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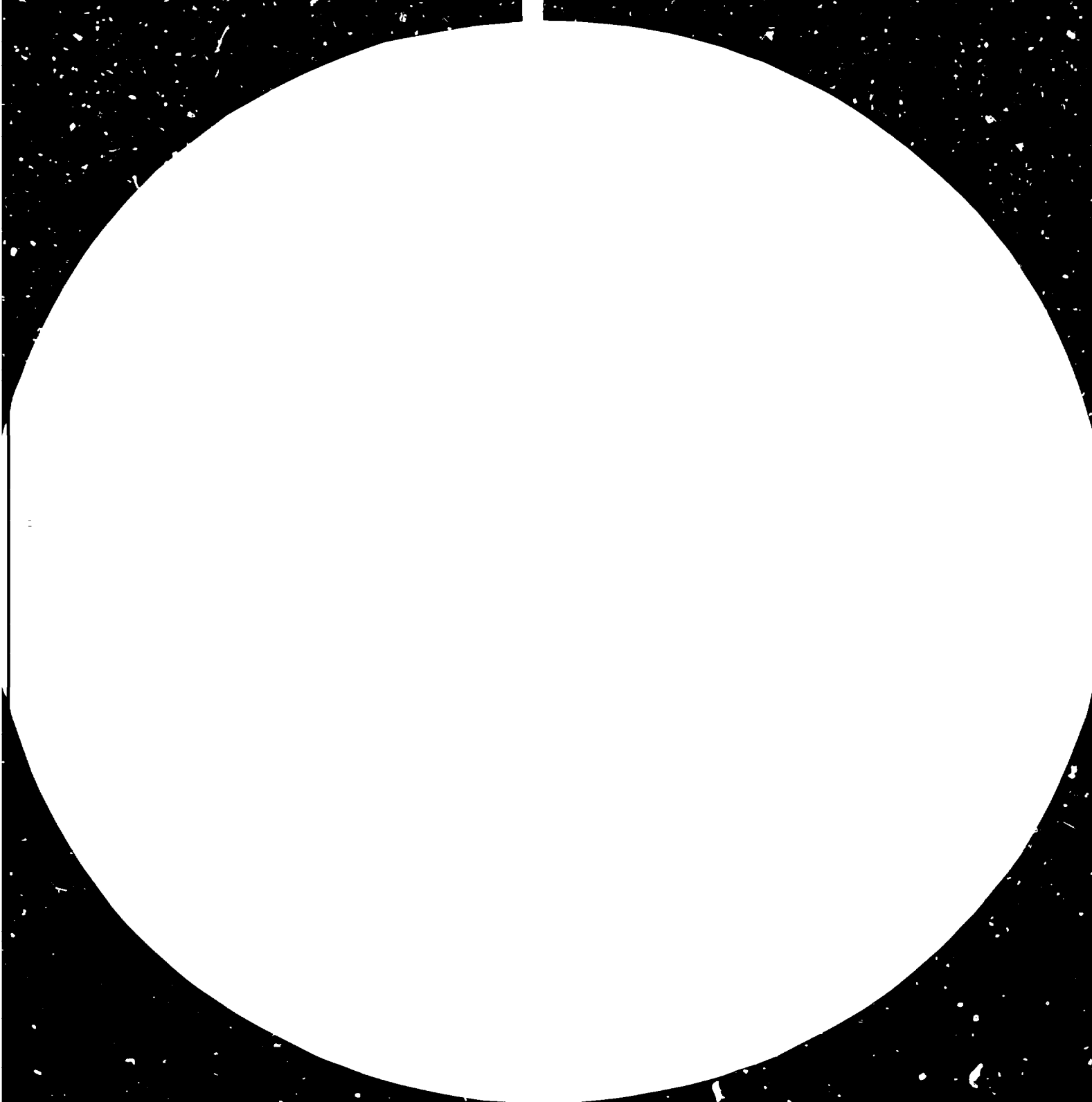
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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Third General Conference
of the
United Nations Industrial Development Organization
New Delhi, India, 21 January – 9 February 1980

**NEW DELHI DECLARATION
AND
PLAN OF ACTION
ON INDUSTRIALIZATION
OF DEVELOPING COUNTRIES
AND
INTERNATIONAL CO-OPERATION
FOR THEIR
INDUSTRIAL DEVELOPMENT**

Adopted by the Third General Conference
of UNIDO
at its final plenary meeting

001671

NEW DELHI DECLARATION AND PLAN OF ACTION ON INDUSTRIALIZATION OF DEVELOPING COUNTRIES AND INTERNATIONAL CO-OPERATION FOR THEIR INDUSTRIAL DEVELOPMENT

DECLARATION

1. *The Third General Conference of the United Nations Industrial Development Organization*, convened by General Assembly resolution 33/77 of 15 December 1978, having reviewed and appraised the world industrial situation with specific reference to the implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation conducive to the industrialization of the developing countries, and having decided on the ways and means for further industrialization in the 1980s and beyond, within the framework of the establishment of the New International Economic Order,

solemnly adopts

the NEW DELHI DECLARATION ON INDUSTRIALIZATION OF DEVELOPING COUNTRIES AND INTERNATIONAL CO-OPERATION FOR THEIR INDUSTRIAL DEVELOPMENT.

2. *Re-emphasizing* the imperative need for the implementation of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974, on the Declaration and the Programme of Action on the Establishment of a New International Economic Order, as well as General Assembly resolutions 3281 (XXIX), of 12 December 1974, embodying the Charter of Economic Rights and Duties of States, and 3362 (S-VII), of 16 September 1975, on development and international economic co-operation;

3. *Reaffirming* strongly the Lima Declaration and Plan of Action on Industrial Development and Co-operation endorsed by the seventh special session of the General Assembly wherein it was decided that by the year 2000 the share of the developing countries should be increased to at least 25 per

cent of the total world industrial production and which defines the basic strategy, principles and measures for the achievement of the target within the framework of the New International Economic Order;

4. *Recalling* General Assembly resolution 32/174, of 19 December 1977, which provided, *inter alia*, for the holding of a special session in 1980, and resolution 33/193, of 29 January 1979, related to the preparations for an international development strategy for the third United Nations development decade, inviting UNIDO to contribute effectively to the work of the special session and to the preparations for the new international development strategy of the third United Nations development decade;

5. *Recalling* also General Assembly resolution 34/98, of 13 December 1979, on industrial development co-operation and the Third General Conference of the United Nations Industrial Development Organization;

6. *Reiterating* the principles and positions of the previous Group of 77 ministerial meetings, and in particular those at Mexico (September 1976), Arusha (February 1979), Bucharest (August 1979), New York (September 1979) and Belgrade (September 1979);

7. *Recalling* sustained efforts by the Group of 77 to solve fundamental problems facing their economies and to achieve genuine solutions to the imbalances in world economic relations in accordance with the principles and objectives of the New International Economic Order at the meetings of the organs and organizations of the United Nations system and the various conferences organized under the auspices of the United Nations, especially those held after the sixth special session of the General Assembly;

8. *Guided* by the decisions contained in the Economic Section of the Declaration of the Sixth Summit Conference of Heads of State or Government of Non-Aligned Countries, held in Havana, from 3 to 9 September 1979;

9. *Expressing great concern* at the difficult situation confronting the least developed, most seriously affected, island and land-locked developing countries and the need to give special attention to their pressing problems and to devise new special measures to eliminate the main obstacles confronting their economies, in particular their industrial development;

10. *Noting with great concern* the difficult situation confronting the economies affected by and experiencing deterioration as results of their national liberation struggles, and the need to pay special attention to their urgent problems and to find new special ways to eliminate the most important problems in their industrial development;

11. *Aware* that the vast majority of the developing countries have been forced into poverty by alien occupation, racial discrimination including *apartheid* and zionism, colonialism and neo-colonialism and that it is the duty of the international community, particularly the developed countries, to help them emerge from underdevelopment, occupation and subjugation;

12. *Taking into consideration* the reports of the meetings of ministers of industry of Latin America (Cali, 10-14 September 1979), Africa (Addis Ababa, 17-20 October 1979), and Havana (15-16 December 1979), Asia and the Pacific (Bangkok, 25-26 October 1979), and of Arab Countries (Algiers, 16-20 November 1979) which reviewed the industrialization of developing countries in these regions in the context of recent developments in the world economy, and defined their positions for the Third General Conference of UNIDO;

13. *Taking into consideration* the Havana Declaration adopted by the Ministerial Meeting of the Group of 77 on 22 December 1979, which defined a joint position for the Third General Conference of UNIDO;

14. *Emphasizing* that the Third General Conference of UNIDO should serve to accelerate the industrialization of the developing countries, promote international co-operation in this field, contribute to the work of the special session of the General Assembly and the new international development strategy for the third United Nations development decade; and the realization of the New International Economic Order;

15. *Reviewing* the world industrial situation since the Second General Conference of UNIDO;

I. Review and appraisal

The Conference

16. Expresses grave concern at the fact that the world economy is experiencing a steadily worsening economic crisis, a symptom of structural maladjustments, imbalances and inequalities that have their most damaging effect on the economies of developing countries. This crisis that emanates from several developed countries, is manifested in such phenomena as complete deterioration of the international monetary system, inflation, chronic balance-of-payments problems in developed countries, structural rigidities in the pattern of industrial production in these countries and intensification and institutionalization of protectionism;

17. Considers that the negative trends in the world economy have adversely affected the efforts for economic and social emancipation of developing

countries, *inter alia*, in their endeavours for industrialization and access to sources of finance, technology and external markets and other inputs for industrial development;

18. Expresses deep concern at the unco-operative attitude of some developed countries, the unacceptable practices of transnational corporations, the effect of continuing inflation on the economies of developing countries, the pressures exerted on their balance-of-payments position as a result of inequality in trade relations and the alarming increase of their foreign debt. These factors, *inter alia*, hinder the establishment of the New International Economic Order;

19. Observes with concern the restrictions that most of the developed countries impose in order to deny or limit access to their markets of the manufactured and semi-manufactured goods of the developing countries. It deplores the increasing use of protectionist measures and domestic subsidies by some developed countries in recent years, especially in sectors in which the developing countries have acquired or are likely to acquire comparative advantages;

20. Expresses dismay at the persistent and widening gap between the developed and developing countries resulting from inadequate financial, material and technological resource transfers necessary to generate industrial capacities in developing countries. It also emphasizes the deterioration of their earnings in real terms as a result of stagnation and fluctuations in the prices of their exports;

21. Views with profound dissatisfaction the fact that despite recommendations and commitments at various fora, most developed countries have not yet evinced the political will necessary for the successful conclusion of negotiations leading to a fundamental restructuring of the international economic system envisaged in the New International Economic Order;

22. Reviews, in the context of international industrial co-operation since the Second General Conference of UNIDO, industrial development in developing countries and deplores the lack of progress in the implementation of the Lima Declaration and Plan of Action and, in particular, in the fulfilment of the Lima target and its related objectives. While in 1975 the developing countries generated 8.6 per cent of world industrial production, by 1979 their estimated share will have barely exceeded 9 per cent. Such lack of progress in achieving commonly agreed objectives is totally unacceptable;

23. Calls, therefore, for the immediate adoption by the developed countries of special additional measures to enable the developing countries to attain the

Lima target and its related objectives and strongly emphasizes the responsibility of the developed countries to fully contribute financially and technologically to these efforts.

Measures of national scope

24. The Conference notes that, since the Lima Declaration and Plan of Action, the developing countries have continued to consider industrialization, with its necessary linkages to other major sectors of the economy, as a key element in their efforts for rapid economic and social development. In this context, it emphasizes that collective self-reliance, sovereignty over their natural resources and economic activities, international co-operation and social justice are necessary elements for industrial development. Developing countries have taken measures at the national level aimed at promoting medium- and long-term industrial development, planning and strategy, establishment of industrial production facilities, setting up of financial and other institutions, building up of technological capability, amelioration of social conditions, and utilization of indigenous natural resources. The impact of such measures has been limited, however, by the present serious crisis of the world economy and by the lack of supporting measures by most developed countries;

25. Notes with regret that most developed countries have not only failed to carry out the measures in the Lima Declaration and Plan of Action in respect of elimination of tariff and non-tariff barriers, but have also instituted rules to further restrict access to their markets of manufactures and semi-manufactures from developing countries. They have also failed to implement measures designed to ensure increased exports of manufactured and semi-manufactured products from developing countries and structural adjustments within their economies for, *inter alia*, redeployment of industrial capacity to developing countries, measures to ensure higher utilization and higher degree of processing materials within developing countries, achievement of a favourable balance in world production of synthetics in direct competition with natural products, and co-operation with developing countries to regulate the activities of their transnational corporations. The same unsatisfactory record is evident in the few and ineffective measures taken by these developed countries for increased financial contributions to international organizations and to government or credit institutions in developing countries, as well as participation by their enterprises in investment projects within the framework of the plans and programmes and in accordance with the laws and regulations of developing countries. These developed countries have also not taken appropriate measures to expand technical co-operation programmes for the benefit of developing countries, such as assuring, providing and financing technology, training and research, and encouraging the

continuance and maintenance of industrial units, particularly those set up with their assistance in accordance with the Lima Declaration and Plan of Action.

Co-operation among developing countries

26. The Conference, having reviewed the experience in promoting co-operation among developing countries, welcomes the progress which has been made in elaborating the programme of industrial and economic co-operation among developing countries, particularly in the Conference on Economic Co-operation among Developing Countries at Mexico in September 1976, the United Nations Conference on Technical Co-operation among Developing Countries at Buenos Aires in September 1978, the Fourth Ministerial Meeting of the Group of 77 at Arusha in February 1979, the Programme of Action for Economic Co-operation adopted by the Sixth Summit Conference of Non-Aligned Countries held at Havana in September 1979, and the Havana Declaration of the Ministerial Meeting of the Group of 77 in December 1979;

27. Notes with satisfaction the growing efforts by developing countries to take measures envisaged in chapter II of the Lima Declaration and Plan of Action, particularly in sharing experience and know-how of industrialization and technology, development of human resources, conclusion of long-term agreements, promotion of direct trade, strengthening of institutions responsible for promotion of horizontal co-operation, and through consultations and co-ordination. Economical, technical and financial co-operation among developing countries has emerged as a new dimension of international co-operation for development, which gives expression to the developing countries' determination to achieve national and collective self-reliance, to make optimum use of their human and other resources and to bring about the New International Economic Order. It feels that the efforts made so far represent a beginning for a qualitative and quantitative new stage of co-operation among developing countries in years to come.

Co-operation between developing and developed countries

28. The Conference, having reviewed the experience since 1975 of industrial co-operation between developing and developed countries in the light of chapter III of the Lima Declaration and Plan of Action which defines the forms of financial, technological and trade co-operation necessary for the industrial development of developing countries;

29. Expresses grave concern, in reviewing *financial matters*, that major obstacles continuing adversely to affect the industrial development of developing countries and implementation of the Lima Declaration and Plan of

Action have been the lack of adequate financing from developed countries and the world financial crisis, brought about by the short-sighted policies of many developed countries. The actual performance of developed countries in financial resource transfers to developing countries through official development assistance has fallen far short of the 0.7 per cent target. Official development assistance has fallen steadily from 0.35 per cent in 1975 to 0.34 per cent in 1978. Multilateral financial institutions and private financial flows have also fallen far short of meeting the needs of developing countries. This has been due to the lack of political will and the increasing instability of financial markets in developed countries. The terms and conditions of financial flows continue to deteriorate in relation to development requirements. In these circumstances, developing countries have been forced to limit their industrialization and development programmes and to incur external debts of unprecedented magnitude. It reiterates its concern over the escalating debt burden of developing countries, with servicing estimated at over \$40 billion a year, or more than 20 per cent of their annual export earnings, a situation that is a major impediment to their accelerated economic progress;

30. Considers that the process of development and, in particular, the industrialization of the developing countries is of necessity accompanied by a significant additional cost resulting from the scanty technological and economic potential they have been able to accumulate owing to centuries of colonial and neo-colonial domination and the unfavourable international climate. The burden imposed by this additional cost cannot and should not be borne by developing countries alone, collectively or individually. It is the responsibility of the entire international community and, in particular, of developed countries to assume that additional cost through the transfer of financial and technological resources to developing countries and by working for a basic revision of the international monetary, financial and commercial systems within the framework of the New International Economic Order;

31. Stresses that the financial resources required for economic development, and especially for industrialization, greatly exceeded the capacity of the developing countries and especially of the least developed countries to mobilize domestic savings. Large inflows of external financing would therefore be necessary. It recalls that, in the context of the Lima target and its related objectives, the United Nations Industrial Development Organization has determined that annual investment in industry by the year 2000 should amount to approximately \$500 billion, a third of which would have to be financed externally;

32. Expresses concern over the constant deterioration of the international monetary situation, and notes that the high instability of exchange rates of

the main reserve currencies, particularly the United States dollar, together with inflation in developed countries, had been among the main causes of the growing imbalance in the world economic situation and of the economic difficulties of developing countries, *inter alia* through their negative impact on the real value of the export earnings and foreign currency reserves of these countries. It stresses the urgent need for the creation of an international monetary system which would take fully into account the interests of the developing countries, and requests the market-economy countries to adopt and implement the Programme of Action on fundamental reform of the International Monetary System adopted by the Ministers of Finance of the Group of 77, in Belgrade, September 1979;

33. Notes that the world continues to be characterized by inequalities of great magnitude in the *scientific and technological fields*. The present situation is reflected in the state of scientific and technological dependence of developing countries, which is another major obstacle to their industrialization. It deplores continuing limitations on access by developing countries under fair and equitable conditions to technological know-how and advanced technology and the burden imposed on developing countries due to the repetitive sale to them of the same technology. Despite the efforts of the Group of 77, negotiations on an international code of conduct for the transfer of technology have not yet been successfully completed. It expresses the hope that the forthcoming revision of the Paris Convention for the Protection of Industrial Property would fully reflect the legitimate aspirations of developing countries. Concern was also expressed that the share of the developing countries in world research is extremely small and that a large fraction of world research is devoted to military purposes and to areas of little importance to developing countries. It also stresses the need to devote greater attention and resources to research and development of indigenous technology by developing countries themselves;

34. Expresses concern that the industrial development efforts of developing countries are also seriously hampered by the policies of developed countries in the field of *trade*. In the multilateral trade negotiations, the developed countries have devoted most of their attention to their mutual trade and have failed to respond to the interests and concerns of developing countries;

35. Rejects attempts to introduce concepts, norms and principles such as access to supplies, graduation, selectivity, the utilization of the "strategy of basic needs" and the concept of differentiation in order to shift the focus of the international community away from the negotiations on the New International Economic Order, to distort national development priorities or to attempt to breach the unity of the developing countries.

*Least developed, land-locked and most seriously affected
and island developing countries*

36. The Conference, having reviewed international efforts since 1975 to assist least developed, land-locked, most seriously affected and island developing countries to industrialize rapidly, takes note of the operational activities undertaken by UNIDO and other United Nations organizations in the field of industrial development of these countries. It feels constrained to point out that, while welcoming special measures taken, no real progress has been achieved in tackling the serious and urgent set of problems confronting these countries. Despite the set of measures approved in chapter IV of the Lima Declaration and Plan of Action, General Assembly resolutions 32/190 of 19 December 1977, 33/149 of 20 December 1978, 33/150 of 20 December 1978 and 34/210 of 19 December 1979, and subsequent commitments by the international community, real *per capita* gross domestic product of the least developed countries in this decade grew at an even lower average rate than during the 1960s, while a quarter of these countries experienced an actual decline during the 1970s. The Comprehensive New Programme of Action for the Least Developed Countries adopted by the United Nations Conference on Trade and Development (UNCTAD) at its fifth session in resolution 122 (V), of 3 June 1979, which is a firm commitment of the international community as a whole, and the industrialized countries in particular, must be fully implemented;

37. Urges that action should be taken by the international community and in particular by the developed countries to implement, as a matter of urgency, the programmes of specific action in favour of land-locked, island and most seriously affected developing countries as adopted in various General Assembly and UNCTAD resolutions, including resolutions 111 (V) and 123 (V), of 3 June 1979, adopted by UNCTAD at its fifth session. It expresses the hope that the United Nations Conference on the Least Developed Countries to be held in 1981, would adopt urgent measures to solve the serious structural and other problems facing these countries.

Institutional arrangements

38. The Conference, having recalled the institutional arrangements agreed to in the Lima Declaration and Plan of Action, focuses its attention on the conversion of UNIDO into a specialized agency, establishment of the System of Consultations and negotiations, redeployment of industry from the industrialized to the developing countries, establishment of the United Nations Industrial Development Fund, and the central co-ordinating role of UNIDO in the field of industrial development within the United Nations system;

Conversion of UNIDO into a specialized agency

39. Welcomes the adoption of the Constitution of UNIDO as a specialized agency, the primary objective of which shall be the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of the New International Economic Order. It regards the consensus reached on the constitution as a political commitment by the developed countries to the *conversion of UNIDO into a specialized agency* so as to extend the scope and functions of the Organization as well as to increase its resources and autonomy, improve its mechanisms and efficiency, enabling the Organization to fulfil its responsibility in the field of industrial development and co-operation;

40. Stresses the importance of the early entry into force of the Constitution of UNIDO and to this end invites all States which have not yet done so to take, without delay, steps to sign and ratify, accept or approve it;

System of Consultations

41. Attaches particular importance to and positively appraises the *System of Consultations* among member States established in UNIDO, considering it as an important tool to accelerate the industrialization of developing countries and as an instrument for redeployment of industry from developed to developing countries and restructuring of world industry in the context of the New International Economic Order. It appreciates the experience gained in the eight meetings held so far on Consultations on iron and steel, fertilizers, petrochemicals, agricultural machinery, leather and leather products, vegetable oils and fats, and fully supports the programme of Consultation meetings for the biennium 1980-1981;

42. Reaffirms the commitment in the Lima Declaration and Plan of Action for UNIDO to serve as a forum for the negotiation of framework agreements in the field of industry between developed and developing countries and among developing countries themselves at the request of the countries concerned, and notes with concern that action on this provision has yet to be taken;

Industrial and Technological Information Bank

43. Welcomes the decision that the *Industrial and Technological Information Bank (INTIB)* be an ongoing activity of UNIDO, flowing from the

integration of INTIB with other sources of technological information in the United Nations system and its provision of unique inputs to Governments of developing countries on technical and commercial conditions;

Redeployment of industry

44. Strongly emphasizes the essential importance of *redeployment of industry from developed to developing countries* for an equitable division of labour and restructuring world industry to meet requirements of the New International Economic Order. In this context it deplores that actual redeployment has fallen far short of needs and expectations of developing countries and stresses that industrial redeployment should not be limited to technologies that are outmoded, polluting or employ cheap labour;

United Nations Industrial Development Fund

45. Expresses concern regarding the continuing inadequacy of financial resources available to UNIDO for technical assistance to meet the needs of developing countries and enabling UNIDO to fulfil its important responsibilities in this area. Despite the establishment of the *United Nations Industrial Development Fund*, it views with concern the fact that the annual level of voluntary contributions is less than 25 per cent of the agreed funding level of \$US 50 million, that many highly industrialized countries so far have made no contributions to the Fund, that other developed countries' contributions are less than their normal share and that most contributions from developed countries are for special purposes thus affecting efficient utilization of the Fund by UNIDO. Urgent remedial measures are required to enable the United Nations Industrial Development Fund to perform the functions envisaged by the Second General Conference of UNIDO;

Relationship with organizations of the United Nations system

46. Reaffirms the decision taken in the Lima Declaration and Plan of Action, endorsed by the General Assembly at its seventh special session regarding the *central co-ordinating role* of UNIDO in reviewing and promoting all activities of the United Nations system in the field of industrial development and co-operation. While appreciating the steps taken in carrying out this decision, it feels that more remains to be done so that UNIDO, as the responsible organization for industrial development and co-operation in consultation and collaboration with other organizations of the United Nations system, as appropriate, should be the principal instrument to co-ordinate, implement and serve as a forum of negotiations within the United Nations system for industrialization efforts.

II. Strategy for further industrialization of the developing countries

The Conference

47. Agrees—in the light of its review and appraisal of the world industrial situation, with specific reference to industrial development of developing countries—on the strategy for further industrialization of developing countries as an essential element of the economic and social development process in the 1980s and beyond;

48. Reaffirms the vital interests of developing countries in the accelerated industrialization and their firm determination to strengthen national industries as a fundamental means to self-sustained and comprehensive economic and social development, to assure national sovereignty and independence and contribute to a peaceful and more equitable world order. It affirms the sovereign right of developing countries to introduce the essential structural changes, which will enable their people to achieve just and effective participation in the benefits of industrialization;

49. Considers that it is an inalienable right of developing countries to take effective, permanent measures to guarantee their full sovereignty over their natural resources in such aspects as methods of their production, pricing and marketing;

50. Stresses that developing countries have the right and duty to remove all obstacles that hinder their development, individually and collectively, as a prerequisite for attaining their development goals and objectives;

51. Considers that meeting the needs of the vast majority of the peoples of developing countries is a fundamental aim of industrialization and in this connection it reiterates the importance of achieving full employment and removal of poverty;

52. Expresses satisfaction that the Group of 77 by strengthening its solidarity and unity is enhancing its collective negotiating power and expressing its right to share in international decision making thus contributing to the legitimate aim of democratization of international relations. It reaffirms its strong commitment to the strategy of collective self-reliance, which concerns developing countries and is therefore formulated and implemented by these countries themselves, as an integral part of the over-all strategy for establishment of the New International Economic Order. It notes that developing countries have taken a series of important steps to implement the strategy of collective self-reliance through the strengthening of economic linkages and that there is untapped potential for future co-operation among

themselves in finance, commerce, industrial technology and production, training in industrial skills and other fields,

53. Reiterates its concern over the insignificant progress made in the negotiations aimed at implementing the Declaration and Programme of Action on the Establishment of a New International Economic Order due to lack of political will on the part of most of the developed countries. In this regard, it expresses its conviction that the range and severity of problems facing the world necessitate an action-oriented, integrated and simultaneous approach to major issues through a round of global negotiations entirely within the United Nations system. The global negotiations should deal with major issues in the fields of raw materials, energy, trade, development, money and finance. In this context, it welcomes General Assembly resolutions and stresses that these negotiations should not interrupt negotiations in other fora of the United Nations system. On the other hand, other consultations and negotiations, such as those in UNIDO, should make significant contributions to the global negotiations and implementation of their results;

54. Stresses that attainment of the Lima target and its related objectives and the process of industrialization of developing countries, especially the least developed among them, requires exceptional and integrated measures at the national, subregional, regional and interregional levels by the developing countries themselves within the framework of collective self-reliance. Measures must also be taken by industrialized countries which will result in the free flow to developing countries of substantial additional financial and technical resources and free access to technology and markets. Such measures should guarantee to developing countries adequate and ready availability of other essential inputs such as energy, material and skilled human resources;

55. Supports the proposal to designate the 1980s as the African Industrial Development Decade, as an instrument for mobilizing support to the continent's industrialization efforts, taking account of the very low level of industrial development in Africa;

56. Considers that restructuring of world industrial production implies a continuous, dynamic and permanent process which should be action-oriented towards the attainment of objectives and targets of the Lima Declaration and Plan of Action and should be undertaken in accordance with the objectives and priorities of economic development of developing countries, in particular, with their industrial development plans and strategies. It underscores the importance of an integrated approach in carrying out the process of world industrial restructuring. Consequently, it should be characterized, among others, by the following supporting elements: financing, access to markets, transfer of technologies, control of the activities of transnational corporations and foreign investment and natural and human resources;

57. Considers it necessary that—in order to monitor progress and implement measures designed to achieve the Lima target and its related objectives and to better define appropriate means to this end—this global target should be disaggregated into mid-term, industrial sectoral and regional targets;

58. Considers that sectoral disaggregation of the global target should be based on resources and needs. The targets should particularly be established for major industrial sectors like steel, fertilizer, agricultural machinery, leather and leather products, petrochemicals, vegetable oils and fats, pharmaceuticals, food processing, capital goods, textiles and clothing, non-ferrous metals, and building materials. The System of Consultations and negotiations should provide a major input to the process of early establishment of such sectoral targets where they do not exist;

59. Reiterates the continuing need for every endeavour to ensure that industrial development be achieved evenly among the developing countries;

60. Notes that, if the Lima target is to be reached, it is necessary that the developing countries secure a fair share of world trade in manufactured goods. It also notes that at the Fourth Ministerial Meeting of the Group of 77 at Arusha in 1979, it was stated that the share of developing countries in world trade in industrial products should amount to at least 30 per cent by the year 2000. It further notes that the value of manufactured imports by developing countries from the industrialized countries should be fully covered by the value of exports of manufactures from the developing countries to the industrialized countries by 2000 AD without these objectives implying any limitations to the capacity of developing countries to carry out the necessary exchanges. In order that these matters including the establishment of appropriate mid-term targets for 1990 may be carefully considered as well as the ways and means in the industrial sector of achieving these targets and objectives be identified, it recommends the immediate establishment within UNIDO of an intergovernmental committee which should report through the Industrial Development Board to the General Assembly at its special session in August/September 1980. It stresses the need for close collaboration between UNIDO and UNCTAD secretariats for the purpose of rendering effective assistance to the work of the proposed intergovernmental committee, with the view that the work of the proposed UNIDO intergovernmental committee should be fully consistent with the recommendations of the UNCTAD intergovernmental committee on this matter already established by the Trade Development Board, at its nineteenth session.

Redeployment of industry

61. The Conference reaffirms that redeployment is essential in order to effect an equitable international division of labour at a rate and in a manner

consistent with the objectives, priorities and social and economic aims of developing countries within the context of the process of world industrial restructuring;

62. Considers that redeployment of industries from developed to developing countries should be carried out on the principle of dynamic comparative advantage in accordance with over-all national objectives, priorities and aspirations of developing countries under conditions that would ensure a substantial benefit to the economies of these countries. Restrictions introduced by industrialized countries hamper the process of redeployment. It stresses the significance of the public sector in the redeployment process and that the success of redeployment depends on progressive introduction of requisite co-operative measures supplemented by positive adjustment assistance policies of developed countries. The developed countries must adopt long-term policies and measures for industrial redeployment which should take into account the goals and objectives of economic development of developing countries and eliminate subsidies designed to protect their non-competitive industries;

63. Considers that redeployment should be seen as part of a process designed to promote the transfer of technology to developing countries and for the necessary training and experts' services, and should not be used as a pretext for obtaining access to abundant and low-paid manpower or for transferring obsolete technologies and polluting industries, or for exploiting and exhausting the natural resources of the developing countries or accentuating the persistent and deep economic inequalities. Environment protection measures must be included in redeployment plans;

64. Stresses the need for UNIDO to identify and propose effective steps for redeployment of industries from developed countries that will contribute to the development of economies of the developing countries by promoting industrialization of developing countries on natural sectoral endowment.

System of Consultations

65. The Conference reaffirms the importance of the System of Consultations as a means of promoting redeployment of industry to developing countries and of assisting in the restructuring of world industry. It decides to place the System of Consultations among member States on a permanent basis as a continuing and important activity of UNIDO, and that representation at such consultations of different parties and, in particular, of developed countries, shall be at an official level at which definite commitments could be made. It also urges the strengthening of the System of Consultations with a view to implementing targets and related objectives of the Lima Declaration and Plan of Action, taking fully into account the

objectives and priorities of the industrial development of developing countries. It also stresses the need to widen the scope of the System of Consultations to cover all important industrial sectors and to include global consultations on other topics such as industrial financing and industrial technology. Consultations should be expanded to the regional and inter-regional levels at the request of countries directly concerned;

66. Stresses that, in order to achieve the above-mentioned objectives, rules of procedure should be drawn up and approved for the System of Consultations, it should be conducted at the international, regional, inter-regional and sectoral levels, and it should aim at ensuring genuine benefit for developing countries, rather than creating a legal status that would continue the present dependency;

67. Reiterates that for wider representation of the least developed countries in Consultation meetings, financing of their participation should be assured;

68. Considers that all member States, particularly the developed countries, should co-operate in effective implementation measures to follow through on the recommendations of Consultations, make available the necessary resources and contribute to the finalization and adoption of the rules of procedure for the System of Consultations by the next session of the Industrial Development Board in accordance with the economic and social aims and priorities of the developing countries;

69. Strongly considers it necessary that UNIDO serve as a forum for the negotiation of agreements in the field of industry between developed and developing countries and among developing countries themselves, at the request of the countries concerned, assuring the efficiency of the System and realization of its potential for redeployment of industry from developed to developing countries.

Least developed, land-locked, island and most seriously affected developing countries

70. The Conference emphasizes that, with a view to accelerating their industrial development and expanding exports of manufactured and semi-manufactured goods of least developed and most seriously affected countries, urgent and special measures should be adopted to increase the net transfer of material, human, technological and financial resources from the developed to the least developed and most seriously affected countries so that they can develop their industrialization programme and prevent further deterioration in their situation;

71. Calls on the international community to fully implement the Comprehensive New Programme of Action for the Least Developed Countries, together with the measures envisaged in the relevant resolutions adopted by UNCTAD at its fifth session relating to land-locked countries, as well as the special measures contained in the Lima Declaration and Plan of Action. It welcomes the holding of a United Nations Conference on the special problems of the least developed countries in 1981;

72. Considers that the constraints faced by island developing countries in their development process include their very small internal markets and their lack of exploitable natural resources, and that such constraints in turn create severe difficulties in those countries' efforts towards industrialization;

73. Strongly reaffirms its solidarity with the least developed, land-locked, island developing and most seriously affected developing countries in seeking specific action by the international community to overcome the severe economic problems arising from the handicaps facing them;

74. Reaffirms its strong belief that urgent, more vigorous and concrete steps and actions still remain to be taken, collectively and individually, by all members of the international community to end without delay colonialism, imperialism, neo-colonialism, interference in internal affairs, racial discrimination, including *apartheid* and zionism, and all forms of foreign aggression and threat of aggression, occupation, domination, hegemony, expansionism and exploitation which constitute major obstacles to the economic emancipation of developing countries. It stresses again that it is the duty of all States effectively to support and extend assistance to the countries, territories and peoples still subjected to, and affected by, these practices so as to restore their national sovereignty, territorial integrity and all other inalienable and fundamental rights, including the right to self-determination, in order to enable them to achieve independence and to promote development and international co-operation, peace and security. It urges all countries to refrain from participating in, encouraging or promoting, in any way, any investment or economic activities aimed at trade or exploitation of any resources or investments in economic activities in the territories subjected to the aforementioned practices. It reiterates its unswerving support for the heroic struggle of the people of Namibia, Zimbabwe, South Africa, Palestine and Western Sahara to achieve their liberation and to regain effective control over their natural resources and economic activities. It stresses the right of peoples suffering from these practices to restitution and full compensation for damage to, exploitation or depletion of their natural and all other resources;

75. Stresses that the parts of national territories of developing countries usurped by colonial powers and still held by them must be returned to the countries concerned without delay;

76. Reiterates that all developing countries have inalienable right freely and fully to exercise permanent sovereignty, jurisdiction and control over the whole of their territories and also to demand the return of any colonial enclaves still existing on their territories;

77. Expresses its unconditional support for the inalienable right of the people of Belize to self-determination, independence and territorial integrity;

78. Expresses its total solidarity with and support for the courageous and consistent stand that the frontline States have taken and continue to take, on the problem of racist and minority rule in southern Africa. It deplors the wanton aggression, which has included bombings of vital installations, loss of lives, and destruction of property. It demands that adequate compensation be paid to Zambia, Mozambique and Angola by those responsible for these attacks, including their collaborators. Furthermore, it notes with grave concern that the economies of these countries have been adversely affected as a result of these unprovoked attacks and it urges developed countries and all those in a position to do so, to render special financial and technical assistance to these countries, so that they can rebuild their economies. It strongly condemns the policy of economic constellation, by which racist South Africa attempts to turn neighbouring African States into satellites, which will be completely dependent on South Africa economically;

79. Welcomes the recent victory of the people of Nicaragua, who, after a heroic struggle, won its freedom following half a century of oppression under dynastic dictatorships and considers that there is an urgent need for furnishing the necessary technical and financial assistance by the international community to that people;

80. Welcomes also the recent victory of the people of Iran and asserts their right to have full control of their economy and natural resources.

Financing

81. The Conference stresses that financing plays an important role in international co-operation for development, and that, since developing countries' present domestic and foreign financial sources are insufficient to achieve the goal of 25 per cent participation in world industry, it is necessary to create new sources and forms of international financing for the development of their economies and for the creation of durable industrial assets;

82. Deplores the fact that the official assistance provided by developed countries for the development of the developing countries has failed to meet the goal set and has even declined in the past few years;

83. Holds the view that the problem of financial assistance for industrial development should be thoroughly and fully discussed in order to devise appropriate solutions, and that such assistance should be in the form of grants and soft loans. It believes that it is essential to mobilize substantial additional funds to be channelled to developing countries in the coming decade by developed countries and those other countries in a position to do so. These resources may take the form of material and human resources;

84. Urges that attention should be paid to the increasingly widespread demand that a considerable part of the vast resources now squandered on the arms race be devoted to development, including industrial development, which will help to improve the international economic situation and to promote peace;

85. Reiterates that the efforts to eliminate the continuing diversion of human and material resources to an unproductive arms race should be intensified and that a considerable part of those resources should be earmarked for economic and social development, especially industrial development;

86. Recalls that the General Assembly at its thirty-fourth session adopted resolution 34/211 in which it decided to ask the Preparatory Committee for the New International Development Strategy to consider all aspects of the proposal on this subject submitted to the General Assembly at its thirty-fourth session by Commander Fidel Castro, Chairman of the Movement of Non-Aligned Countries, and reiterated in his inaugural address at the Ministerial Meeting of the Group of 77 Preparatory to the Conference. It fully supports his proposal to transfer to the developing countries an additional sum of not less than \$300 billion as a contribution to development in the form of financial resources, material resources and technical assistance in 1980-1990 of which not less than \$25 billion should be committed annually during the initial years of the third United Nations development decade;

87. Considers that new financial flows should meet the needs of all developing countries and accord priority to the special needs of least developed, land-locked, island developing and most seriously affected developing countries. The Conference notes with concern the difficulties besetting the economies of developing countries seriously affected in the course of their justified national liberation struggle. It strongly emphasizes the need to pay special attention to the pressing problems of those countries by the adoption of special measures in the form of financial and technical assistance to be provided by the international community with a view to eliminating obstacles to their industrial development;

88. Calls for the cancellation of debts of the least developed and most seriously affected countries as a means of alleviating their difficult economic and social situation;

89. Considers that the end use of both existing and additional financial resources should be fully determined by the developing countries themselves, and be channelled through financial institutions set up by national Governments and be used according to the order of economic priorities that would best serve their plans for industrial development;

90. Recognizes the need for substantial increase in the flow of additional resources for developing countries, which would help them to accelerate their industrialization and attain the Lima target. It discussed the proposal of the UNIDO Secretariat concerning the establishment of an international industrial financing agency and a global fund to stimulate industry;

91. Decides that a North-South global fund, for the promotion of the industrialization of developing countries should be established immediately following the Third General Conference of UNIDO in accordance with the following principles:

(a) The bulk of its resources should come from the developed countries;

(b) The developing countries with excess financial liquidity should contribute to it;

(c) The fund should be administered and controlled by the developing countries;

(d) The level of the fund should be substantial, reaching \$300 billion by the year 2000;

(e) UNIDO shall be responsible for preparing and justifying funding requirements on an annual basis up to the year 2000. Governments shall make available necessary data regarding their requirements by identifying and preparing industrial programmes and projects;

(f) At least one third of the resources of this global fund should be earmarked for least developed, land-locked, island developing and most seriously affected developing countries;

(g) Financing by the fund should be provided on soft terms;

92. Notes the recommendations made by the UNIDO Secretariat regarding risk capital, financial instruments and promotion of barter or buy-back arrangements relating to long-term investment, which should be further considered in all aspects and reported on by financial experts;

93. Feels that—while appreciating the efforts for financial co-operation undertaken among developing countries so far—there are wider possibilities

for closer future financial co-operation as an important input to industrialization and as an expression of solidarity among developing countries. It favours the enlargement of financial flows between developing countries on the basis of mutual interest. Such flows would also serve to strengthen direct co-operation between financial institutions of developing countries and to improve the collective negotiating position of developing countries in the dialogue with industrialized countries and to stimulate more equitable international financial co-operation;

94. Considers that in a spirit of solidarity developing countries with sufficient financial and technical resources should effect net transfers of such resources in the most advantageous possible terms to the less developed countries.

Technology

95. The Conference notes the continuing difficulties faced by developing countries in the acquisition, development, adaptation and diffusion of industrial technology, and the dispersion of sources of industrial technology within developing countries;

96. Considers that the industrialization of developing countries and their access to technology under just and equitable conditions are closely linked, and that measures should therefore be adopted to foster the transfer or spread of technology and prohibit the withholding of technology in those spheres that will make it possible to stimulate developing countries' economic and social development without such measures becoming an element in increasing the exploitation that already exists;

97. Is of the view that developing countries should adopt effective measures for increasing their collective negotiating strength vis-à-vis developed countries, in order to obtain better conditions for acquiring technology, technical knowledge, licences, equipment and other materials;

98. Takes account of the proposals presented by the UNIDO Secretariat concerning an international industrial technology institute, an international centre for joint acquisition of technology and an international patent examination centre. There is an urgent need to strengthen existing national, regional and interregional industrial technology institutions and agencies in order to ensure that they are able to function effectively and to create such institutions, where necessary, with a view to developing the capacities of developing countries in regard to industrial technology. In this context, it highlights certain functions which are necessary for generating increased and more appropriate flows of technology to developing countries such as

information on technologies and alternative suppliers, comparative prices, latest developments and innovations and feed-back from research and development activities in the developed countries. It feels that these functions can only be discharged effectively through adequate availability of funds with the national, regional and interregional centres. The regional centres should give particular attention to the strengthening of technological capability of the least developed countries. It also feels that the INTIB should be further strengthened to enable it to make an effective contribution to the development of technological capabilities in developing countries;

99. Feels that urgent action is also needed for relocation of industrial research and development activities from developed to developing countries so as to contribute to the solution of problems faced by developing countries. This would also compensate for the lack of adequate technical and financial infrastructure for these activities in developing countries. It therefore regards with favour the UNIDO Secretariat's recommendation to strengthen present UNIDO activities in this field;

100. Expresses serious concern about the state of the negotiations for drawing up a code of conduct for the transfer of technology. It therefore attaches particular urgency and importance to the finalization of the International Code of Conduct on the Transfer of Technology and calls upon industrialized countries to display the political will necessary for solving pending problems to facilitate early adoption of the Code;

101. Reiterates the need for urgent improvement of the International Patent System, as expressed in the Havana Declaration of the Group of 77 on the objectives of the revision of the Paris Convention for the Protection of Intellectual Property, in order to redress present imbalances and to serve as a useful tool for facilitating the transfer of industrial technology to developing countries and the development of indigenous industrial technology. To that end, in the revised text of the Paris Convention, the principle of preferential treatment should be broadly and substantially applied so as to leave more flexibility to patent legislation of a developing country than provided by existing text of the Paris Convention. To this effect, all efforts should be directed to the successful outcome of the diplomatic conference to be held in February 1980 on the revision of the Paris Convention;

102. Urges UNIDO to closely co-operate with UNCTAD and the World Intellectual Property Organization (WIPO) in the achievement of these objectives and to support developing countries to set up or to improve their national patent legislation, giving due attention to public interest and the needs of development.

Energy

103. The Conference recognizes the important role which energy can play in the industrialization of developing countries. In this context, it stresses the need for the use of alternative sources of energy and that attainment of the Lima target through the accelerated establishment of industrial capacities would require adequate availability of energy resources, *inter alia*, new and renewable sources such as geothermal energy, biomass, wind and solar power, development of conventional sources of energy, and the need for rationalization of the consumption of energy, at the global level, particularly by developed countries. It also stresses the importance of the forthcoming United Nations Conference on New and Renewable Sources of Energy, to be held at Nairobi, Kenya, in 1981, and underlines the need for UNIDO to make an effective contribution to the work of the Conference. It emphasizes the importance of peaceful applications of nuclear energy in the industrialization of developing countries and notes with concern that changes in the export policies of developed countries in this sector have resulted in tremendous economic losses to a number of developing countries and have adversely affected their industrial planning. It calls for the removal of arbitrary restrictions on the transfer of nuclear technology needed by developing countries, in accordance with internationally agreed safeguards, to foster industrial development in these countries.

Co-operation in production

104. The Conference, aware of the contribution of collective self-reliance to the strengthening of manufacturing capacities and acceleration of industrialization in developing countries, stresses the need to realize fully the potential of proven measures based on complementarity, such as long-term agreements on industrial co-operation, co-operation in production, multinational enterprises and exchanges of skills and experience between developing countries;

105. Considers that long-term agreements between developing countries should be extended in scope to cover the entire industrial process from extraction of raw materials to processing and marketing. Special attention should be given to measures of co-operation in production among developing countries, such as joint industrial projects, which concretize joint efforts of developing countries to industrialize. It endorses the proposal by the Group of 77 to hold a meeting of governmental experts of the Group of 77 to recommend concrete measures of co-operation in production, to identify new possibilities for long-term agreements and to examine the UNIDO Secretariat's recommendation for joint efforts for marketing, exploration, processing and financing in the mining and mineral sector. In this connection,

it refers to the recommendations of the Sixth Summit Conference of Non-Aligned Countries and the Fourth Ministerial Meeting of the Group of 77 at Arusha;

106. Recognizes the basic complementarity that exists in several developing countries between industrial and rural sectors and the need for promotion of endogenous industrialization and agro-industries connected with rural development. It emphasizes the necessity of promoting this sector of industry, which would stimulate basic industries, small and medium-sized enterprises;

107. Emphasizes the important role of small and medium-scale industry in the process of over-all industrial development of developing countries because of the multiple beneficial effects of such industries on, *inter alia*, the generation of employment, the distribution of income, the utilization of human and material resources and the development of technological capacities by providing a link with large-scale industry, small and medium-scale industries, ensure improved industrial integration and harmonious regional development, also contributing consequently to the achievement of the political, economic and social goals of developing countries. It therefore recognizes that particular attention should be devoted to this sector, the development of which depends on specific conditions favourable to plans for regulation, financing, basic infrastructure and utilities;

108. Emphasizes that towards the development of indigenous industries in developing countries the ultimate goal be the capability to not only manufacture but design and market industrial items required by the increasingly sophisticated markets of the developing world as well as for export purposes.

Development of human resources

109. The Conference reaffirms that much greater possibilities exist and efforts should be made by developed countries to assist the improvement of human resources available for industrialization in developing countries;

110. Considers that in order to improve the exchange of experience and skills between developing countries it is necessary to enlarge and strengthen long-term programmes of co-operation between them, improve and co-ordinate existing national "centres of excellence" for industrial training and management, and make available and improve existing training facilities for trainees from other developing countries;

111. Stresses the importance of full involvement of their population, especially women and youth, and their integration in the development

process, including industry, and in the benefits to be derived from that process, while at the same time promoting their training and developing their skills;

112. Reaffirms the need for implementation of the decisions of the United Nations Conference on Technical Co-operation among Developing Countries, the First Conference of Ministers of Labour of Non-Aligned and other Developing Countries, and other fora on the upgrading of skills and development of human resources, with due attention to the integration of youth and women in the process of development;

113. Considers that—while appreciative of UNIDO's activities in the field of industrial training—its programmes should be further strengthened, and appropriate resources be provided so that UNIDO in consultation with other United Nations specialized agencies and organizations may establish closer co-operation with developing countries to identify their felt needs and act to meet them;

114. Expresses deep concern over negative aspects of the reverse transfer of technology and "brain drain" through the exodus of skilled personnel from developing to developed countries, and is of the opinion that measures and incentives need to be taken to correct the situation;

115. Recognizes the important role of industrialization as one of the means of alleviating the problem of unemployment in developing countries and underlines the necessity of adopting appropriate patterns of industrialization geared to that end.

Trade

116. The Conference considers that world industrial restructuring should be linked and facilitated through expanded access to the markets of the industrialized countries and in accordance with measures of special treatment in favour of the developing countries;

117. Emphasizes, to that effect, that the developed countries should establish programmes of elimination of the protectionist measures applied by them to protect their non-competitive industries, affecting adversely the exports of manufactured and semi-manufactured products of developing countries;

118. Considers that the objectives and commitments of the Tokyo Declaration should be fully achieved through trade negotiations within the United Nations system, including the General Agreement on Tariffs and Trade (GATT);

119. Reaffirms that transnational corporations must be subject to the laws, regulations and exclusive jurisdiction of the host country, abstain from any kind of interference in the internal and external affairs of the host country, respect national sovereignty over natural and economic resources, refrain from abusive exploitation of the developing countries and distortion of their economies. They must also refrain from indulging in illicit and restrictive practices, submit to national policies, objectives and priorities, provide information on their activities, make a net contribution of financial resources, and contribute to the development of domestic scientific and technological capacity;

120. Reiterates that the international code of conduct regarding the activities of transnational corporations should be drawn up within the framework of the United Nations in order to provide the international community with a legal tool that will at least serve to regulate their activities in accordance with the aims and aspirations of developing countries;

121. Stresses that foreign private investment should be subordinated to the national development objectives of developing countries and effected under conditions that are economically beneficial for the recipient countries;

122. Emphasizes the importance for the Governments of developing countries of preparing collective action guidelines and exchanging information on the *modus operandi* of transnational corporations, increasing thereby the negotiating potential of developing countries vis-à-vis these corporations;

123. Considers that the needs of lasting co-operation between developed and developing countries demand an improved international legal framework geared to promoting the industrialization of the developing countries. It decides to request the Commission on Transnational Corporations to carry out a study on the feasibility and desirability of developing countries, establishing a system of guarantees which would make it possible to ensure that transnational corporations adhere to the laws of recipient countries and respect fully the commitments they have assumed and that, should they fail to do so, the enterprises and organizations of developing countries obtain full indemnity for the damages suffered. In this context, it also favours the extended use of intergovernmental agreements for industrial co-operation.

United Nations Industrial Development Organization

124. The Conference considers it essential—taking into account the multiplicity and scope of the tasks that UNIDO must accomplish in order to meet the goals assigned to it as well as the need for effective mechanisms and

sufficient resources to undertake that work successfully—that the constitution adopted at the United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency be ratified promptly so as to enable UNIDO to become a specialized agency of the United Nations as soon as possible.

United Nations Industrial Development Fund

125. The Conference strongly urges developed countries—considering the present financial constraints on UNIDO's technical assistance programmes and decisions taken by the Industrial Development Board and endorsed by the General Assembly—to co-operate in the achievement of the annual funding level of \$50 million for UNIDF and expresses a binding commitment to this effect. It strongly urges industrialized countries which are yet to contribute to UNIDF to do so, and other industrialized countries to increase their contribution in proportion to their normal shares and show greater flexibility in utilization of such contributions. It considers that UNIDO should optimize utilization of UNIDF mainly for financing operational activities in priority areas such as strengthening technological capabilities in developing countries, co-operation among developing countries, special measures for least-developed, land-locked, island and most seriously affected developing countries and training programmes;

126. Appreciates, in the same spirit, the usefulness of the Special Industrial Services programme, and stresses the need for substantially increasing the annual level of financial resources available to this programme, thus improving its effectiveness.

Senior Industrial Development Field Advisers

127. The Conference *inter alia* urges that in order to improve UNIDO's appreciation of developing countries' needs at field level and to meet those needs, the field presence of UNIDO be strengthened through the expansion and improvement of the Senior Industrial Development Field Advisers (SIDFA) programme and the number of developing country SIDFAs should be greatly increased;

128. Stresses the confidence of member States in UNIDO and their determination, both at present and in the future, to support and reinforce UNIDO in its pivotal role at the international level in promoting realization of the aspirations of developing countries for industrial development.

129. In view of the foregoing, the Conference adopts the various measures set forth in the following Plan of Action.

PLAN OF ACTION

I. Restructuring of world industry in the context of the establishment of the New International Economic Order

130. Accelerate the industrialization of the developing countries through the strengthening of production facilities covering all branches of industry, as a fundamental means to self-sustained and comprehensive economic and social development, and assurance of national sovereignty and independence.

131. Actively promote the industrialization of the developing countries, based primarily on national effort, and supplemented by the collective self-reliance of the developing countries and substantially increased financial, technological and other contributions from the developed countries.

132. Emphasize the inalienable right of the developing countries to take effective permanent measures to guarantee their full sovereignty over their natural resources, their sovereign right to introduce the structural changes essential to enable their people to achieve just and effective participation in the benefits of industrialization, and make intensive use of national human and material resources for industrial development. It reiterates that all developing countries have an inalienable right freely and fully to exercise permanent sovereignty, jurisdiction and control over the whole of their territories; the Conference also reaffirms the principles in the Lima Declaration and Plan of Action relating to natural resources. In this context, foreign private investment should be subordinated to the national development objectives of developing countries and be made in more economically advantageous conditions for these countries.

133. Realize the immense potential of industrialization as a means of achieving full employment, the removal of poverty, and meeting the needs of the vast majority of the peoples of the developing countries, in particular of the least developed countries.

134. Adopt an action-oriented, integrated and simultaneous approach necessitated by the range and severity of problems facing the world, particularly the developing countries, in the fields of raw materials, energy, trade, development, money and finance, as a decisive contribution towards the early realization of the New International Economic Order.

135. Undertake restructuring of world industrial production as a continuous, dynamic and permanent process, action-oriented towards the attainment of the Lima target and related objectives, in accordance with the objectives and priorities of the economic and social development of the developing

countries, and particularly with their industrial development plans and programmes through an integrated approach, including supporting action in the areas of financing, access to markets, transfer of technologies, control of the activities of transnational corporations and foreign investment and national and human resources. The fundamental role that industrialization should necessarily play in the success of the international development strategy for the third United Nations development decade should be taken into account.

136. Take exceptional and integrated measures at the national, subregional, regional and international levels for the attainment of the Lima target and its related objectives and constantly monitor progress and define appropriate means to this end.

137. Industrial policies to be adopted to reach the Lima target should take into consideration the necessity for protecting occupational and health environment as well as the preservation of nature and the ecological balance.

138. Taking account of the low level of industrial development in Africa, take concrete and effective measures to declare the 1980s an Industrial Development Decade for Africa as an instrument for mobilizing support for the continent's industrialization efforts and calls on the UNIDO Secretariat and the United Nations Economic Commission for Africa to co-operate with the Organization of African Unity (OAU) in preparing a draft programme of action for the decade.

Disaggregation of the Lima target

139. Initiate the process of disaggregation of the Lima global target into mid-term, industrial sectoral and regional targets through studies, expert meetings, the System of Consultations, negotiations and other means:

(a) Sectoral targets should be established for major industrial sectors like iron and steel, fertilizers, agricultural machinery, leather and leather products, petrochemicals, vegetable oils and fats, pharmaceuticals, food processing, capital goods, textiles and clothing, building materials, non-ferrous metals and technologically advanced industrial sectors;

(b) In working out the sectoral targets, crucial inputs in terms of financial, technical and other flows should be quantified and presented within the specified time frame.

140. Take effective measures for the redeployment of industrial capacities from industrialized to developing countries on the principle of dynamic comparative advantage and in accordance with the over-all national objectives, priorities of industrial development and aspirations of the

developing countries. Such redeployment should be considered as an essential step towards achieving an equitable international division of labour, based *inter alia* on the following principles:

(a) Redeployment should primarily consist of transfer of existing industrial productive capacity, creation of new industrial facilities, transfer of technology, financial resource transfers, and provision of the necessary training and experts services from developed to developing countries;

(b) Redeployment should not be used to obtain access to abundant and low-paid manpower or transfer obsolete and polluting technologies, or exhaust the natural resources of developing countries, or accentuate persistent and deep inequalities, or be accompanied by protectionism on the part of industrialized countries.

In the process of redeployment of industry, the public sector should play a significant role. The developed countries shall adopt long-term policies and measures for industrial redeployment which take fully into account the objectives and priorities of economic development of developing countries. Particular importance attaches to positive adjustment assistance policies and elimination of subsidies designed to protect their non-competitive industries.

System of Consultations

141. Make the System of Consultations an effective instrument for the redeployment of industry from developed to developing countries, assisting in the restructuring of world industry, and adopting the necessary measures for the attainment of the Lima target and related objectives, taking fully into account the objectives and priorities of the industrial development of the developing countries. To that end:

(a) Places the System of Consultations on a permanent basis, as a continuing and important activity of UNIDO;

(b) Agrees that Consultations are among member States, and that representation shall be at an official level at which definite commitments could be made;

(c) Widen the scope of the System of Consultations to cover all important industrial sectors, and include global Consultations on industrial financing, industrial technology, manpower development, and other major topics;

(d) Hold regional and interregional Consultations at the request of the countries concerned;

(e) Take into account, within the System, the existing regional machinery that already constitute fora for dialogue at the regional level;

(f) Heighten the efficiency of the System of Consultations by ensuring follow-up actions and implementation of the decisions and conclusions of Consultations;

(g) Decides that to assure wider representation of the least developed countries in Consultation meetings, financing shall be provided by UNIDO for their participation;

(h) UNIDO, through the System of Consultations, must serve as a forum for the negotiation of agreements in the field of industry between developed and developing countries, and among developing countries themselves, at the request of the countries concerned;

(i) Approves the recommendation of the first special session of the Industrial Development Board and invites the Board at its next regular session to examine further and adopt the rules of procedure for the System of Consultations, on the basis, *inter alia*, of the above-mentioned principles.

ACTION BY THE UNIDO SECRETARIAT

142. Create an effective mechanism to undertake the task of disaggregating of the Lima target into its mid-term (1990) industrial, sectoral and regional perspectives.

143. Continuous surveillance of the industrial restructuring process, analysis of the changing international division of labour, locating and identifying natural, sectoral endowments and examination of prospects of and obstacles to redeployment.

144. Undertake necessary studies and establish panels of technical experts on sectors and topics covered by Consultations, drawing to a larger extent on experts from developing countries.

II. Industrial financing

A. ACTION BY DEVELOPING COUNTRIES

145. Develop and strengthen financial institutions in order to strengthen national industrial financing capabilities.

146. Establish and strengthen national industrial development financial institutions.

147. Formulate national plans and policies defining and regulating the role of direct private foreign investment in complementing national efforts for industrialization in accordance with national economic objectives and programmes and the inalienable right of all countries to fully exercise their prominent sovereignty over their national resources and over their economic activities, including the possession, use and enjoyment of such resources as well as the right to nationalization in accordance with national legislation.

148. Train project personnel and personnel engaged in investment promotion.

149. Enlarge financial flows between developing countries on the basis of mutual interest and in particular the needs of the least developed among them as an expression of solidarity and industrial co-operation among developing countries and as an important input to industrialization.

150. Promote direct co-operation between financial institutions of developing countries.

B. ACTION BY DEVELOPED COUNTRIES

151. Ensure a substantial increase in the flow of additional resources to the developing countries as a contribution to their development, taking into account the proposal by Commander Fidel Castro, President of Cuba and Chairman of the Movement of Non-Aligned Countries, to transfer at least \$300 billion in 1977 dollars in the form of financial resources, material resources and technical assistance during the third United Nations development decade, at a rate of no less than \$25 billion per year during the first years of that decade, and in compliance with General Assembly resolution 34/211 of 19 December 1979.

152. Ensure a substantial increase in the flow of additional financial resources to developing countries for accelerating their industrialization and attainment of the Lima target, particularly through the establishment of a North-South Global Fund for the Promotion of Industrialization of Developing Countries in accordance with the following principles:

- (a) The bulk of its resources to come from developed countries;
- (b) Developing countries with excess financial liquidity should contribute to it;
- (c) The Fund should be administered and controlled by the developing countries;
- (d) The level of the Fund should be substantial, reaching \$300 billion by the year 2000;
- (e) Financing by the Fund should be provided on soft terms;

(f) At least one-third of the resources of the Fund should be earmarked for least developed, land-locked, island developing and most seriously affected developing countries;

(g) Governments shall provide data regarding their requirements by identifying and preparing industrial programmes and projects, and UNIDO shall be responsible for preparing and justifying funding requirements on an annual basis up to the year 2000.

Further procedural arrangements should be worked out at an intergovernmental conference to be convened by UNIDO in early 1981.

153. Cancel the debts of the least-developed and most seriously affected countries.

154. Adopt concrete measures for the establishment of a link between Special Drawing Rights (SDR) allocation and additional development assistance.

155. Adopt and put into practice the Action Programme on the Fundamental Reform of the International Monetary System adopted by the Ministers of Finance of the Group of 77 in Belgrade in September 1979.

156. Substantially increase official development assistance so that it at least reaches the agreed level, and take measures so that it facilitates dynamic industrialization of developing countries. In this context, the official development assistance flows, as well as activities of the World Bank and other international financing organizations, should be to a greater extent oriented towards the industrialization of the developing countries, without adverse effect.

157. Channel financial resources through financial institutions set up by developing country governments.

158. Change regulatory measures which have adverse effects on debt management in developing countries.

159. Alleviate the adverse effects of their currency fluctuations on finance and trade of developing countries.

C. ACTION BY THE UNIDO SECRETARIAT

160. Take urgent steps to undertake preparatory work for the intergovernmental Conference on the North-South Global Fund for the Promotion of Industrialization of Developing Countries.

161. Convene an experts' meeting during 1980 to consider recommendations regarding risk capital financial instruments, and promotion of barter or buy-back arrangements relating to long-term investment, and submit detailed studies on the subject to the meeting.

III. Industrial technology

A. ACTION BY DEVELOPING COUNTRIES

162. Formulate and establish medium- and long-term national plans and programmes to strengthen national industrial technological capabilities and capacities.

163. Establish or strengthen national industrial technological institutions and co-ordinate their activities with a view to developing skills relating to the entire range of creation, selection, acquisition, adaptation, and absorption of industrial technology.

164. Designate an agency to act as a focal point of information on skills and services available in their countries.

165. Provide financial, legal and other incentives to promoters and users of national industrial technological capabilities.

166. Increase human and financial capabilities and incentives for industrial technological research and development.

167. Establish and foster national capabilities for identification and encouragement of endogenous industrial technologies.

168. Institutionalize necessary measures for rapid application of the results of national technological research and development and extension work for its rapid diffusion within the national economy.

169. Strengthen and establish where necessary regional and interregional industrial technology institutions and agencies, including those in different sectors, as focal points providing specialized services to other developing countries.

170. Facilitate the availability of technology in favourable terms to other developing countries.

171. Grant preferential treatment to technology from other developing countries.

172. Undertake joint efforts to solve specific technological problems shared by them.

173. Technological co-operation among developing countries should receive high priority in the total programmes of co-operation among themselves and appropriate institutional measures should be considered.

B. ACTION BY DEVELOPED COUNTRIES

174. Give special treatment to developing countries in transfer of technology and take concrete measures to eliminate arbitrary restrictions on the transfer of technology, particularly advanced technology, to developing countries.

175. Encourage their technological institutions to undertake activities more relevant to the needs of developing countries.

176. Motivate their institutions to undertake joint research and development activities with and in the developing countries themselves.

177. Increasingly provide industrial technology to developing countries on concessionary terms.

178. Co-operate in the assimilation and improvement by developing countries of technology originating in industrialized countries.

179. Provide adequate funding for the strengthening of national, regional and interregional industrial technology institutions and "centres of excellence" in developing countries.

180. Take steps for the early finalization of the International Code of Conduct on the Transfer of Technology, in accordance with the defined objectives of developing countries.

181. Co-operate in the successful outcome of the Diplomatic Conference in February 1980 so as to achieve a revision of the Paris Convention which broadly and substantially applies the principle of preferential treatment to patent legislation of developing countries.

182. Co-operate with developing countries in making available information on technologies and alternative suppliers, competitive prices, latest developments and innovations and feed-back from research and development activities in developed countries in major sectors.

183. Substantially increase technical assistance programmes and ensure that technology transfers form a much higher proportion than hitherto.

184. Make systematically available to developing countries energy saving technologies, mining and mineral processing technologies, and technological sources of productivity increases.

185. Co-operate with developing countries in "unpackaging" technology so that developing countries would develop elements of the package themselves and extend the technology in order to diversify product lines.

186. Increase substantially financial contributions to regional, interregional and international organizations dealing with development of technology and its transfers.

187. Ensure that technological transfers from developed countries do not harm the environment of developing countries and make available to developing countries environment protection technologies.

188. Co-operate in extending the activities of INTIB to all sectors covered by the System of Consultations; make available necessary financial and other inputs; and improve developing countries' access, through INTIB, to technological information in developed countries.

189. Co-operate in the implementation of other UNIDO programmes in the area of industrial technology.

C. ACTION BY UNIDO SECRETARIAT

190. Provide high priority in UNIDO's activities to industrial technology development and transfer to developing countries; suitable institutional arrangements within the UNIDO Secretariat should be made accordingly.

191. Accord more dynamism and resources to its operational and promotional activities concerning industrial technology.

192. Identify and make greater use of the technological expertise and capabilities of developing countries. In this regard prepare, update and circulate inventories of organizations in the developing countries engaged in industrial technology.

193. Identify and assist the diffusion of technologies originating from developing countries through action-oriented consultations, studies and the like.

194. Strengthen and extend INTIB's capability to carry out specific tasks assigned to it by allocating appropriate human and financial resources for this purpose.

195. Undertake preparatory work for the global Consultation on industrial technology in the next biennium.

196. Submit a detailed report to the Industrial Development Board on mechanisms that would ensure generation of increased and more appropriate flows of technology to developing countries, such as information on technologies and alternative suppliers, comparative prices, latest developments and innovations and feed-back from research and development activities in developed countries. The report should include suggestions regarding modalities of better utilization and co-ordination of activities of existing organizations, including sectoral institutions as well as elaborate its proposals submitted to the Third General Conference of UNIDO in the light of the above, with particular reference to the special needs of the least developed countries.

197. Keep under constant review implementation of the measures relating to industrial technology of the Vienna Programme of Action on Science and Technology for Development and assist the developing countries in the formulation and implementation of projects financed from the Fund agreed. UNIDO should be actively associated in the formulation and implementation of the programmes and projects financed from the Fund agreed on at the United Nations Conference on Science and Technology for Development (UNCSTD).

198. Strengthen co-operation with WIPO and UNCTAD in supporting developing countries to set up or improve their national patent legislation and their access to industrial technology contained in patent documents.

199. Strengthen its activities as an executing agency in the field of industrial technology and its co-ordinating role within the United Nations system in this field, *inter alia* through more efficient inter-agency co-operation, and bearing in mind resolution 112 (V) on the "Strengthening of the technological capacity of developing countries including accelerating their technological transformation" adopted by consensus at the fifth session of UNCTAD, urges close co-operation and co-ordination with the UNCTAD secretariat in the implementation of the above.

IV. Energy

A. ACTION BY DEVELOPING COUNTRIES

200. Establish and strengthen national action programmes on energy availability and development, assuring adequate availability for industrialization and over-all economic and social development.

201. Enlarge the raw material base for the energy sector and more efficient utilization of all energy potential.
202. Strengthen, and establish where necessary, medium- and long-term national action programmes on new and renewable sources of energy such as geothermal, biomass, wind, solar and hydraulic energy.
203. Undertake research, development, and other measures for conservation of energy resources, their more efficient use, and recycling of materials in the energy sector.
204. Make greater use of the significant potential of the peaceful uses of nuclear energy in meeting the energy needs of industrial development.
205. Establish, among developing countries, multinational enterprises in energy and energy-related capital equipment.
206. Promote co-operation among developing countries through regional and subregional energy plans and research centres for new techniques in energy.
207. Intensify and enlarge the exchange of experience among developing countries in the energy sector through joint research and training, exchange of skills and information on standards and co-operation in production.
208. Provide support to energy-related programmes in other developing countries.

B. ACTION BY DEVELOPED COUNTRIES

209. Rationalize the consumption of energy, in particular of non-renewable sources of energy, and intensify the research and use of non-conventional sources of energy, implementing effective national programmes including conservation measures, promoting more efficient use of energy in industry and industrial recycling.
210. Adapt energy-related technology and capital equipment to the needs of developing countries.
211. Support financially, technologically and through other means the energy development activities of the developing countries.
212. Make available to developing countries, on concessionary terms, the results of their research and development on industrial uses of energy, options on energy-saving measures, and on new, non-conventional and renewable energy sources.

213. Assist the developing countries, at the request of the countries concerned, in the identification of alternative sources of energy.

214. Rectify their export policies, removing arbitrary restrictions on the transfer of nuclear technology needed by developing countries for their industrialization.

215. Promote bilateral programmes of development, testing and training co-operation between developed and developing countries with parallel testing centres in similar geophysical climatic conditions.

C. ACTION BY UNIDO SECRETARIAT

216. Assign higher priority to the promotion of energy and energy-related technologies for industrial development in its technical assistance programmes, including training programmes.

217. Prepare operational projects and programmes of direct relevance to developing countries in energy-related fields to be financed from the Fund set up by UNCSTD.

218. Ensure that INTIB accords special attention to the collection and dissemination of information on alternative energy technologies of immediate relevance to developing countries.

219. Prepare, in co-operation with the United Nations Centre on Transnational Corporations, and other competent United Nations bodies, a report on the practices of such corporations in the utilization of natural resources, particularly energy resources, of the developing countries, affecting their industrialization.

220. Prepare, at all times, state-of-the-art reports and disseminate information on energy technologies such as geothermal, biomass, wind, solar and hydraulic energy.

221. Make an effective contribution to the preparation and work of the forthcoming United Nations Conference on New and Renewable Sources of Energy.

222. Strengthen its co-operation with other organs and agencies of the United Nations system and other concerned organizations on matters relating to energy.

223. Prepare projections of the energy requirements of the developing countries, and in particular of the least developed countries, for achieving the Lima target.

V. Industrial production

A. ACTION BY DEVELOPING COUNTRIES

224. Establish long-term programmes at the national level for efficient prospecting, exploitation and processing of their national resources.

225. Achieve a progressively higher degree of processing of their national resources endogenously.

226. Promote the establishment and strengthening of production capacities in basic, integral and processing industries to meet the requirements of their population and to rapidly develop local production for the purpose of replacing imports and increasing exports of manufactures and semi-manufactures.

227. Emphasize the important role of cottage, small-, and medium-scale industry in generating employment, distribution of income and development of technological capabilities.

228. Deepen co-operation among developing countries in the establishment of joint industrial projects to cover the entire range of industrial production.

229. Co-operate in arriving at common developing countries' positions regarding exploitation of their national resources, particularly through strengthening producers' associations.

230. Identify and realize possibilities for joint efforts for marketing, exploitation, processing and financing in the mining and mineral sector.

231. Enter into long-term agreements on strengthening of manufacturing capacities.

232. Extend the practice of setting up multinational production enterprises among developing countries, and extend their scope on the basis of complementarity.

233. Strengthen transportation and communications links among developing countries.

234. Strengthen, and establish where necessary, industrial development zones and export promotion zones.

235. Establish or strengthen mineral offices to monitor national and international mineral issues.

236. Increase efforts at standardization at the national level and among developing countries.

B. ACTION BY DEVELOPED COUNTRIES

237. Make available to developing countries and disseminate in an ongoing manner know-how on less-energy-intensive and other production processes which utilize factors of production more efficiently.

238. Assure to developing countries spare parts, maintenance and repair facilities of industrial equipment and agricultural machinery originating in developed countries, and its modernization.

239. Set up and increase the number of pilot and demonstration production units in developing countries to introduce and adapt imported technology and production processes to the needs of developing countries.

240. Ensure the availability to developing countries of high technology industrial equipment and processes and refrain from concerted embargoes on the sale of such equipment to developing countries.

241. Enhance, adapt and implement measures to ensure a favourable balance for developing countries between production of synthetics and natural products of developing countries directly competing with them.

242. Make accessible to developing countries quality control standards applied by developed countries and assist, through the supply of information and equipment, in the improvement of developing country skills in this field.

243. In establishing norms and standards, developed countries should give due consideration to their impact on production in developing countries.

244. Support, through technical assistance, optimization and enlargement of production in existing production units in developing countries.

245. Ensure that the disposal of industrial wastes originating in developed countries be undertaken in ways that safeguard the environment of developing countries.

246. Co-operate with developing countries in ensuring that the objectives of international commodity agreements to protect producing developing countries are fulfilled.

C. ACTION BY UNIDO SECRETARIAT

247. Provide necessary support for the meeting of governmental experts of the Group of 77 regarding concrete measures of co-operation in production, identifying new possibilities for long-term agreements and examining joint efforts for marketing, exploitation, processing and financing in the mining and mineral sector.

248. Assign high priority in its technical assistance programmes to the requirements of industrial production in the developing countries so as to contribute more effectively to their industrialization.

249. Undertake training courses in quality control in industrial production and put to fuller use the potential of INTIB to assist developing countries in this field, in co-ordination with regional commissions and concerned organs of the United Nations system.

250. Encourage the establishment of applied research centres for the study and promotion of technologies adapted to the specific conditions of the developing countries, with a view to making optimum use of existing human resources.

251. Identify and suggest remedial action regarding quality and other production constraints facing developing countries in major industrial production sectors, in consultation with the competent national authorities.

VI. Development of human resources

A. ACTION BY DEVELOPING COUNTRIES

252. Formulate and implement medium- and long-term national manpower development strategies to train and upgrade human resources necessary for industrialization as a major element of national economic planning.

253. Emphasize in national plans and programmes the extensive and intensive training of personnel at all levels to foster development of rural and small-scale industries.

254. Pay special attention to the engineering and managerial skills required to transform know-how into process design, development, commercialization and adaptation to the needs of developing countries.

255. Establish and improve industrial training facilities on regional, interregional and sectoral levels, to complement and upgrade skills learnt through formal education.

256. Finalize long-term programmes of co-operation for the exchange of experience and skills between developing countries.

257. Improve and co-ordinate existing national "centres of excellence" for industrial training and management.

258. Make available and improve existing training facilities to meet the special needs of trainees from other developing countries.

259. Intensify measures for the full participation of the population, especially women and youth, in the industrialization process at all levels.

260. Take further measures to correct the reverse transfer of technology through "brain drain".

B. ACTION BY DEVELOPED COUNTRIES

261. Considerably expand the access of developing countries to their industrial training facilities, public and private training institutions, industrial firms and technical institutes.

262. Improve co-ordination, at the national level, of training facilities used by trainees from developing countries so as to fully utilize existing capacities.

263. Tap the potential of small and medium-sized enterprises in their countries and make it available to developing countries.

264. Establish programmes adapted to the backgrounds and experience of trainees from developing countries and substantially extend in-plant training to maximize the results and efficacy of the industrial training so provided.

265. Support firms and institutions that perform training activities for developing countries.

266. Ensure that suppliers of industrial equipment and technology to developing countries also provide training in the related skills for operation, repair and maintenance of such equipment and technology.

267. Ensure that enterprises, especially those benefiting from export credits, fulfil the training requirements of the developing countries, and guarantee the results of training in the given industrial technology.

268. Extend the scope of training to include medium- and high-level technical and management personnel from developing countries.

269. Make available the necessary expertise, material and financial support to training institutions in developing countries which also serve the needs of other developing countries.

C. ACTION BY UNIDO SECRETARIAT

270. Improve identification as an ongoing process of priority topics and sectors for industrial training on the basis of the needs of developing countries, and structure its training programmes accordingly.

271. Promote greater use of the training capabilities of institutions in developing countries in execution of their training programmes.

272. Support the strengthening of national, regional and interregional "centres of excellence" of industrial training and skills in developing countries and serve as a platform facilitating their co-operation.

273. Prepare adequately for the global Consultation on training of industrial manpower, in co-operation with the International Labour Organisation and other concerned United Nations organs and agencies.

274. Keep under constant review implementation of the measures relating to development of human resources for industrialization of the Vienna Programme of Action on Science and Technology for Development, the decisions of the United Nations Conference on Technical Co-operation among Developing Countries, the First Conference of Ministers of Labour of Non-Aligned and other Developing Countries, and other fora, and submit to the competent UNIDO organs concrete proposals and projects for their full implementation.

VII. Trade in manufactures and semi-manufactures

A. ACTION BY DEVELOPING COUNTRIES

275. Identify and implement additional measures for substantial increases in direct trade among developing countries, vital to their industrialization. In the framework of co-operation among developing countries, reaffirm the pertinence of the provisions relating to the guiding principles concerning the collective autonomy of the developing countries approved in the statement of

the Meeting of Ministers of Foreign Affairs of the Group of 77 held in New York (September-October 1979), and insist on their implementation with a view to promoting the industrialization of the developing countries.

276. Conclude long-term agreements on the basis of complementarity to assure a firm framework for trade among developing countries.

277. Accord preferential treatment to the trade in manufactures, semi-manufactures and industrial raw materials among themselves.

278. Create and strengthen the institutional machinery for mutual exchange of experience, co-ordination and consultations in order to obtain better terms of trade.

279. Eliminate adverse effects of triangular trade.

280. Prepare collective action guidelines and exchange information on the *modus operandi* of transnational corporations.

281. Call upon the Commission on Transnational Corporations to carry out a study of the feasibility and desirability of developing countries establishing a system of guarantees which would make it possible to ensure that transnational corporations adhere to the laws of recipient countries and respect fully the commitments they have assumed and that, should they fail to do so, the enterprises and organizations of developing countries obtain full indemnity for the damages suffered.

282. Continue to take the necessary measures for the effective implementation of the specific proposals and actions contained in the Arusha Programme for Collective Self-Reliance.

B. ACTION BY DEVELOPED COUNTRIES

283. With a view to facilitating world industrial restructuring, take effective policy measures to ensure an increasing share for developing countries in world trade, by expanded access to their markets and grant of further preferential treatment to developing country exports in manufactures and semi-manufactures.

284. Eliminate, through urgent measures, protectionist tariff and non-tariff barriers and other obstacles to trade with developing countries, including restrictions on products with higher technological levels.

285. Co-operate with developing countries to fully achieve the objectives and commitments of the Tokyo Declaration through trade negotiations within the United Nations system, including GATT.

286. Co-operate meaningfully in the process and implementation of agreed targets giving developing countries an equitable and just share in world trade in manufactured goods.

287. Co-operate in the early finalization within the United Nations framework of the International Code of Conduct regarding the activities of transnational corporations, regulating their activities in accordance with the aims and aspirations of developing countries.

C. ACTION BY UNIDO SECRETARIAT

288. Establish an intergovernmental committee within UNIDO to consider:

(a) Ways and means of increasing the share of developing countries in world trade in industrial products by 2000 AD to the target of 30 per cent as stated in the Arusha Programme;

(b) The measures that would enable the developing countries to cover the value of manufactures imported by them from the industrialized countries by the value of exports of their manufactures to the industrialized countries without affecting the capacity of developing countries for carrying out the necessary imports;

(c) The setting up of appropriate mid-term targets in respect of the proposed increased share of developing countries in world trade in industrial products and relative value of their imports of manufactured products vis-à-vis their exports of such products;

(d) The identification of the ways and means in the industrial co-operation sector that would facilitate the achievement of these objectives and targets.

The committee should submit its report through the Industrial Development Board, to the special session of the United Nations General Assembly in 1980. UNIDO and UNCTAD should closely collaborate to render effective assistance to the work of the intergovernmental committee on world trade target for developing countries so that its work is fully consistent with the recommendations of the UNCTAD intergovernmental committee on this matter already established by the Trade and Development Board.

289. Strengthen co-operation with the International Trade Centre UNCTAD/GATT, UNCTAD, GATT and other competent bodies within the United Nations system in carrying out studies and other activities related to matters of trade vital to the industrialization of the developing countries.

VIII. Special measures

A. SPECIAL MEASURES FOR LEAST DEVELOPED COUNTRIES

290. In accordance with the commitment of the international community to take extraordinary measures to assist the least developed countries, implementation of this Plan of Action will pay special attention to the needs of these countries.

291. Early and full implementation of the Comprehensive New Programme of Action for the Least Developed Countries adopted at the fifth session of UNCTAD, relevant resolutions and decisions by the United Nations General Assembly, UNCTAD and other organizations within the United Nations system, and the Lima Declaration and Plan of Action, in favour of these countries.

292. A bigger share of UNIDF should be allotted for financing technical assistance activities in favour of the least developed countries, as compared to the situation prevailing so far.

293. Cancellation by developed countries, without any form of discrimination, of the debts of the least developed countries.

294. Take urgent and effective steps to strengthen their technological and productive capability, particularly through the provision of technology to meet their special needs especially in food processing, processing of minerals, alternative sources of energy, water extraction, building and construction and also small foundries.

295. Assess and increase their absorptive capacity through building up their infrastructure with special attention to their transportation and communications sectors and electrification.

296. Assist in the establishment of comprehensive inventories of their resources, particularly alternative energy sources, and prepare industrial surveys of these countries to support endogenous exploitation of their resources.

297. Promote cottage, small- and medium-scale industry in these countries, with particular emphasis on training, agro-based industry and integration of agriculture and industry.

298. Assist project identification, preparation and evaluation in these countries through the establishment of an industrial project preparation facility to generate viable industrial projects.

299. Strengthen import substitution processes in these countries and, in parallel with this, support the development efforts of these countries aimed at improving the export performance of their manufactures on the basis of dynamic comparative advantages.

300. Constantly consider assistance to these countries as one of the priority areas of the UNIDO technical assistance programmes.

301. Support these countries in their full participation in the redeployment process and the System of Consultations, and finance their participation in Consultation meetings.

302. UNIDO to make active contributions to the preparation and work of the United Nations Conference on the Least Developed Countries in 1981 and that necessary human and financial resources be made available to the UNIDO Secretariat.

303. Call upon UNIDO to submit annual reports to the Industrial Development Board on the progress of industrialization of the least developed countries and on problems confronting them, and devise detailed remedial measures and programmes.

304. Set up and assist in setting up increasing number of pilot and demonstration production units in these countries and adapt appropriate technology and production process suited to the environment.

305. Urge a substantial increase of external financial flows, on highly concessionary terms, to the least developed countries. Such financial flows should be on a continuous, predictable and increasingly assured basis.

306. Call on UNIDO, UNDP, all other specialized agencies and donor countries to at least triple their resources of assistance to the least developed countries, to cater for their increasing difficulties.

307. Allocation of Senior Industrial Development Field Advisers to each least developed country.

308. Preferential treatment within the context of international agreements for industrial products and processed commodities from these countries as well as the setting up of joint enterprises under regional co-operation.

B. SPECIAL MEASURES FOR LAND-LOCKED DEVELOPING COUNTRIES

309. Increase technical and financial assistance to these countries so as to expand their absorptive capacity through building up their infrastructure, with special attention to their transportation and communication sectors and electrification.

310. Promote cottage, small- and medium-scale industry in these countries, with particular emphasis on training, agro-based industry and integration of agriculture and industry.

311. Take urgent and effective steps to strengthen their technological and productive capacity, particularly through the provision of technology to meet their special needs, especially in food processing, processing of minerals, alternative sources of energy, water extraction, building and construction and also small foundries.

312. Assist in the establishment of comprehensive inventories of their resources, particularly alternative energy sources, and prepare industrial surveys of these countries to support endogenous exploitation of their resources.

313. Consider assistance to these countries as one of the priority areas of UNIDO's technical assistance programmes.

314. Set up, and assist in setting up, a number of pilot and demonstration production units in these countries, and adopt appropriate technology and production process suited to the environment.

315. Extend special assistance to these countries in the maintenance, establishment and development of adequate means of transport and communications.

316. Take urgent measures to increase the import and export capabilities and to help upset the disadvantages of their adverse geographical situation, particularly with regard to their additional transportation and transit costs.

317. Preferential treatment within the context of international agreements for industrial products and processed commodities from these countries as well as the setting up of joint enterprises under regional co-operation.

C. SPECIAL MEASURES IN FAVOUR OF DEVELOPING ISLAND COUNTRIES

318. In various General Assembly and UNCTAD resolutions, the international community has identified the enduring constraints faced by developing island countries in their development process and has committed itself to undertaking a series of specific actions in their favour. Urgent action must be undertaken to assist these countries in their industrial development in particular.

319. Full and urgent implementation of all relevant General Assembly and UNCTAD resolutions, and an intensification of efforts for the implementation of the relevant sections of the Lima Declaration and Plan of Action.

320. Identification of appropriate industrial development opportunities existing in these countries, and assistance in the exploitation of such opportunities. Those developing island countries which so request should be enabled to utilize the services of the proposed Industrial Project Development Facility.

321. Support, financial or otherwise, for their infrastructural projects especially in the sectors of water, electricity, industrial estates and transport, which often require outlays of human and financial resources far in excess of what the extremely limited resources of these countries can bear on their own.

322. Strengthening of their endogenous technological capacities in such sectors as alternative sources of energy, water extraction, crafts and cottage industries, agro-based industries and small-scale export-oriented manufacturing industries.

323. Assistance in the establishment of appropriate technical education and training programmes, including the areas of marketing and management.

324. The particular needs and problems of developing island countries should be taken into account in the context of international agreements on redeployment, commodities processing, transfer of technology and industrial financing.

325. UNIDO should enhance its capacity to respond positively to the specific needs of developing island countries by strengthening its technical and advisory services on their behalf, both at headquarters and in the field.

326. Increased resources should be made available to developing island countries as one of the priority areas of the UNIDO technical assistance

programmes and the terms and conditions governing the flow of such resources should be geared to the special needs and problems of the countries concerned.

327. Assistance should be provided to developing island countries to purchase capital equipment, for example through arrangements for deferred payments or the granting of long-term soft loans.

328. Assistance in strengthening their capacity to negotiate with foreign investors. Developed countries in particular should endeavour to provide all possible co-operation in this respect.

329. Special assistance in the establishment and development by developing island countries of adequate means of transport and communications.

330. Assistance should be provided to these countries in improving methods of mitigating or preventing damage from natural disasters such as tropical storms, hurricanes, tidal waves, etc.

D. SPECIAL MEASURES FOR MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES

331. Cancellation by developed countries without any form of discrimination of the debts of the most seriously affected developing countries.

332. Support the most seriously affected countries in their full participation in the redeployment process and the System of Consultations and finance their participation in consultation meetings.

333. Implementation *in toto* of the special programme for the most seriously affected countries adopted by the General Assembly at its sixth special session.

334. Assist project identification, preparation and evaluation in these countries through the establishment of an industrial project preparation facility to generate viable industrial projects for export markets.

335. Support the development efforts of these countries aimed at improving the export performance of their manufactures on the basis of dynamic comparative advantages.

336. Under the UNIDO technical assistance programme assist the most seriously affected countries in setting up increasing numbers of pilot and

demonstration production units in these countries and adapt appropriate technology and production processes that will enable this category of country to move into export markets and will also be suited to the environment.

337. Urge a substantial increase of external financial flows on highly concessionary terms to the most seriously affected countries on a continuous, predictable and increasingly assured basis.

338. UNIDO should take urgent and effective measures to assist this category of country in undertaking studies aimed at developing alternative sources of energy, e.g., mini-hydro generation schemes, biomass etc.; participate actively and also assist this category of country in the preparation of the Conference on New and Renewable Sources of Energy, to be held in 1981.

339. INTIB in its activities should particularly take into account the problems of the most seriously affected countries in regard to the preparation of a technology inventory that will assist industrialization programmes.

340. Assist in the establishment of comprehensive inventories of their resources and prepare industrial sector surveys in these countries, to support indigenous exploitation of their resources.

341. Promote the informal sector in these countries, with particular emphasis on extension services.

342. Consistently consider assistance, including the allocation of SIDFAs, to these countries as one of the priority areas of the UNIDO technical assistance programme.

343. Implement *in toto* General Assembly resolution 34/217, of 19 December 1979, on immediate measures in favour of the most seriously affected developing countries.

E. COMMON MEASURES FOR LEAST DEVELOPED, LAND-LOCKED, ISLAND AND MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES

344. At least one third of the North-South Global Fund mentioned in section II under "Industrial financing" will be allocated for the promotion of the industrialization of developing countries of these categories, due attention being paid to the specific requirements of each of these categories of countries arising from their industrialization needs.

345. A multilateral compensatory facility should be established to mitigate the negative effects of externally induced deficits, including those resulting from rapid increases in their import bill, on the industrial development of these categories of countries.

346. UNIDO should keep under constant review, through periodic reporting to the Industrial Development Board, progress towards the implementation of, and study developments relating to, measures promoting the industrialization of these categories of countries.

F. SPECIAL MEASURES FOR THE PALESTINIAN AND NAMIBIAN PEOPLES

347. Take the necessary measures to accelerate the implementation of the decision taken by the Industrial Development Board at its twelfth session on the sending of a group of experts to the West Bank and the Gaza Strip to carry out a full study with a view to the development of existing industries, and the identification of new industries to be established, in order to improve the economic and social situation of the inhabitants of these regions, with the aim of allowing the Palestinian people to participate in giving effect to the provisions and guidelines of the Lima Declaration and Plan of Action.

348. Take the necessary measures to accelerate the implementation of the decision taken by the Industrial Development Board at its twelfth session on the carrying out of the following three pre-independence projects:

- (a) Industrial development training;
- (b) Resource-based industry-oriented study of Namibia; and
- (c) Assistance to the formulation of a legal framework to regulate industrial activity and prevent further foreign wanton exploitation of Namibian natural resources.

G. SPECIAL MEASURES IN FAVOUR OF ZAIRE

349. UNIDO should take special measures, within its field of activity and in co-operation with the Organization of African Unity, the Economic Commission for Africa, the United Nations Conference on Trade and Development and other international organizations, to speed up the implementation of resolution 110 (V) on particular problems facing Zaire, adopted at the fifth session of UNCTAD and endorsed by the United Nations General Assembly at its thirty-fourth regular session in resolution 34/193.

IX. Institutional arrangements for UNIDO

350. Urges all member States to hasten the process of signature and ratification of the Constitution of UNIDO so as to convert the Organization into a specialized agency of the United Nations, able to fulfil the goals assigned to it with effective mechanisms and sufficient resources.

351. Invites the Executive Director of UNIDO to submit a report to the special session of the General Assembly on the New International Economic Order on the progress on signing and ratification of the Constitution as from 8 April 1979.

352. Invites the Executive Director of UNIDO and the Secretary-General of the United Nations to extend the interim arrangements and measures taken thus far regarding greater autonomy for UNIDO, especially in matters concerning the programme budget and Secretariat structure and staff, pending its conversion into a specialized agency, and to report to the Industrial Development Board.

353. Commits member States to the annual funding level of \$50 million for UNIDF, and urges the developed countries to increase their contributions in proportion to their normal shares, to show greater flexibility in the utilization of such contributions, and to consider possibilities of augmenting the funding level beyond \$50 million.

354. Optimize the utilization of UNIDF mainly in operational activities in priority areas such as strengthening technological capabilities in developing countries, co-operation among developing countries, special measures for least developed, land-locked, island and most seriously affected developing countries, and training programmes.

355. Invites the Industrial Development Board to play a more active role in the utilization of UNIDF, so as to strengthen its effectiveness.

356. Urges UNDP to:

(a) Implement General Assembly resolution 33/78 of 15 December 1978 by doubling the annual level of financial resources available to UNIDO's Special Industrial Services Programme;

(b) Hold consultation with UNIDO with a view to reaching a suitable arrangement for facilitating the financing of technical assistance activities in the developing countries in the industrial field.

357. Strengthen, and make more efficient, operational technical assistance programmes, and make greater use of expertise and equipment from developing countries in their implementation.

358. Take further steps to strengthen UNIDO's potential to implement its functions particularly in the areas of technical assistance, industrial co-operation among developing countries, least developed countries, energy technology, mineral processing, investment promotion and System of Consultations.

359. Strengthen the SIDFA programme and its effectiveness, increase their number, ensure greater recruitment of SIDFAs from developing countries, and ensure the necessary financing as decided by the Industrial Development Board and approved by the General Assembly.

360. Promote active dialogue between member States and the Organization by strengthening national and joint bodies for this purpose.

361. Take further steps to fulfil effectively the central co-ordinating role of UNIDO in reviewing and promoting all activities of the United Nations system in the field of industrial development and co-operation, so as to be the principal instrument to co-ordinate, implement and serve as a forum of negotiations within the United Nations system for industrialization efforts.

362. Directs the UNIDO Secretariat to keep under constant review implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation as well as the New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development and to report regularly to the Industrial Development Board.

363. Invites the Industrial Development Board to submit a comprehensive report on the implementation of these Declarations and Plans of Action to the next General Conference of UNIDO, and to co-operate with the OAU and assist the Conference of African Ministers of Industries and individual countries in preparing and monitoring the implementation of programmes for the African industrial development decade.

364. Calls upon all member States, in particular developed countries, irrespective of their social systems, to make all-out efforts to accomplish the measures and goals set out above in a spirit of international solidarity.

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