCTION

1. The third session of the Preparatory Committee for the Second United Nations Development Decade was held at the Palais des Nations in Geneva from 30 June to 11 July 1969.

2. The Committee adopted the following agenda (A/AC.141/2):
   1. Opening of the session.
   2. Adoption of the agenda.
   3. Organization of work.
   4. Consideration of policy measures in the following areas:
      (a) International trade;
      (b) Financial resources for development;
      (c) Trade expansion, economic co-operation and regional integration among developing countries;
      (d) Science and technology.
   5. Further consideration of an indicative target for over-all growth rate, including target for per capita growth rate and other targets and objectives.
   6. Initiation of discussion of policy measures in other key areas.
   7. Other matters.
   8. Provisional agenda for the fourth session.
   9. Time and place of the fourth session.
  10. Approval of interim report.

3. The Committee held fifteen meetings in which statements on various agenda items were made (see summary records A/AC.141/33). At the invitation of the Committee, statements were also made by the Chairman and Vice-Chairman of the Committee for Development Planning, the Director-General of the World Health Organization, the Secretary-General of the United Nations Conference on Trade and Development, the Director-General of the International Labour Office, the Acting Director-General of the United Nations Educational, Scientific and
Cultural Organization, the Executive Director of the United Nations Industrial Development Organization, the Chairman of the Advisory Committee on the Application of Science and Technology to Development, the Director-General of the Universal Postal Union and the Director-General of the Food and Agriculture Organization of the United Nations. The Committee expressed its appreciation for the contribution made to its work through these statements. It was decided that the texts of the statements would be issued as an official document (A/AC.141/L.8). The conclusions of the Committee at its third session are contained in paragraphs 4 to 10.

II. FURTHER CONSIDERATION OF AN INDICATIVE TARGET FOR OVER-ALL GROWTH RATE, INCLUDING TARGET FOR PER CAPITA GROWTH RATE AND OTHER TARGETS AND OBJECTIVES (agenda item 5)

Over-all growth target

4. The Committee took note of the opinion of the Committee for Development Planning that it was possible for the developing countries as a whole to achieve an average annual rate of expansion of 6 to 7 per cent in gross product. The final decision on whether the target for over-all growth rate should be within the range recommended by the Committee for Development Planning or on the basis of the working hypothesis proposed by the Preparatory Committee at its second session would be taken at a later session. The Committee assumed that, for the time being, the organizations concerned were working on the basis of the proposed hypothesis of around 6 per cent annual average rate of growth during the Decade.

Per capita rate of growth

5. It was agreed that the objective during the Decade should be to promote sustained growth, especially in developing countries, leading to "higher standards of living, full employment and conditions of economic and social progress and development" (Article 55 of the United Nations Charter), so as to facilitate the process of narrowing the gap in living standards between developed and developing countries. In this context, it was important that per capita incomes in real terms in developing countries should grow at an adequate rate. An average annual growth rate of 3.5 per cent in per capita incomes would represent
a doubling of average per capita income of developing countries in the course of two decades. However, this would be insufficient for developing countries with very low per capita incomes. The Committee therefore decided to consider the feasibility of doubling such low per capita incomes within a shorter period so that a minimum reasonable standard of living was expeditiously achieved in those developing countries.

Other related targets and social development targets

5. The Committee took note of the following suggestions of the Committee for Development Planning, based on the assumption of a 6 to 7 per cent average annual growth of gross product:

   (a) Agricultural output in developing countries should increase by at least 4 per cent per annum, on the average;

   (b) The average annual rate of increase in the manufacturing output of developing countries will have to be lifted to 8-9 per cent during the Decade;

   (c) Developing countries should aim at increasing their ratio of domestic savings to 15-20 per cent of gross product by the end of the Decade;

   (d) Capacity to import of developing countries should increase by at least 7 to 8 per cent per annum during the next Decade.

7. The Committee also took note of the suggestions of the Committee for Development Planning relating to other targets. In addition, the Committee took note of the suggestions relating to targets and objectives in such areas as agriculture, industry, employment, education and health, contained in the statements made before it by the executive heads of a number of organizations of the United Nations system.

8. The Committee decided to consider the specification of targets in all these areas at a later session, taking into account the aforementioned and further suggestions of the Committee for Development Planning and those to be received from the organizations concerned on the basis of a detailed analysis of the relevant implications. The Committee requested these organizations to give their suggestions as early as possible but not later than the end of November 1969.

9. It was agreed that the social development targets should be denominated in quantitative or qualitative terms, as appropriate.
III. POLICY MEASURES CONCERNING INTERNATIONAL TRADE; FINANCIAL RESOURCES FOR DEVELOPMENT; TRADE EXPANSION, ECONOMIC CO-OPERATION AND REGIONAL INTEGRATION AMONG DEVELOPING COUNTRIES; SCIENCE AND TECHNOLOGY (agenda item 4)

10. The Committee took note of the report of the Trade and Development Board on its resumed eighth session (A/7616, part two), devoted to "the contribution of UNCTAD to the Second United Nations Development Decade", and particularly of its recognition that very little progress had been made concerning the contribution of UNCTAD to the strategy for the Second Development Decade. The Committee, taking note also that the Board had agreed to make maximum efforts so as to reach agreement on the outstanding matters at its resumed ninth session, expressed the hope that the contribution of UNCTAD would be finalized by the Board at that session. For this purpose the Committee drew the attention of the Board to the recommendations made by the Committee for Development Planning in the report on its fourth and fifth sessions\(^1\) on subject within the competence of UNCTAD.

11. The Committee noted, in particular, that "States members of UNCTAD will as a starting point seek to implement" a set of measures and a programme of work relating to:

(a) Trade expansion, economic co-operation and regional integration among developing countries;

(b) Special measures in favour of the least developed among the developing countries;

(c) Special measures in favour of land-locked countries.

12. The Committee recalled paragraph 5 of General Assembly resolution 2411 (XXIII) wherein the Trade and Development Board was requested "to continue its efforts to reach the maximum degree of agreement on issues which were remitted to it by the United Nations Conference on Trade and Development at its second session and which are of basic importance for the elaboration of the international development strategy for the 1970s".

13. The Committee had a preliminary exchange of views on domestic financial resources for development and science and technology on the basis of draft paragraphs prepared by the Secretariat (A/AC.141/L.9). On science and technology, it also heard the views of the Advisory Committee on the Application of Science

and Technology to Development and UNESCO. The Committee would arrive at definite conclusions on these subjects at a later session.

IV. INITIATION OF DISCUSSION OF POLICY MEASURES IN OTHER KEY AREAS (agenda item 6)

14. The Committee initiated discussion on policy measures in other key areas. In this connexion, it heard statements from the officers of the Committee for Development Planning and the Advisory Committee on the Application of Science and Technology to Development, as well as the executive heads of a number of organizations of the United Nations system referred to in paragraph 3. The statements were followed by an exchange of views between the members of the Committee and the speakers. The Committee considered that the information supplied, and that which might be supplied later, would assist it in arriving at definite conclusions on policy measures concerning these areas at its subsequent sessions.

V. FURTHER ELABORATION OF SOME PARTS OF THE DRAFT FRAMEWORK OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND DECADE (agenda item 7)

15. The organizations of the United Nations system should continue to exert maximum effort to reach agreement on outstanding issues with the aim of producing a coherent set of interrelated policy measures designed to fulfil the goals and objectives of the Second United Nations Development Decade. In making further contribution to the preparatory work for the Decade, they may, if necessary, take into account the following points:

(a) They should prepare a review of the progress achieved so far in the specific sectors, highlighting particularly those measures on which agreements have already been reached and analysing the implications of these measures from the point of view of achieving the objectives of the Decade;

(b) They should go over the issues on which negotiations for reaching agreement are already at an advanced stage and indicate the steps contemplated to conclude the negotiations according to any time schedule that may have been agreed upon;
(c) Regarding other issues, their contribution should be formulated in such a way as to speed up the process of negotiation, setting, wherever possible, a time-table for the further consideration of these issues and incorporating a declaration of intent to make an earnest endeavour to find solutions to the problems in question, if possible, before the commencement of the Decade and, if not, as early during the Decade as possible.

(d) It is understood that in all sectors attempts will be made, in the light of the objectives and targets indicated, to seek new areas of agreement and widen the existing ones. It is also understood that consideration will be given to the rapid implementation of the agreed measures.

16. They should formulate their contributions in the form of written proposals for consideration by the Committee in the context of the preparation of the preliminary framework of the international development strategy.

VI. PROVISIONAL AGENDA FOR THE FOURTH SESSION (agenda item 3)

17. The Committee agreed on the following provisional agenda for its fourth session:

1. Opening of the session.
2. Adoption of the agenda.
3. Organization of work.
4. Further discussion of policy measures in all key areas.
5. Preliminary consideration of proposals relating to arrangements for continuing review and appraisal of objectives and policy measures.
6. Preliminary consideration of a draft of the preambular part of the document on the international development strategy to be submitted for approval by the General Assembly.
7. Examination of arrangements for the mobilization of public opinion.
8. Finalization of interim report in terms of paragraph 8 of General Assembly resolution 2411 (XXIII), including proposals regarding the launching of the Decade.
9. Other matters.
10. Provisional agenda for the fifth session.

11. Time and place of the fifth session.

12. Approval of interim report.

VII. TIME AND PLACE OF THE FOURTH SESSION (agenda item 9)

Annex

PROGRESS REPORT ON DRAFT FRAMEWORK OF AN INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE
(as at the end of the third session of the Preparatory Committee for the Second United Nations Development Decade)

I. PREAMBULAR DECLARATION

1. It is envisaged that the strategy will, inter alia, include a Preambular Declaration. According to the time-table of work approved by the Preparatory Committee for the Second United Nations Development Decade at its second session (see A/7527/Add.1), the preliminary consideration of a draft of the Preambular Declaration will take place at the fourth session of the Committee.

II. SPECIFICATION OF OBJECTIVES

Over-all growth target for the Decade

2. The Committee has recognized the need for establishing a target of over-all growth rate for gross product in real terms of the developing countries during the next Development Decade as a broad indication of the scope of international co-operative effort to be made within the framework of the international development strategy for the 1970s. The Committee has proposed, without prejudice to the position of Governments as to the final decision, a figure of around 6 per cent for the annual average rate of growth in real terms during the Decade as a working hypothesis. The Committee has further stated that, in working on this hypothesis, the organizations concerned should examine both the difficulties in attaining such a rate of growth and the feasibility of attaining a higher rate.

3. The Committee has taken note of the opinion of the Committee for Development Planning that it is possible for the developing countries as a whole to achieve an average annual rate of expansion of 6 to 7 per cent in gross product. The final decision on whether the target for over-all growth rate should be within the range recommended by the Committee for Development Planning or on the basis of the working hypothesis proposed by the Preparatory Committee at its second session...
will be taken at a later session. It is assumed that, for the time being, the
organizations concerned are working on the basis of the proposed hypothesis of
around 6 per cent annual average rate of growth during the Decade.

Per capita growth rate

4. The Committee has considered the feasibility of establishing a target for
per capita growth rate. It has been agreed that the objective during the Decade
should be to promote sustained growth, especially in developing countries, leading
to "higher standards of living, full employment and conditions of economic and
social progress and development" (Article 55 of the United Nations Charter),
so as to facilitate the process of narrowing the gap in living standards between
developed and developing countries. In this context, it is important that
per capita incomes in real terms in developing countries should grow at an
adequate rate. An average annual growth rate of 3.5 per cent in per capita incomes
will represent a doubling of average per capita income of developing countries in
the course of two decades. However, this will be insufficient for developing
countries with very low per capita incomes. The Committee has, therefore,
decided to consider the feasibility of doubling such low per capita incomes
within a shorter period so that a minimum reasonable standard of living is
expeditiously achieved in those developing countries.

Other related targets and social targets

5. The Committee has recognized the importance of reaching agreement on
quantitative targets for a few major variables such as agriculture, industry,
exports and domestic saving, consistent with the overall growth target and, to
the extent possible, each consistent with the other. The Committee has requested
both the functional and regional organizations concerned to suggest a set of
targets for the relevant variables, taking into account the working hypothesis
of around 6 per cent average growth suggested by it.

6. In this context, the Committee has taken note of the following suggestions
of the Committee for Development Planning, based on the assumption of a
6 to 7 per cent average annual growth of gross product:
(a) Agricultural output in developing countries should increase by at least 4 per cent per annum, on the average;

(b) The average annual rate of increase in the manufacturing output of developing countries will have to be lifted to 8-9 per cent during the Decade;

(c) Developing countries should aim at increasing their ratio of domestic saving to 15-20 per cent of gross product by the end of the Decade;

(d) Capacity to import of developing countries should increase by at least 7 to 8 per cent per annum during the next Decade.

7. The Committee has also taken note of the suggestions of the Committee for Development Planning relating to other targets. In addition, the Committee has taken note of the suggestions relating to targets and objectives in such areas as agriculture, industry, employment, education and health, contained in the statements made at its third session by the executive heads of a number of organizations of the United Nations system.

8. The Committee has decided to consider the specification of targets in all these areas at a later session, taking into account the aforementioned and further suggestions of the Committee for Development Planning and those to be received from the organizations concerned on the basis of a detailed analysis of the relevant implications. The Committee has requested these organizations to give their suggestions as early as possible but not later than by the end of November 1969.

9. The Committee has considered it important to define certain broad social objectives. The Committee has expressed the wish to receive in time, from its secretariat and the organizations concerned, specific submissions and has decided to revert to the subject after Governments have had an opportunity to examine various suggestions in the light of their own national objectives and capabilities. It has been agreed that the social development targets should be denominated in quantitative or qualitative terms, as appropriate.

III. POLICY MEASURES DESIGNED TO FULFIL THE OBJECTIVES FOR THE DECADE

10. The Committee has agreed on the following list of key areas for international co-operation for development during the Decade.
1. International trade:
   (a) Trade in primary commodities:
       (i) Commodity agreements, including buffer stock financing;
       (ii) Access to markets;
       (iii) Diversification programmes;
       (iv) Problems posed by competition from synthetics and substitutes;
       (v) Pricing policy;
   (b) Exports of manufactures and semi-manufactures from developing to developed countries:
       (i) Elimination of obstacles and restrictions affecting imports from developing countries;
       (ii) Scheme of generalized non-discriminatory and non-reciprocal preferences in favour of developing countries;
   (c) Trade between developing countries and centrally planned economies;
   (d) Trade promotion.

2. Trade expansion, economic co-operation and regional integration among developing countries.

3. Financial resources for development:
   (a) Domestic financial resources:
       (i) Public and private saving;
       (ii) Fiscal and financial policies; tax reform;
       (iii) Promotion of public and private investment;
   (b) External financial resources:
       (i) Volume of transfer of external financial resources;
       (ii) Terms and conditions of transfer of external financial resources;
       (iii) Progressive multilateralization of financial transfers;
       (iv) Debt servicing problem of the developing countries;
       (v) Access to capital markets of developed countries;
       (vi) Conditions for an increased contribution of private investment to development;
       (vii) Safeguarding the development efforts of developing countries from the effects of fluctuations in their export earnings;
(c) Increasing earnings from invisibles such as shipping, tourism, etc.;
(d) International liquidity.

4. Science and technology:
   (a) Transfer of scientific knowledge and research techniques to developing countries;
   (b) Transfer of technology to developing countries; development and adaptations of technology in developing countries.

5. Human development:
   (a) Education and knowledge;
   (b) Health;
   (c) Population policy;
   (d) Nutrition;
   (e) Housing;
   (f) Employment policy;
   (g) Human environment.

6. Expansion and diversification of production:
   (a) Development of natural resources;
   (b) Agricultural production; land reform;
   (c) Accelerating the pace of industrialization, including the development and expansion of export-oriented industries and the development of processing industries based on raw materials available in the countries;
   (d) Development of infrastructure.

7. Plan formulation and implementation:
   (a) Conditions of effective design of plans;
   (b) Conditions of effective implementation of plans.

Note: Wherever possible, special measures in favour of the least developed among developing countries, including land-locked countries, will be devised while considering policy measures in the above key areas.

11. The Committee has made it clear that the list is by no means exhaustive and that there will be scope for the inclusion of additional areas in which there might exist possibilities for effective international co-operation during the Decade. It has also been agreed that the order in which the key areas are placed in the list does not indicate any priority as regards their importance.
12. The Committee has approved a time-table for the consideration of policy
measures in the key areas, as well as other components of the international
development strategy. In this connexion, arrangements have been made for the
submission, at its sessions, of relevant draft paragraphs.

Policy measures concerning international trade; financial resources for
development; trade expansion, economic co-operation and regional
integration among developing countries; science and technology

13. The Committee has taken note of the report of the Trade and Development Board
on its resumed eighth session (A/7616, part two), devoted to "the contribution of
UNCTAD to the Second United Nations Development Decade", and particularly of its
recognition that very little progress has been made concerning the contribution
of UNCTAD to the strategy for the Second Development Decade. The Committee, taking
note also that the Board has agreed to make maximum efforts so as to reach
agreement on the outstanding matters at its resumed ninth session, has expressed
the hope that the contribution of UNCTAD will be finalized by the Board at that
session. For this purpose the Committee has drawn the attention of the Board to
the recommendations made by the Committee for Development Planning in the report
on its fourth and fifth sessions on subjects within the competence of UNCTAD.

14. The Committee has noted, in particular, that "States members of UNCTAD will
as a starting point seek to implement" a set of measures and a programme of work
relating to:

(a) Trade expansion, economic co-operation and regional integration among
developing countries;

(b) Special measures in favour of the least developed among the developing
countries;

(c) Special measures in favour of land-locked countries.

15. In this context, the Committee has recalled paragraph 5 of General Assembly
resolution 2411 (XXIII) wherein the Trade and Development Board was requested "to
continue its efforts to reach the maximum degree of agreement on issues which
were remitted to it by the United Nations Conference on Trade and Development at
its second session and which are of basic importance for the elaboration of the
international development strategy for the 1970s".

a/ Official Records of the Economic and Social Council, Forty-seventh Session,
document E/4682.
16. The Committee has had a preliminary exchange of views on domestic financial resources for development and science and technology on the basis of draft paragraphs prepared by the Secretariat. On science and technology, it has also heard the views of the Advisory Committee on the Application of Science and Technology to Development and UNESCO. The Committee would arrive at definite conclusions on these subjects at a later session.

Initiation of discussion of policy measures in other key areas

17. The Committee has initiated discussion on policy measures in other key areas. In this connexion, it has heard statements from the officers of the Committee for Development Planning and the Advisory Committee on the Application of Science and Technology to Development, as well as the executive heads of a number of organizations of the United Nations system. The Committee has considered that the information supplied, and that which may be supplied later, will assist it in arriving at definite conclusions on policy measures concerning these areas at its subsequent sessions.

IV. REVIEW AND APPRAISAL OF BOTH OBJECTIVES AND POLICIES

18. The Committee has decided to give preliminary consideration, at its fourth session, to proposals relating to arrangements for continuing reviews and appraisal of objectives and policy measures.

V. MOBILIZATION OF PUBLIC OPINION

19. The Committee has decided to start, at its fourth session, the examination of arrangements to be made for mobilization of public opinion for fulfilling the objectives of the Decade.