

Eighth Session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-VIII), Panama City, Panama, 30 August – 3 September 1993

Final Report

I. Introduction and organizational matters

A. Introduction

1. Pursuant to the Caracas Programme of Action and at the invitation of the Government of the Republic of Panama, the Eighth Meeting of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-VIII) was held in Panama City, from 30 August to 3 September 1993.

2. The meeting was attended by delegations from the following 40 Member States of the Group of 77:

Algeria, Argentina, Bangladesh, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Cyprus, Dominican Republic, Ecuador, Egypt, El Salvador, Ghana, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iraq, Libya, Malaysia, Mexico, Nicaragua, Nigeria, Panama, Paraguay, Peru, Republic of Korea, Romania, Sudan, Swaziland, Tanzania, Tunisia, Uruguay, Venezuela, and Zimbabwe.

3. A representative of the People's Republic of China attended the meeting for the first time as an observer.

4. Representatives from the following organizations of the United Nations system also participated as observers:

Economic Commission for Latin America and the Caribbean (ECLAC), International Labour Organization (ILO), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Environment Programme (UNEP), and United Nations Industrial Development Organization (UNIDO).

5. The meeting was also attended by representatives of the following organizations of the developing countries:

Central American Integration Secretariat (CAIS), Caribbean Economic Community and Common Market (CARICOM), Organization of African Unity (OAU), South Asian Association for Regional Cooperation (SAARC), Latin American Economic System (SELA), and the South Centre.

6. The meeting was also attended by the Chairman of the Group of 77 in New York, the Core of Assistants to the Chairman of the Group of 77, the Chairman of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC, the Chairman and members of the Group of Experts on the Review and Evaluation of the Caracas Programme of Action, and the Chairman of

the Steering Committee of the Conference of Chambers of Commerce and Industry of Developing Countries Members of the Group of 77.

B. Election of the Bureau

7. At its opening session, the Committee elected by acclamation His Excellency Mr. Carlos Arosemena, Permanent Representative of Panama to the United Nations, as Chairman. The Committee also elected by acclamation His Excellency Mr. Rabah Hadid, Ambassador, Deputy Permanent Representative of Algeria to the United Nations, and Mrs. Saodah Sjahrudin, Director for Economic Cooperation among Developing Countries in the Department for Foreign Affairs of Indonesia, as Vice-Chairmen.

C. Adoption of the agenda and organization of work

8. The Committee adopted the provisional agenda as well as its organization of work. The Committee also decided to establish a Committee of the Whole for the consideration of the items on its agenda.

9. The Bureau of the Committee was assisted by the Core of Assistants to the Chairman of the Group of 77 in New York, the Chairman of the Group of Experts on the Review and Evaluation of the Caracas Programme of Action, the Chairman of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC as well as by representatives of the host country.

D. Documentation

10. The Committee had before it the working documents prepared by the Office of the Chairman of the Group of 77 in New York with the support of the Core of Assistants, the Report of the Group of Experts on the Review and Evaluation of the Caracas Programme of Action, the Report of the Eighth Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC, and a series of information documents.

E. Opening statements

11. In his inaugural address, His Excellency Guillermo Endara Galimany, President of the Republic of Panama, said that the desire for cooperation among developing countries has matured extraordinarily and it is translated in the creation of regional and subregional groups in Africa, Asia and Latin America. He also stressed that the globalization of economic relations has no place for any isolationist tendencies among developing countries. He urged developing countries to reinforce and diversify their interdependence.

12. The President noted that at the end of the Cold War South-South relations could be placed in a new context in view of the agreements on disarmament, ethnic and religious conflicts, the establishment of democratic systems and international cooperation to solve conflicts that affect human rights.

13. He observed with concern protectionist trends in the developed countries which affect the prices of raw materials and go against the principle of free trade agreed in the General Agreement on Tariffs and Trade and the Uruguay Round.

14. The President of Panama stressed that in order to have more balanced and just terms of exchange between North and South, it was essential to strengthen South-South Cooperation.

South-South Cooperation could be enhanced from a regional level to a continental and interregional level.

15. The Chairman of the Group of 77 in New York, Ambassador Luis Fernando Jaramillo, also addressed the IFCC on the opening day. In his statement, the Chairman stated that a new context had emerged since the Seventh Meeting of IFCC in 1989, which points to the need for the reactivation of the dialogue with the developed countries but also stronger and closer ties among the countries of the South. He pointed out that South-South Cooperation is a historical necessity and an important step towards the solution of many of the problems of the Third World.

16. The Chairman of the Group of 77 presented a series of recommendations to reactivate the Caracas Programme of Action. These recommendations included: (a) the establishment of an intersessional-type mechanism in those years when IFCC does not meet; (b) strengthening the support mechanisms for the Chairmanship of the Group of 77 in New York and ensure continuity to the work of the Core of Assistants, (c) the creation of intersectoral commissions at the country level on ECDC; (d) activating the national focal points; and (e) holding of sectoral meetings on ECDC.

17. The Chairman of the Group of 77 also (a) stressed the need for enhancing the role of the U.N. system and the regional and subregional economic integration organizations in South-South Cooperation; (b) convening a special meeting of the Committee of Experts of PGTF to assess the impact of funded projects and to examine options to expand its resources; (c) a more active role by the Chambers of Commerce and Industry of Developing Countries Members of the Group of 77; and (d) harmonization of the Caracas Programme of Action with the Action Programme for Economic Cooperation of the Non-Aligned Movement.

18. H.E. Mr. Nana S. Sutresna, Representative of the Chairman of the Non-Aligned Movement, also addressed the meeting. In the context of ECDC, he underscored the “evolutionary approach” whereby any group of countries could launch a project provided that the project remains open to all developing countries. For this purpose, he stressed the need for wide dissemination of information and data on any such successful projects.

19. He also stressed that IFCC should focus on the recommendations of the South Commission as a guide for exploring possible courses of action and on the role of the national and sectoral focal points for ECDC/TCDC. He suggested that IFCC consider the use of the tripartite approach whereby two or more developing countries could work in partnership with a third party in order to spread the cost of projects.

20. The representative of the Chairman of the Non-Aligned Movement also stated that efforts to improve coordination and harmonization of the activities of APEC and CPA should be placed on the top of the IFCC agenda. He stressed the early establishment of the Joint Coordinating Committee (JCC) of the Non-Aligned Movement and the Group of 77 and its full operationalization.

II. Caracas Programme of Action

A. Review and Evaluation of the Caracas Programme of Action and concrete measures to improve its further implementation

21. The Committee considered the report of the Group of Experts on the Review and Evaluation of the Implementation of the Caracas Programme of Action and expressed

appreciation to the Group for its work and general support for the recommendations contained therein.

22. In introducing the report, the Chairman of the Group of Experts, Mr. Carlos Sersale di Cerisano, highlighted the sectoral recommendations included in the Report in the context of the current economic situation and the perspectives for the 1990s.

23. Many delegations participated in and contributed to the debate thereby confirming the importance of economic cooperation among developing countries at the national level and as an instrument of their own foreign policy at the regional, subregional and interregional levels. There was an emphasis on its continued relevance as a mechanism for promoting economic growth and development and as a means of integration of developing countries in the world economy.

24. A number of delegations made reference to the programmes, projects and activities undertaken by their own governments and by agencies, commissions and other international organizations, in pursuance of the implementation of the CPA.

25. It was acknowledged that certain essential macroeconomic factors negatively affected the implementation of the CPA. However, there was clear evidence that the political will existed for its continued implementation. It was also recognized that problems existed at the operational level in the different implementing mechanisms.

26. It was recognized that the activities envisaged by the CPA are also integrated in the various programmes and activities of national policies and those of international agencies and subregional and regional organizations. In this regard, mention was made of the support given by UNCTAD and the Special Unit for TCDC of UNDP.

27. The meeting took into account the changes which had taken place globally since the adoption of the CPA in 1981 and noted the need to reflect those issues in the implementation of the programme and its review in the 1990s. In this context, the Group stressed the importance of including proposals for action in the areas of environment and human resources development.

Sectoral Recommendations

Trade

28. The meeting recommended the following:

a. Urges the remaining members to take due action to ratify the GSTP Agreement. Member countries are also urged to actively participate at the second round negotiation process and its final meeting to be held at the Ministerial level in the summer of 1994 in Cuba.

b. The widening of collaboration between UNCTAD and the regional and subregional economic integration groupings to enhance the computerization of custom administrations and the operations of trade information systems in developing countries, and calls upon them to also link these operations into a global network.

c. Promote the utilization of the companies of developing countries engaged in the service industry.

d. Promote the support to the activities in the services sector included in the Uruguay Round, with the view to improving the competitiveness of developing countries in international trade.

e. The use of the conceptual framework proposed by the Action Committee on Collaboration in Consultancy, Construction and Engineering of the Group of 77 as an input in the negotiations in the Uruguay Round in the construction and engineering services.

f. Promote the collaboration in developing a conceptual framework in other types of services included in the Uruguay Round.

g. Integration of the efforts of State Trading Organizations, the Chambers of Commerce and the business community, in order to reflect the present politico-economic realities. These institutions should cooperate in the areas of: trade information network, marketing, sourcing of supplies, etc.

h. Increased cooperation among small and medium sized enterprises both on a subregional, regional and global levels.

i. While developing nations must be vigilant in ensuring that the issue of environmental protection does not become an additional trade barrier, the issue of the linkage between environmental protection and trade in both goods and services must be recognized.

29. Speedy and balanced conclusion of the Uruguay Round will help to strengthen the capacities of developing countries to promote economic growth.

30. The meeting recognized the importance of human resource development and the growth of expertise in this sector, through collaboration among the developing countries.

31. The Committee also recognized that the requirements and capabilities of developing countries in the area of trade and development need to be collated in a databank. In this regard, the Group of 77 could benefit from the South Investment Trade Technology Data Exchange Centre (SITTDEC).

Technology

32. The meeting recommended the following:

a. That development of technological capabilities and skills in developing countries should be pursued through inter-country cooperation in the exploitation of economies of scale and complementarities in the areas of technological transfer, research and development activities, personnel training and scientific and technological cooperation. To achieve these activities developing countries must make determined efforts to launch activities identified in the CPA which include, *inter alia*:

i. The establishment, where they do not exist, and otherwise strengthening of national agencies dealing with science and technology. In this regard also due regard should be paid to the contribution that can be made by the private sector,

ii. The commitment to incorporate the provisions of the CPA into national policies and programmes,

iii. The establishment and maintenance of an inventory of existing capabilities and needs in developing countries and cooperation in the development of endogenous technological capabilities,

iv. The setting up of regional, subregional and interregional networks in the various areas of cooperation. There appears to be a need to undertake a comprehensive review of the situation in the fields to be targeted for collaboration, for example, information, transfer of technology, research and development, capacity-building for negotiations and human resource development,

v. The enhancement of the capabilities of developing countries in negotiations for the transfer of technology among them and with developed countries. The activities of the Centre for Science and Technology in India established by the Non-Aligned Movement is important in this regard and developing countries are urged to participate therein,

vi. The effective utilization of the potential of the United Nations system in the promotion of science and technology,

vii. The use of technical and expert meetings as well as meetings of heads of agencies responsible for science and technology for continuous assessment of the progress made in this field,

viii. Cooperation in the development of endogenous technological capabilities,

ix. The enhancement of collaboration between research institutions and between researchers and scientists in the various regions, and

x. Promotion of joint positions and strengthening of joint efforts in pursuit of the development of environmentally sound technologies.

Food and Agriculture

33. The meeting recommended that:

a. The establishment of regional food security reserves should be encouraged and strengthened where they already exist.

b. The concept of food security as defined in the CPA should be revitalized to go beyond the provision of adequate reserves.

c. Developing countries should also endeavour to develop joint position on matters relevant to food security.

d. Rural development be an integral part of the development strategy of the developing countries so as to benefit the majority of the poorer population particularly women.

e. Joint ventures and TCDC should be given a further role in cooperation among the developing countries in the area of agriculture production, food processing and fishery.

f. Developing countries should further exchange, share and mobilize their technical experts and “know-how” in order to efficiently and soundly manage the utilization of their natural resources.

g. Trade in agriculture among developing countries should be further liberalized.

Energy

34. The meeting recommended the following:

a. That new initiatives in the area of energy including new and renewable sources of energy should be developed taking into consideration the impact on environment and development.

b. Development of new and renewable sources of energy which offers many possibilities to further encourage indigenous resources for meeting energy needs, particularly in rural areas, can be promoted at subregional, regional and global level through an exchange of information, experiences and know-how.

Raw Materials

35. The meeting recommended that:

a. Developing countries should continue to give greater attention to the commodities sector and to this end Governments and entrepreneurs of developing countries should further elaborate national, regional, interregional commodity policies that address the questions of research and development, diversification and investments and trade.

b. Developing countries should take part in the Uruguay Round of Multilateral Trade Negotiations in order to achieve liberalization of international trade which can reestablish their comparative advantages of developing countries in commodity production.

c. The international community should strive to actively participate in the new and existing international commodity agreements as well as activation of the First Account of the Common Fund for Commodities in order to improve the earnings of commodity producers.

d. Developing countries should take advantage of the work of the UNCTAD Working Party on Diversification, Processing, Marketing and Distribution including transportation in the formulation of their policies and programmes.

e. To enable developing countries to make maximum use of the Second Account of the Common Fund for Commodities. The meeting called on all developing countries for increased contribution to the Trust Fund of the Second Account.

f. Larger contributions should be made to the compensatory financing mechanisms to overcome the depressed commodity prices.

g. Entrust the Action of Committee on Raw Materials with the mandate to prepare a study related to the establishment of associations and agreements of producers and exporters of raw materials.

Finance

36. The meeting recommended that developing countries should:

a. Strengthen and establish, where appropriate, bilateral and multilateral arrangements to support South-South trade. In this connection, bilateral payment agreements can play an important role in facilitating interregional trade, particularly where no multilateral arrangements exist.

b. Continue to explore possibilities for the strengthening and the harmonization of fiscal and monetary policies to further promote the coordination of development strategies between developing countries.

c. Strengthen and revitalize existing multilateral payment arrangements, particularly those which have suffered setbacks either because of inability of member countries to settle their accumulated arrears or have suspended operations because of the low volume of trade transactions channeled through the payment schemes.

d. Closer cooperation between central banks and national financing mechanisms of developing countries must be further pursued by the convening of meetings among representatives of central banks and representatives and Finance Ministers of developing countries could furnish the adequate negotiating framework.

e. Exchange of information on external debt among high level governmental officials entrusted with negotiations in this sphere is encouraged in order to find a definitive solution to the external debt problem.

f. The member countries of the Group of 77 should identify areas of common interests and support each other in such areas as well as intensify their collaboration with a view to enhancing their position vis-à-vis international financial institutions.

g. The member states should examine mechanisms to allocate a percentage of their regular resources received from programmes carried out by international organizations, to finance ECDC/TCDC programmes in order to promote their development and the transfer of their own technology.

h. Even if CPA is to be supported mainly by resources from developing countries, efforts must be taken to mobilize support for specific CPA activities from bilateral donors from developed countries, from developed financial institutions of developed and developing countries such as the World Bank, IMF, regional development banks, EEC, etc. The meeting recommended that high level missions made up by members of the G-77 should be sent to the capitals of bilateral donors, multilateral institutions and regional development banks to mobilize commitment for selected projects both at subregional, regional and interregional levels. These activities should not necessarily require additional funding but could be undertaken as a result of resource deployment.

37. Specific projects of common interest to the member countries of the Group of 77 should be identified with a view to securing the support of multilateral institutions, U.N. agencies, regional development banks and bilateral donors.

Industrialization

38. The meeting recommended that:

a. Small and medium scale industry should be encouraged to play a bigger role in the implementation of industrialization programmes in developing countries. To this end, it was felt that a favourable environment which includes, *inter alia*, the harmonization of fiscal incentives for investments, coordination of open trade policies, joint development of human resource, and interregional transportation facilities, can be conducive to a successful industrialization process that can benefit many developing countries by taking advantage of complementarities, scale economies and lower costs.

b. Where possible, industrialization strategies should be coordinated at the subregional, regional and interregional levels. In this connection, more effective use should be made of the existing mechanisms provided by integration groupings for regular review and identification of specific industries.

c. Call on UNIDO to assist developing countries in the process of sharing their capacities and responding to each others' needs through having an inventory of capacities and needs of developing country institutions as well as those of international institutions in specific industrial sectors.

Technical Cooperation

39. The meeting recommended:

a. Strengthening the capability of relevant national institutions to identify national technical needs and adequately describe available national technical capacities. These are responsibilities which should be pursued by strengthened national focal points.

b. Integration of national submission regarding needs and capacities into a specific information bank such as TCDC INRES-South of the Special Unit for TCDC of UNDP, in a manner usable by other subscribers.

c. Regular dissemination of the available information and promotion of TCDC programming exercises in a well-coordinated manner to meet the demands of user countries.

d. Specific programmes of assistance be created for those countries who require assistance to identify and articulate their needs and capacities in order to participate fully in TCDC activities and programming exercises.

e. Effort should be made to convince the United Nations bodies to make it a condition that TCDC modalities should be employed as a first option wherever and whenever possible in projects for which it is providing the bulk of the resources.

Other issues

40. The meeting discussed the increased international attention which has been focused on the environment and human resources development and the implication of development in these areas for developing countries. Emphasis should be given to training, education, and overall

upgrading of skills. Emphasis should also be given to developing joint position on negotiations on the environment and its link with development.

Institutional matters and issues for the 1990s

41. The meeting endorsed the proposal in harmonizing and integrating as much as possible the activities of the CPA and the APEC in order to improve effectiveness and avoid duplication of efforts.

42. In this context, the meeting also took note with satisfaction of the progress made towards the establishment of the Joint Coordinating Committee at the appropriate level between the NAM and the Group of 77 as proposed by the Ministerial Meeting of the Non-Aligned Movement in Accra in September 1991, which was endorsed by the Tenth Conference of Heads of State and Government held in Jakarta in 1992, and welcomed by the Ministerial Meeting of the Group of 77 in New York in October 1992.

43. The meeting stressed the importance of having a mechanism of intersessional character to guarantee the continuity and dynamism of the CPA's programme of activities.

44. They recognized that the role of national focal points is an important one particularly for the exchange of information, coordination of policies and contacts with the international organization agencies. Focal points should be in permanent contact with the G-77 in pursuit of the implementation of the CPA. The private sector should also occupy a wider space in South-South Cooperation. A more rapid and decisive involvement of the chambers of commerce and industry of developing countries members of the Group of 77 should be encouraged in this process.

45. To include the ECDC/TCDC, when appropriate, in the regular programmes of work and in the field programmes activities of all the specialized agencies, programmes and related organs of the United Nations system on the economic and social fields. It was also stressed that ECDC activities should be guided by the principles of objectivity, realism, and efficiency and that duplication of initiatives, institutions or mechanisms should be avoided.

46. The meeting found that important achievements were made by subregional and regional integration groupings. In this context, the meeting urged the member countries to identify and submit regional projects following within the priority areas of the CPA and for which external assistance is required for successful implementation. The G-77 should then establish a short list of agreed activities to be pursued. The Group of 77 should seek assistance for the technical formulation and justification of projects from U.N. specialized agencies in areas of their competence.

47. The Committee also expressed the view that the regional development banks and financial institutions of developing countries have a major role to play in South-South cooperation by virtue of their articles of agreements, memberships and stated goals. Their role during the last decade has been sadly limited. The experts urge these institutions to intensify their technical and financial support to CPA activities.

48. On the issue of regular reviews of the CPA activities and future meetings of the IFCC, the UNCTAD, U.N. agencies, regional commissions and different Chapters of the Group of 77, are also urged to submit their sectoral written contributions on the implementation of CPA to the

Office of the Chairman of the Group of 77 in New York to update current information and to facilitate the review process.

49. At meetings of the IFCC, review of the progress made in the various sectors could be conducted using a thematic approach done by the different Chapters of the Group of 77. The themes which would be chosen for discussions would be decided upon at previous meetings of the Committee on the basis of current and relevant developments of interest to developing countries. Background information, useful to the exploration of this issue, would be provided by technical groups meeting prior to the meeting of the IFCC.

50. The meeting also recognized the need to establish a mechanism to integrate in the different sectors identified by the CPA the programmes under Agenda 21, the conventions on biodiversity and climate change and that on desertification when completed as well as in submitting project proposals to the GEF.

51. The Committee emphasized the importance of the participation of senior officials including the heads of national and sectoral agencies in the meetings of IFCC.

52. The Committee also reiterated the importance of subregional, regional and interregional mechanisms including the involvement of the Regional Commissions in the implementation of CPA.

53. The meeting urged the promotion of a closer collaboration and exchange of information with regional, subregional organizations and economic integration groupings.

54. In this regard, continuous assessment of the progress in the implementation of the CPA should be undertaken by technical meetings including the reactivation of the action committees, particularly those which were already established.

55. The Committee reiterated the importance of the monitoring functions of the different chapters of the Group of 77 in Geneva, Nairobi, Paris, Rome, Vienna and Washington in the implementation of the Caracas Programme of Action.

56. The Committee also recognized the need to enhance the technical support to the Office of the Chairman of the Group of 77 through the strengthening of the Core of Assistants and to ensure a mechanism that would provide the continuity of their work, and if necessary to expand it as well as the possibility of having a technical staff with competence in particular sectors following the modalities agreed upon in the CPA.

57. There is a need to convene a special meeting of the Committee of Experts of the Perez-Guerrero Trust Fund in order to undertake an assessment of the results achieved by the Fund and the options available to significantly expand its resources. The limitations encountered in the utilization of the Fund merits such a task.

B. Follow-up actions on recommendations made by IFCC-VII

58. The IFCC-VIII considered the report on the follow-up action on recommendations made by IFCC-VII. The Chairman proposed that the consideration of this report be taken in conjunction with the report of the Group of Experts on the Review and Evaluation of the Caracas Programme of Action as both reports addressed the same subject.

59. It welcomed the report which recounts the follow-up actions taken on the recommendations made by IFCC-VII according to its various sectors. The Committee also made decisions based on the specific additional recommendations on each of the sectors as follows:

Trade

- a. Invited the Chairmen of the Group of 77 in New York and Geneva to explore various other sources of possible funding for the GSTP process specifically related to technical support to the GSTP, including support to the Ministerial Meeting of the GSTP Negotiating Committee in July 1994, in view of the resource constraints of PGTF and that the next regular meeting of the Committee of experts of PGTF will only be held on the last week of June 1994.
- b. Reaffirmed the commitment to the establishment of a trade information network among the chambers of commerce and industry of developing countries members of G-77.

60. The Committee noted the report on the review of the status of the project on trade information network among the chambers of commerce and industry presented by Mr. Pierre Tchanque, Chairman of the Steering Committee of the Conference of Chambers of Commerce and Industry of Developing Countries Members of the Group of 77 and reaffirms its commitment for the project to strengthen South-South Cooperation in the area of trade and industry and in fostering better understanding and cooperation among the chambers of commerce and industry of developing countries. In this regard, the Committee urges the Steering Committee to look into consideration of the existence of other available trade information systems.

Technology

61. The Committee noted the lack of progress in respect of the request for the U.N. agencies to prepare an inventory of specific areas in which technologies were available in developing countries and in the areas in which developing countries were interested in engaging in joint research, and areas in which developing countries were interested in transferring technology and sources of funding for the study. In this regard, the Committee invited the Chairman of the Group of 77 to examine the existing systems available within the United Nations in promoting cooperation in the areas of technology among the developing countries.

Food and Agriculture

62. The Committee urged member countries to take into due consideration the promotion of private sector involvement through joint-ventures. It was noted that various developing countries possess the desired expertise and experience.

Industrialization

63. The Committee reaffirms its desire to strengthen cooperation with UNIDO in respect of the proposal for the intensification of cooperation with its members and to identify priority areas. It also urges the Vienna Chapter of the Group of 77 to pursue the matter and develop the appropriate modality and identify the priority areas.

Action Committee for Collaboration on Consultancy, Construction and Engineering

64. The Committee welcomed the report and the Aide Memoire presented by the President of the Action Committee of G-77 for Collaboration on Consultancy, Construction and Engineering (CCC), on the activities performed by them in the first management period, and decided to include the report as official document of the meeting. It acknowledged the importance of the work of the CCC in increasing the collective self-reliance of the developing countries in the fields of consulting, construction and engineering and valued their efforts in giving the countries of the Group of 77 a conceptual frame for negotiation of services of construction and engineering in the Uruguay Round (GATT).

65. The Committee recognized the merit for the continuation of the work of the CCC in its second management period so as to implement the tasks specified in the report and the appropriate consideration for the requested minimum financial support from the Perez-Guerrero Trust Fund. It also urged member countries of the Group of 77 to consider joining the activities of CCC.

C. Harmonization and Integration of the Caracas Programme of Action on ECDC and the Action Programme for Economic Cooperation of the Non-Aligned Movement

66. The Committee endorsed the Joint Report of the Chairmen of the Coordinating Bureau of the Non-Aligned Movement and the Group of 77 and expressed its satisfaction for the efforts undertaken by the two Chairmen aimed at harmonizing and integrating whenever possible respective sectors of the APEC and the CPA.

67. The Committee recognized the need for a harmonization of common areas in the two programmes and the need for a close coordination between the Group of 77 and the NAM to take full advantage of complementarities and attain greater efficiency as well as to avoid duplication of efforts in pursuing common goals. In this regard, the Committee recalled the recommendations agreed at IFCC-VII:

- a. The two programmes should have a calendar of meetings prepared in a coordinated manner in the various areas of cooperation.
- b. The Chairmen of the Group of 77 and the Coordinating Bureau of the Non-Aligned Movement should remain in close and regular contact in regard to the implementation of the above-mentioned programmes.
- c. The Chairman of the Group of 77 should keep the member countries as well as the National Focal Points appropriately informed of the results of such contacts.
- d. The Chairmen of the Group of 77 and the Non-Aligned Coordinating Bureau should continue to be invited to participate in each other's meetings.
- e. Harmonization and integration wherever possible of the respective sectors of the CPA and the APEC should be pursued.

68. The Committee acknowledged that developing countries should commit themselves to expand and strengthen their efforts, initiate specific and concrete forms and priorities of cooperation, and devise realistic modalities for their implementation in order to explore all existing complementarities and comparative advantages.

69. The Committee endorsed the proposal of Jakarta Summit to establish a Joint Coordination Committee (JCC) for the purpose of enhancing collaboration, avoiding duplication of efforts and promoting greater efficiency in the attainment of common goals of NAM and G-77, including the consolidation, integration and streamlining, whenever possible, of the sectors of APEC and CPA so as to strengthen their impact and make them more responsive to both the changing realities and the development requirements and needs of the developing countries.

70. The Committee mandated the Chairman of the Group of 77 to continue his consultations with the Chairman of the NAM Coordinating Bureau as well as with Member States in order to formalize during 1994 the establishment of the JCC. To this end the Committee agreed with the proposal to convene a joint meeting of an ad-hoc group of officials representing respectively the Chairman of the Coordinating Bureau of NAM and the Office of the Chairman of the Group of 77 in New York, in order to establish the terms of reference of JCC and to draw up a specific work programme for further consideration by the competent bodies of the Group of 77 and NAM.

D. Supporting Mechanisms for the Implementation of the CPA

71. The Committee made an overview analysis of the supporting mechanisms of the Caracas Programme of Action with a view of enhancing their efficiency. The Committee confirmed its faith in the initiatives adopted in the previous meetings of the G-77 and agreed on the following additional recommendations:

- a. The Committee felt that it might be necessary to encourage sectoral meetings each year so as to maintain the momentum of the Caracas Programme of Action. The Committee while stressing the relevance of the sectoral meetings and other meetings which the Committee had already identified in the previous documents as necessary for facilitating the work of the Caracas Programme of Action, recommended that such meetings should take place prior to the Annual Meetings of the Group of 77, so as not to dilute the forums of the Programme.
- b. The Committee agreed on the need for increased coordination between the chapters of the Group of 77 on ECDC activities of each chapter through, *inter alia*, the annual meeting of the Chairmen/Coordinators of the Group of 77 in New York prior to the Annual Ministerial Meetings of the Group of 77.
- c. The Committee identified the importance of the activities of the National as well as the Sectoral Focal Points as a necessary mechanism for enhancing the effectiveness of the CPA. The Committee noted that while National and Sectoral Focal Points have been effective where they already exist, it felt that those mechanisms need to be further strengthened with a view to promoting effective coordination of the activities of the CPA. Additional recommendations in this matter have been included in section II (E) of this report.
- d. The Committee recognized the continued usefulness of the Action Committees as a mechanism for implementing ECDC. Also that work of the Action Committees should have a clear definition and should be well-focused on precise field, in order to make their various spheres of work more effective. Although the Committee did not go into the discussion of the specific fields of the Action Committees, it agreed with the measures previously taken in the meetings of the IFCC.

- e. The Committee felt that there was need to organize intersessional meetings of the IFCC of at least three days in New York before the Annual Senior Officials Meeting of the Group of 77. And also that the agenda of the intersessional meetings should contain in-depth analyses and should prepare recommendations for the consideration of the Annual Ministerial Meeting of the Group of 77 on the matters already identified as crucial to the effective functioning of the CPA, such as:
 - i. Report of the Chairman of the Group of 77 about the progress on the implementation of the Caracas Programme of Action;
 - ii. Report of the Chairmen/Coordinators of the Chapters of the Group of 77 about the activities performed;
 - iii. Results of the meetings under the Caracas Programme of Action held during the period;
 - iv. Reports of the Committee of Experts of the Perez-Guerrero Trust Fund;
 - v. Reports of the National Focal Points on ECDC/TCDC;
 - vi. Participation of the United Nations system including its Regional Commissions and other organizations on their ECDC activities;
 - vii. Any other important matters related to ECDC requested by the Group of 77.
- f. The Committee supported the various programmes and activities funded from the PGTF and encouraged more judicious use of the Fund by member countries.
- g. The Committee expressed concern over the financial status of the ECDC Account and urged member countries to make contributions and those that have done so in the past to increase their yearly contributions to the fund.

E. Third Meeting of the Heads of National Focal Points for ECDC

72. Pursuant to the recommendation adopted by IFCC-VII, held in Kuala Lumpur in August 1989, the Third Meeting of the Heads of National Focal Points for ECDC was held in Panama City on 1 September, within the framework of IFCC-VIII.

73. The meeting reaffirmed the importance of the National Focal Points as an important tool and catalytic means for promoting and enhancing economic and technical cooperation among developing countries.

74. However, the meeting acknowledged the fact that despite the awareness expressed during the High-level Meeting on ECDC held in Cairo, in August 1986, the system of National and Sectoral Focal Points for ECDC had not functioned effectively since the adoption, in May 1981, of the Caracas Programme of Action.

75. The meeting was of the view that this situation had been a contributive factor for the limited progress achieved so far in the implementation of the Caracas Programme of Action.

76. In order to strengthen the National Focal Points network to effectively carry out the coordination and implementation of the CPA, at the local and international level, the meeting adopted the following additional recommendations:

- a. the strengthening of the National and Sectoral Focal Points network should continue to be one of the most important objectives to be achieved in order to promote and to enhance economic and technical cooperation among developing countries;
- b. the countries which have not yet designated their national focal points should do so as soon as possible and communicate their decision to the Office of the Chairman of the Group of 77;
- c. the Chairman of the Group of 77 should continue to update and circulate during IFCC meetings the list of National as well as Sectoral Focal Points for ECDC/TCDC;
- d. the National Focal Points should transmit, before the end of each calendar year, to the Chairman of the Group of 77 their consolidated report including the activities of the Sectoral Focal Points. These reports should be circulated by the Chairman of the Group of 77 before the (biennial) meetings of IFCC;
- e. enhance the communication among governmental institutions in charge of economic cooperation to ensure system-wide coordination;
- f. to strengthen regional cooperation by establishing a coordination center at the regional and subregional level;
- g. enhance the coordination between the sectoral and regional centers. The sectoral centers should present a report of their activities to the regional centers twice a year;
- h. the National Focal Points will meet whenever is necessary to discuss ECDC matters;
- i. to promote ECDC activities within the private sector to take advantage of its experiences and potentials;
- j. to organize in cooperation with the U.N. and other non-U.N. organizations orientation seminars to develop national awareness and to promote the participation of local governments, NGOs, universities and other associations at all stages of implementation of development programmes and projects.

III. Perez-Guerrero Trust Fund for ECDC/TCDC

77. In accordance with the guidelines of the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries, the Committee considered the Report of the Eighth Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC, held in New York, on 28 – 30 June 1993.

78. The Committee expressed its thanks to Mr. Ahmed Djoghlaif, Chairman of the Committee of Experts, for introducing the report and his presence during IFCC.

79. With regard to the recommendation contained in the Report of the Committee of Experts on project proposal No.32 entitled *Financing of the follow-up of the activities of the Group of 77*

Action Committee for Collaboration in the Field of Consultancy, Construction and Engineering, the Committee decided, in the light of questions raised during discussions concerning the non-eligibility of this project proposal for funding, to send this proposal back to the Committee of Experts of PGTF for reconsideration at its special meeting to be convened in accordance with the decision contained in paragraph 57 above.

80. In this context, the Committee welcomed the additional proposal aimed at convening before the end of 1993 the special session of the Committee of Experts of PGTF which should also examine the implementation of the guidelines for utilization of PGTF resources in the light of the experience gained and in order to recommend their improvement and adjustment if necessary.

81. With the above observation taken into account, the Committee approved the Report of the Eighth Meeting of the Committee of Experts of PGTF.

IV. Consideration of the Report of the South Commission: Recommendations on ECDC/TCDC

82. On the request of some delegations of the Group of 77, IFCC-VIII considered Chapter 4 of the “Challenge to the South: The Report of the South Commission” which dealt specifically with economic cooperation among developing countries. Chapter 4 of the Report entitled “Mobilizing the South: Towards Greater Cooperation among Developing Countries”, contained a list of recommendations on strengthening South-South Cooperation. Some of these recommendations, made in 1990, had already been overtaken by events and others looked too ambitious to be reviewed within the purview of the IFCC mechanism. The Office of the Chairman of the Group of 77, therefore, selected some recommendations that could be considered for implementation by IFCC-VIII. These recommendations and specific methods of their operationalization were presented to IFCC-VIII.

83. In the presentation of the Chairman’s report, it was clearly indicated that the recommendations of the Chairman were based on a sincere attempt to move towards the implementation of some of the recommendations of the South Commission Report.

84. The meeting was attended by a representative of the South Centre, Ambassador Frank Bracho. In explaining the contributions of the South Centre to the work of the developing countries in the multilateral fora, he indicated that the Centre had provided intellectual and analytical input through its papers, *inter alia*, on restructuring of the United Nations and issues relating to the environment and the economic agenda. With reference to the Report of the South Commission, Ambassador Bracho stated that the recommendations of the Commissioners tackled important questions which were not necessarily time-bound but were a part of a discussion and mobilization process, more important than the Report itself. In this light, he stressed the need to keep the discussions on ECDC/TCDC alive in the U.N. and to maintain an annual review on the matter in the General Assembly. He informed delegates of the new phase of activities of the Centre in Geneva as a government-sponsored non-governmental organization and invited member countries of the Group of 77 to associate themselves with this new phase of activities of the Centre.

85. While appreciative of the approach of the report of the Chairman of the Group of 77, IFCC-VIII made the following recommendations:

- a. The Group of 77 and the South Centre should undertake a study of the trends of unemployment in developing countries and their danger to stability in the developing world.
- b. The South Centre should present a report on efforts made for the implementation of the General Assembly resolution 45/195 relating to the South Commission Report. The Committee also stressed the need for the early implementation of the recommendations in paragraph 9 of document A/46/448 of September 12, 1991, containing the Report of the President of the ECOSOC for 1991.
- c. It noted with appreciation the work done by the Office of the Chairman of the Group of 77 and the South Centre.
- d. It noted also the major contribution made by the South Commission Report for the operationalization of ECDC/TCDC activities.
- e. In the context of ECDC, it stressed that particular attention should be given to the services sector bearing in mind the importance of this sector in the Uruguay Round.
- f. The Group of 77 in New York may consider setting up a mechanism for developing countries to discuss matters pertaining to debt.

V. Venue and date of the next IFCC Meeting

86. The Committee requested the Chairman of the Group of 77 in New York to conduct the necessary consultations with the Member States for the convening of the next IFCC meeting.

VI. Adoption of the Report and closure of the Meeting

87. The Eighth Meeting of the Intergovernmental Follow-up and Coordination Committee adopted its Report at its last session.

88. A resolution of thanks to the host government and people of Panama and the Chairman of IFCC-VIII, Ambassador Carlos Arosemena, Permanent Representative of Panama to the United Nations, was proposed by the delegation of Algeria and adopted by acclamation.

89. The Committee also adopted by acclamation a resolution of thanks to the Chairman of the Group of 77, Ambassador Luis Fernando Jaramillo, Permanent Representative of Colombia to the United Nations, proposed by the delegation of Algeria.

90. The Minister of Foreign Affairs of the Republic of Panama, His Excellency Mr. Julio E. Linares, made a closing statement to the Committee.

91. The Eighth Meeting of IFCC was declared closed by its Chairman, His Excellency Ambassador Carlos Arosemena.