APPENDIX - I

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

FOURTH SESSION, NAIROBI, MAY 1976

Resolution adopted by the Conference
93(IV) Integrated Programme for Commodities

The United Nations Conference on Trade and Development

Recalling the Declaration and the Programme of Action on the Establishment of a New International Economic Order as well as the Charter of Economic Rights and Duties of States, which lay down the foundations of the new international economic order, General Assembly resolution 623 (VII) of 21 December 1952 and Conference recommendation A.II.1.

Recalling, in particular, section 1, paragraph 3(a)(iv), of the Programme of Action on the Establishment of a New International Economic Order, relating to the preparation of an overall integrated programme for 'a comprehensive range of commodities of export interest to developing countries'.

Recalling also Section I, paragraph 2, of General Assembly resolution 3362 (S-VII) of 16 September 1975, which states, inter alia, that 'an important aim of the fourth session of the United Nations Conference on Trade and
Development, in addition to work in progress elsewhere, would be to reach decisions on the improvement of market structures in the field of raw materials, and commodities of export interest to the developing countries, including decisions with respect to an integrated programme and the applicability of elements thereof.

Taking note of the work undertaken on commodities in preparation for the fourth session of the Conference, in particular the proposals submitted by the Secretary-General of UNCTAD for an integrated programme for commodities,

Reaffirming the important role of UNCTAD in the field of commodities,

Bearing in mind resolution 16 (VIII) of the Committee on Commodities concerning decisions by the Conference at its fourth session with respect to an integrated programme for commodities, on, inter alia:

(a) objectives;
(b) commodities to be covered;
(c) international measures;
(d) follow-up procedures and time-table for the implementation of agreed measures;
Affirming the importance to both producers and consumers, notably the developing countries, of commodity exports for foreign exchange earnings and of commodity imports for welfare and economic development,

Recognizing the need to conduct international trade on the basis of mutual advantage and equitable benefits, taking into account the interests of all states, particularly those of the developing countries,

Recognizing also the need for improved forms of international co-operation in the field of commodities which should promote economic and social development, particularly of the developing countries,

Recognizing further the urgent need for substantial progress in stimulating food production in developing countries and the important bearing of international commodity policies on this aim,

Recalling the proposal in the Manila Declaration and Programme of Action for the establishment of a common fund for the financing of international commodity stocks, co-ordinated national stocks or other necessary measures within the framework of commodity arrangements,
Bearing in mind the view that there might be financial savings in operating a central facility for the purpose of financing buffer stocks,

Taking note of the readiness of a number of countries, expressed prior to and at the fourth session of the Conference, to participate in and financially support a common fund,

Noting that there are differences of views as to the objectives and modalities of a common fund,

Convinced of the need for an overall approach and an integrated programme for commodities which is a programme of global action to improve market structures in international trade in commodities of interest to developing countries, and which is consistent with the interests of all countries, particularly those of the developing countries, and assures a comprehensive view of the various elements involved while respecting the characteristics of individual commodities,

Decides to adopt the following Integrated Programme for Commodities:

I. OBJECTIVES

With a view to improving the terms of trade of developing countries and in order to eliminate the economic imbalance
between developed and developing countries, concerted efforts should be made in favour of the developing countries towards expanding and diversifying their trade, improving and diversifying their productive capacity, improving their productivity and increasing their export earnings, with a view to counteracting the adverse effects of inflation, thereby sustaining real incomes. Accordingly the following objectives are agreed:

1. To achieve stable conditions in commodity trade, including avoidance of excessive price fluctuations, at levels which would:

   (a) be remunerative and just to producers and equitable to consumers;

   (b) take account of world inflation and changes in the world economic and monetary situations;

   (c) promote equilibrium between supply and demand within expanding world commodity trade;

2. To improve and sustain the real income of individual developing countries through increased export earnings, and to protect them from fluctuations in export earnings, especially from commodities;

3. To seek to improve market access and reliability of supply for primary products and the processed products
thereof, bearing in mind the needs and interests of developing countries;

4. To diversify production in developing countries, including food production, and to expand processing of primary products in developing countries with a view to promoting their industrialization and increasing their export earnings;

5. To improve the competitiveness of, and to encourage research and development on the problems of, natural products competing with synthetics and substitutes, and to consider the harmonization, where appropriate, of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

6. To improve market structures in the field of raw materials and commodities of export interest to developing countries;

7. To improve marketing, distribution and transport system for commodity export of developing countries, including an increase in their participation in these activities and their earnings from them.
II. COMMODITY COVERAGE

The commodity coverage of the Integrated Programme should take into account the interests of developing countries in bananas, bauxite, cocoa, coffee, copper, cotton and cotton yarns, hard fibres and products, iron ore, jute and jute products, manganese, meat, phosphates, rubber, sugar, tea, tropical timber, tin, and vegetable oils, including olive oil, and oilseeds, among others, it being understood that other products could be included, in accordance with the procedure set out in section IV below.

III. INTERNATIONAL MEASURES OF THE PROGRAMME

1. It is agreed that steps will be taken, as described in section IV, paragraphs 1 and 3 below, towards the negotiation of common fund.

2. It is also agreed to take the following measures, to be applied singly or in combination, including action in the context of international commodity arrangements between producers and consumers, in the light of the characteristics and problems of each commodity and the special needs of developing countries:

(a) Setting up of international commodity stocking arrangements;

(b) Harmonization of stocking policies and the setting up of co-ordinated national stocks;
(c) Establishment of pricing arrangements, in particular negotiated price ranges, which would be periodically reviewed and appropriately revised, taking into account inter alia, movements in prices of imported manufactured goods, exchange rates, production costs and world inflation, and levels of production and consumption;

(d) Internationally agreed supply management measures, including export quotas and production policies and, where appropriate, multilateral long-term supply and purchase commitments;

(e) Improvement of procedures for information and consultation on market conditions;

(f) Improvement and enlargement of compensatory financing facilities for the stabilization, around a growing trend, of export earnings of developing countries;

(g) Improvement of market access for the primary and processed products of developing countries through multilateral trade measures in the multilateral trade negotiations, improvement of schemes of generalized preference and their extension beyond the period originally envisaged and trade promotion measures;

(h) International measures to improve the infrastructure and industrial capacity of developing countries, exten...
from the production of primary commodities to their processing, transport and marketing, as well as to the production of finished manufactured goods, their transport, distribution and exchange, including the establishment of financial, exchange and other institutions for the remunerative management of trade transactions;

(i) Measures to encourage research and development on the problems of natural products competing with synthetics and consideration of the harmonization where appropriate, of the production of synthetics and substitutes in developed countries with the supply of natural products produced in developing countries;

(j) Consideration of special measures for commodities whose problems cannot be adequately solved by stocking and which experience a persistent price decline.

3. The interests of developing importing countries, particularly the least developed and the most seriously affected among them, and those lacking in natural resources, adversely affected by measures under the Integrated Programme, should be protected by means of appropriate differential and remedial measures within the Programme.

4. Special measures, including exemption from financial contribution, should be taken to accommodate the needs of
the least developed countries in the Integrated Programme for Commodities.

5. Efforts on specific measures for reaching arrangements on products, groups of products or sectors which, for various reasons, are not incorporated in the first stage to application of the Integrated Programme should be continued.

6. The application of any of the measures which may concern existing international arrangements on commodities covered by the Integrated Programme would be decided by governments within the commodity organizations concerned.

IV. PROCEDURES AND TIME TABLE

1. The Secretary-General of UNCTAD is requested to convene a negotiating conference open to all members of UNCTAD on a common fund no later than March 1977.

2. The Secretary-General of UNCTAD is further requested to convene preparatory meetings prior to the conference referred to in paragraph 1 above concerning, inter alia:

(a) Elaboration of objectives;
(b) The financing needs of a common fund and its structure;
(c) Sources of finance;
(d) Mode of operations;
(e) Decision-making and fund management.
3. Member countries are invited to transmit to the Secretary-General of UNCTAD, prior to 30 September 1976, any proposals they may have concerning the above and related issues.

4. The Secretary-General of UNCTAD is further requested to convene, in consultation with international organizations concerned, preparatory meetings for international negotiations on individual products, in the period beginning 1 September 1976. These meetings should complete their work as soon as possible, but not later than February 1978. The task of the preparatory meetings shall be to:

   (a) Propose appropriate measures and techniques required from the measures and techniques proposed;

   (b) Determine financial requirements resulting from the measures and techniques proposed;

   (c) Recommend follow-up action required through the negotiation of commodity agreements, or other measures;

   (d) Prepare draft proposals of such agreements for the consideration of governments and for use in commodity negotiating conferences.

5. The Secretary-General of UNCTAD is further requested to convene, as and when required, commodity negotiating conferences as soon as possible after the completion of each preparatory meeting held pursuant to paragraph 4.
above. These negotiations should be concluded by the end of 1978.

6. The Secretary-General of UNCTAD is requested to undertake the necessary arrangements for the servicing of the preparatory meetings and the subsequent commodity negotiating conferences, in co-operation with the secretariats of the specialized commodity bodies and other organizations concerned.

7. It is agreed that international negotiations or re-negotiations on individual commodities covered by existing agreements shall be in accordance with appropriate established procedures for the purpose of concluding international arrangements.

8. The Trade and Development Board is instructed to establish an ad hoc inter-governmental committee to co-ordinate the preparatory work and the negotiations, to deal with major policy issues that may arise, including commodity coverage, and to co-ordinate the implementation of the measures under the Integrated Programme.