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NB: Due to Easter holidays, there will be no issues of the Bulletin on Friday and Monday. The next Bulletin will appear on Tuesday, April 13.

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The IPS correspondent, Chakravarthi Raghavan, can be contacted at the Palais des Nations, room C.504, telephone 34 60 11, extension 3336.

executive committee: ismail-sabri abdalla, ahmed ben salah, gamani corea, mahbub ul haq, enrique iglesias, jan meijer, marc nerfin (president), justinian f. rweyemamu, ignacy sachs, juan somavia, maurice f. strong, inga thorsson

co-chairmen 1981-1982: fernando henrique cardoso, ernst michanek

secretariat: 2, place du marché, ch-1260 nyon, switzerland; telephone 41 (22) 61 82 82; telex 28 840 ifda ch; cable fipad, geneva

united nations: us may drop some proposals for changes in sea law treaty

new york apr 7 (ips/thalif deen)--the united states 'scale down' some of its controversial proposals calling for fundamental changes in the law of the sea draft convention, according to political sources here.-

the law of the sea conference will move into its third stage today when the plenary will decide to invoke the application of rule 33 of the rules of procedure of the conference which permits formal amendments to the text of the draft convention.-

the likely change in the us position follows a round of intense discussion in washington last weekend, according to these same sources.-

washington is expected to drop its objections to two of the fundamental decisions on the draft convention already agreed to by third world countries: the ceiling on production of minerals from the sea bed area and the decision making in the council of the proposed international authority for the sea bed.-

the question before the conference is whether all efforts at reaching a consensus have been exhausted.-

these efforts are primarily directed to a consideration of the views of the united states, which has indicated it would like to see substantial changes in the draft convention.

the group of 77 (third world) countries has not as yet made any decision as to which of the us concerns it is willing to accommodate or how, if any, negotiations can continue at this stage of the conference.-

the group is expected to meet today for a full-scale discussion.-

a spokesman for the group told ips that the group may not be averse to hearing out the the united states on its latest package of proposals with no commitments as to their acceptance.-

the group of 12 european countries that met earlier this week reportedly agreed that some provisions in the draft convention as they are now, cannot be reopened.-

they include the ceiling on production and decision making in the sea bed council.-

there is room for some technical changes in the system for the approval of contracts to mine the sea bed area, and a clear statement that the policies of the new authority will not hamper seabed mineral production, a third world delegate said monday.-

these changes are designed to safeguard the proper business-like conduct of mining operations in the sea bed area.-

g-77 sources say these changes coupled with a system of guarantees for mining consortia that their investment in sea bed mining prior to the entry into force of the new convention, should go a long way to satisfy the business interests who have shown great concern over some of the provisions that exist at present in the convention as being detrimental to economic development of deep-sea bed mining.

the main interest in the conference now is focussed on how this deal will be struck so as to facilitate the united states and its allies accepting the adoption of the convention.-

the major industrial states have said they expect negotiations to continue despite the strict time table for concluding the work of the conference.

united nations : committee fails to reach agreement on dangers of militarization of outer space .-

new york april 6 (ips/thalif deen) -- the preparatory committee for unispace '82 yesterday (tuesday) failed to reach agreement on a highly controversial subject : the inherent dangers in the increasing militarization of outer space .-

over the strong objections of the united states, the committee had to drop paragraphs 13 and 199 of a draft report that is expected to go before the un conference on the exploration and peaceful uses of outer space (unispace '82) scheduled to be held in vienna august 9 to 21 .-

the committee concluded its fourth and final sessions yesterday by requesting the secretary general of unispace '82, professor yash pal of india, to issue a revised version of the conference's proposed draft report .-

the amended version will delete 15 of the report's 434 paragraphs on which the committee failed to reach agreement during its two week session here .-

two of the 15 paragraphs concern the militarization of outer space .-

the us delegate, gerald helman, told the committee yesterday that the us considered the secretariat draft report unacceptable.-

however, in the interest of consensus, the us would accept the presence of a paragraph in the draft regarding the arms race in outer space .-

that paragraph however should not 'exaggerate' the military situation regarding outer space, he argued .-

defending the draft report, india's u.r. rao told the committee that the working group and its chairman had done a 'brilliant job' .-

he was glad to note that agreement had been reached on all but 15 of the 434 paragraphs.-

it was a pity, rao said, that the committee had not been able to reach a consensus on the militarization of outer space.-

he hoped that this issue would be resolved in vienna .-

the chairman of the committee, peter jankowitsch of austria, said that agreement on important matters 'has once again eluded us' .-

perhaps next year, after the vienna conference, the committee could play a new role, he said.-

the 15 paragraphs on which the committee failed to reach consensus include the following :

paragraph 8 which states that the conclusions of the un conference on science and technology for development held in vienna in august 1979 , are generally applicable to space science and technology. the report of that conference stated, among other things, that the elimination of underdevelopment presupposed that 'developing countries exercise full control over their own resources' as well as 'an equitable distribution and creation of scientific and technological capabilities of the world' .-

paragraph 11 which concerns the role that space applications could play in the development process, especially in the information field, and states, in part, that all countries should 'have access to space technology' and that 'knowledge should not be constrained by artificial boundaries' .-

paragraph 12 which concerns economic development and states that 'space technology is not a magic wand that can bring sudden wealth' .-

paragraph 13 which concerns the 'increasing militarization of outer space' which it poses a 'barrier to greater cooperation in space technology' .-

paragraph 147 which concerns the limitations of certain satellite communications bonds and in part, encourages developed countries to shift their traffic to other modes of communication. -

paragraph 199 which expresses a need to reverse 'the dramatic increase in the militarization of space' .-

paragraph 224 which calls upon the un to begin a study on the feasibility of establishing an internationally owned system of geodetic and navigation satellites .-

paragraph 275 which refers to the delimitation of the geostationary orbit, responsibility for its efficient use, and the freeing of simpler and cheaper technologies for use by third world nations .-

paragraph 411 which suggests that the committee on the peaceful uses of outer space 'examine and refer for consideration of the general assembly how best it can ensure that outer space is used solely for peaceful purposes'.

uae, kuwait reaffirm support for nigeria

kuwait, 7 apr. (opecon)--the united arab emirates and kuwait have reaffirmed their support for nigeria in the face of pressures by western oil companies for a reduction in its oil price.

mana saeed otaiba, the opec conference president and uae minister of petroleum and mineral resources, and ali khalifa al-sabah, kuwaiti oil minister, met here tuesday to review the current oil market situation and the latest developments concerning pressures on nigeria.

otaiba, who is accompanying uae president sheikh zayed bin sultan al-nahyan on a three-day visit to kuwait, said agreement had been reached to continue contacts +to discuss all measures necessary to help nigeria+.

at the weekend otaiba said he would call for an emergency meeting of the 13 opec oil ministers if the companies persisted in pressuring certain member countries to reduce the official price of their crudes.

+opec has the reasons and means to enable it to give nigeria its quota (of 1.3 million b/d) according to our vienna agreement, and also defend our base price of 34 dollars+, he added.

an opec ministerial committee, chaired by the opec conference president, is to meet later this month to discuss developments in oil supplies.

according to wam, the uae news agency, certain oil companies were considering a halt on their destockings and a start on rebuilding their strategic reserves which have reached low levels.

the agency also quoted ahmed zaki yamani, saudi minister of petroleum and mineral resources, as saying monday that his country would impose sanctions on companies which reduced their liftings from nigeria to force its price down to the 31 dollar per barrel asked for british north sea crudes.

+we don't want to do that, but if it's a necessity, we will do it+, yamani told reporters before making a speech in bonn to the west german foreign policy association.

the saudi oil minister said opec was studying the situation which, he added, would be clear probably by the end of the week.

yamani said that oil consumption by +free world economies+ in the first three months of 1982, was 47 million b/d and production by opec and non-opec producers around 43 million b/d, with the difference (of 4 million b/d) coming from stocks.

finance: jamaica meeting on ecdc finance a step forward

geneva apr 7(ips/by chakravarthi raghavan). 'it was a serious and intense discussion of the issues' and the technical study on a bank for developing countries, commissioned by the jamaica meeting on ecdc finance, is a step forward and not an attempt to shelve issues, according to mr dragoslav avramovic, an unctad senior consultant who attended the meeting.-

the jamaica meeting, within the ambit of the caracas programme of action of the group of 77, had focussed on mutual cooperation among third world countries in the area of finance, and was attended by government experts from 37 third world countries, representing a cross-section of the group. the study, it is hoped, would enable the g77 at subsequent meetings to take appropriate political decisions within the context of the caracas programme of action.-

according to the report of the jamaica meeting and other details now available, the technical study for a bank for developing countries is to be based on a realistic assessment of the current economic situation and of the long-term development perspectives of the third world countries.-

the scope of the study is to include:

- requirements of development finance and balance of payments support:
- assurances for financial viability as well as access to international capital markets:

- participation in the bank on the principle of collective and equitable sharing of obligations by all interested members of the g77 as well as on the basis of joint and mutual benefits:
- and ensuring adequate coordination with existing subregional, regional and international financial institutions, in order to avoid duplication of tasks.-

the study is to take account of other existing proposals of a similar nature like the iraqi proposal for a world fund, and the proposed international bank for industrial development put forward by the united nations industrial development organisation.-

the bank for developing countries, aimed at strengthening the cooperation among the third world countries, is not to be viewed as relieving the industrialised countries of their responsibilities for supporting the development objectives of the third world.-

the discussions were based upon a shared perception of the existence of significant mutual interests among the third world countries in strengthening collective selfreliance by promoting economically viable development projects and programmes in different areas. this was an integral part of the collective action of these countries for restructuring of international economic relations.-

in this perspective the jamaica meeting, according to the report of the group, addressed issues in the area of development projects, joint ventrures and export credits, energy investments, balance of payments, and institutional issues like the proposed bank for developing countries.-

the meeting agreed that economically viable development projects could be financed by loans on market related terms. such projects would complement third world joint venture investment projects, based partly on equity and partly on loan financing. to the extent possible, joint ventures should emphasise and exploit the comparative economic advantages of the third world countries, ensure optimal use of available resources (including raw materials, capital, technological and managerial expertise, supply of skills, and transfer of technology),while respecting each country's policy regarding foreign investments.-

most third world countries wishing to attract joint venture investment would need to develop the necessary domestic legislative and incentive framework. some progress is already being made in this area and the experience should be reviewed through country studies, and progress uccelerated through deliberate and suitable policy actions.-

these measures would need coordinated action on investment promotion including:

- exchange of information on existing joint ventures, markets, and legal and incentive structures affecting investments.
- pre-project technical assistance and project identification, appraisal and development.
- and, brokerage facilities to bring together potential investors and other sources of funds such as commercial and investment banks.-

the experts also agreed that there was a significant gap in the area of export credit finance, especially in some regions. this gap needed provision of adequate finance for export credits and of guarantees for such credits, that could be tackled in the context of joint ventures.-

on energy investments, the experts agreed on the need for the g77 to pursue efforts to set up the world bank energy affiliate, to finance public and private projects. complementary arrangements to insure against risks of oil exploration should be introduced by interested countries. economically viable energy development projects would also benefit from institutional arrangements that might be set up for promoting third world joint investment projects.-

in discussing balance of payments issues, the experts agreed that the traditional distinction between development finance and the bop support had diminishing relevance for third world countries, given the structural nature of their bop problems. in this view, direct bop support should be an important part of the south-south economic cooperation, and efforts through existing south-south institutions should be more effectively coordinated, improving the modalities of such coordination.-

increasing the real returns on commodity exports of the third world would automatically improve their bop. but elaboration of measures to improve commodity prices should take account of ongoing work on stabilization measures in the intergrated programme for commodities. regional and subregional south-south cooperation measures should not impede the process of ratification of the common fund and should avoid duplication of tasks.-

the jamaica meeting also considered other bop measures-regional credit arrangements and steps to remedy adverse bop movements due to deterioration in terms of trade. some regional mechanisms are already in existence as in latin america. the need for similar mechanisms in other regions, and the need to link them on the basis of mutual interests was stressed. however, it was felt that solutions to the problems should not focus exclusively on imports of a single commodity, however important, and should also be linked to effective promotion of development projects and joint ventures.-

the jamaica meeting found considerable support for the view that a bank for developing countries directed towards promoting economically viable development projects and programmes in different areas and for bop support was needed to supplment resources from traditional international financial institutions.-

such a bank could play a catalytic role in promoting coordinated investment programmes involving joint ventures, consistent with national legislation of interested countries, complemented by strengthened export credit facilities. such a bank could also promote the favourable investment climate needed for joint ventures. without such a bank, a heavy burden would be cast on existing financial mechanisms, and a number of gaps in the structure of development financing of vital concern to the third world would remain unfilled.-

however it was agreed that all this would require a technical study of the scale and characteristics of the bank covering both development and bop measures. the study, it was suggested, should avoid emphasising the role of one particular group of countries within the south, as this would create avoidable schisms within the south and would tantamount to assigning to this group of countries the role that should be assumed by the north. the study should be on the basis that participation in the bank would be of a voluntary character , involving interested countries.-

the technical matters to be taken note of in the study must include:

- projections of cash flows and volume of resources required including callable capital to cope respectively with project financing and bop support requirements of the third world countries,
- the illustrative financing schedule that would build up to the required amount step by step,
- how far the institution would secure 'additional resources' in relation to amounts mobilised through existing institutions,
- how to distribute the paid-in and callable capital obligations as between the third world countries differently situated in respect of financial strength,
- the possibility of relying upon the intermediation of an agent bank instead of a new institution to discharge the functions required,
- the implications under the caracas programme of action of any financial graduation for countries that have a relatively larger gnp per capita, and
- ways of securing better cooperation between the group of 24 (third world group within the imf-world bank setup) and the arrangements for financial cooperation within ecdc.-

as observers see it, there are a number of problems involved. firstly, the capital surplus opec members do not want to be singled out and put in the position of having to bear the entire financial burden and costs. as they see it, their current surpluses are a transitory affair, arising out of their compulsions to convert their nonrenewable liquid assets underground into cash assets. when their hydrocarbon resources are depleted or exhausted in the not too distant future, they will have no real resources left whereas some of the currently deficit countries have much larger resource base (in terms of raw materials, markets, human resources and scientific and technical skills and infrastructures).-

but while this is true, it is only a long-term perspective. in the short and medium term, a bank for developing countries would be viable, and would be able to mobilise additional capital resources for development only to the extent that it has and is seen to have the full backing of the capital surplus countries and their available liquid assets.-

but once the bank gets going, and over a longer-term acquires assets through its lending to deficit countries and in commercially viable joint ventures etc, it would command a market position of its own. and if the other third world countries who would be the immediate beneficiaries, diversify and develop, in the long-term, they would be able to provide strength to the bank.-

in the long term thus, the bank would then be useful even for the currently capital surplus countries. these two elements have to be balanced in terms of capital structures, and the paid in and callable capitals, and other issues.-

as for the larger, now capital-deficit third world countries, they would be looking to see whether in the short and medium term, the new institution would be able to assure them access to additional resources, and whether it would function differently from the existing international institutions and not seek to apply against them the same 'graduation' principles.-

it is this difficult area of combining the strengths of the capital surplus and deficit countries, and their present and potential future strengths that the technical study would have to tackle. several third world experts however believe that though difficult it is a feasible task.-

agriculture: rome, capital of the battle against world hunger

an inter press service feature

by cecilio bascialla

rome apr 3 (ips)--over the past several months, italy has moved to the forefront of the world battle against hunger, taking the initiative to coordinate international assistance to hungry countries and regions.-

prime minister giovanni spadolini expressed italy's desire to take on this role during the july 1981 summit of the 'big seven' industrialised countries in ottawa.-

the basis of the italian strategy, according to government sources, is to move beyond the mere provision of food aid to needy countries and focus on cooperation measures aimed at promoting food self-sufficiency in those countries through agricultural development.-

another essential element in the italian approach is to refrain from transplanting inappropriate development models in the recipient countries, as has been the case with many bilateral efforts.-

a corollary to this is the promotion of south-south cooperation (ie among third world countries) as a primary factor in the battle against hunger.-

the italian government is sponsoring two international conferences this year to reach agreement on food policy.-

the participants will include members of the organisation for economic cooperation and development's (oecd -- grouping industrialised countries) development assistance committee (dac), arab oil exporting countries with development funds, and international and regional lending agencies and funds.

a technical-preparatory meeting of directors of the involved countries' cooperation agencies is set for late april. it will lay the groundwork for a ministers meeting which will be held in the last quarter of the year.-

the starting point for this initiative is the conviction that the battle against hunger and efforts to preserve peace are inextricably linked, according to ferdinando salleo, deputy director general of the italian foreign ministry's department of cooperation.-

'we believe that the perverse spiral of underdevelopment, which daily widens the gap between the available food and the mouths to be fed, must be attacked at what is perhaps its weakest point: malnutrition', said salleo.-

the primary reason for this approach, according to the italian official, is that an integrated attack on underdevelopment would demand a colossal effort that would be next to impossible to carry out within the urgent time frame imposed by hunger in the world.-

italy underscores the need for undertaking the battle against hunger in the context of a broader strategy for overcoming underdevelopment, a topic which must be taken up in global negotiations.-

further, says salleo, 'while the overall theme of struggle against underdevelopment still provokes serious controversy, the food topic presents a common platform accepted in great measure by everyone, although not always consciously'.-

from this foundation, the italian government decided to promote 'an international initiative to coordinate an already existing political will, based on a conceptual unity -- which we believe is already there as well -- in order to move directly into action', according to the foreign ministry official.

italy has identified four groups of problems to be addressed in the effort to eliminate hunger: 1) food aid, 2) the need for poor countries to formulate and apply national food and agricultural strategies with the help of the international community, 3) the identification of broad problems affecting more than one country and the development of multinational measures to resolve them, and 4) the coordination of international action.-

salleo underscored the international consensus to focus this first type of assistance -- food aid -- on emergencies such as war and natural disasters like droughts, floods and hurricanes.-

'indiscriminate food aid winds up producing negative effects', he added, in that it distorts consumption patterns in areas where it is received, 'and the easy availability of food in the cities attracts growing numbers of people from rural areas, giving rise to unbridled urbanisation'.-

the key to the strategy is point two: the conception of assistance as cooperation for agricultural development directed at achieving food self-sufficiency in the recipient countries.-

the italian initiative, says salleo, assigns particular importance to helping poor countries formulate and implement a national food and agriculture policy.-

the community of donor nations must mobilise its energies and resources to provide concrete responses to third world countries which have undertaken such strategies.-

but such cooperation can only be effective to the extent that the industrialised nations put their technology at the disposal of the needy countries on terms which do not imply the implantation of a development model, nor deprive the recipient countries of sovereign control over their development process, added the italian official.

the initiative places a singular importance on the role of south-south cooperation, using the accumulated know-how of other third world countries which have confronted similar problems.-

salleo said his government sees the recent emergence of regional cooperation organisations as a valuable component in the international effort.-

'we observe with great interest', he added, 'the actions of the coordinating committee for development of southern africa, which groups countries as diverse as angola, zimbabwe, botswana, and mozambique'.-

the importance of such regional groupings, according to the italian official, is that they encourage forms of development less influenced by approaches and views foreign to the region.-

'the south-south element can then be strengthened through these same groups', he added.-

the third group, salleo described as 'thematic' problems -- such as desertification and drought -- which traverse borders and regions and should be approached multinationally, taking into account the experiences of other victims of the phenomena.-

the fourth area, international coordination, is the role assumed by italy following the ottawa summit.

italy: 100 million dollar donation to un agencies

rome apr 7 (ips/asma ben hamida)--the italian government today announced a special 100 million us dollar donation to two united nations agencies concerned with childrens' health.-

foreign minister emilio colombo signed the agreement with the head of the un childrens' fund (unicef), james grant, and the director of the world health organisation (who), halfdan mahler.-

grant called the contribution 'historic', coming 'at very dark times on the global economic scene'. the word crisis, he said, hits the poor hardest and mothers and children among them hardest of all.-

15 million dollars of the donation will be spent on essential drugs in five african countries, grant said, and the rest will go towards a larger project to improve child health and nutrition in over 15 developing countries around the third world.-

the unicef chief welcomed the italian move as showing 'leadership' when any other industrialised countries are cutting back on domestic social programmes and foreign aid.-

just three years ago, grant recalled, italy contributed only half a million dollars to unicef.-

public opinion, he said, had been an important factor in italy's increased aid. 'there was widespread popular support to do more for children', he pointed out, and members of parliament had also been active in the field.

the three biggest italian trade union confederations last week urged all post office workers to donate one hour's pay to unicef, which would provide the un agency with some 12 million dollars, arnoldo farina, secretary general of the unicef committee for italy told ips.-

grant hoped that other countries will follow the italian example, but warned that 'frankly, one should not be too optimistic in these very difficult times'.

'it depends upon public opinion and citizens' leadership', he said.

environment: mediterranean countries agree on new treaty

geneva apr 2 (ips/chakravarthi raghavan)--mediterranean governments and the european economic community today approved a treaty committing them to create a network of specially protected areas around their common sea.

the treaty is expected to be signed tomorrow by many of the participants while others will sign during the year.

this is the fifth treaty in environment protection approved by the mediterranean countries in the past six years.

the current one will result eventually in setting up a network of some 100 protected zones all around the basic for a variety of purposes.

some would be special areas to protect endangered species such as monk seals, marine turtles and pelicans, others would serve as habitats for migratory birds, while others would combine bathing beaches with sites of architectural or historical interest.

the network will also cover protected zones for underwater archaeological vestiges, for example, a phoenician vessel, and breeding grounds for commercially exploitable fish and shellfish. another purpose would be to offer scientists research 'sanctuaries' or to protect genetic diversity.

the mediterranean contains some 500 species of fish, close to 100 of them virtually restricted to that sea.

while the total mediterranean catch is only about one-sixth of the world total, its economic value is disproportionately high because of the luxury value of fresh fish.

the treaty maintains the momentum of the 1975 barcelona plan of action for the mediterranean sea, according to peter thatcher, deputy executive director of an environmental programme.

creating another link in the cooperative chain forged by the countries of the region, thatcher suggested that while it would too early to claim the mediterranean has been saved, it had stopped getting sicker, and the diagnosis is good.

in addition to approving the treaty, the governments at a week-long meeting here agreed on a two-year seven million dollar budget for 1982-83. of this sum, unep will give 100,000 dollars annually, and the eec 400,000 in 1982 and 500,000 in 1983.

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The IPS correspondent, Chakravarthi Raghavan, can be contacted at the Palais des Nations, room C.504, telephone 34 60 11, extension 3336.

executive committee: ismail-sabri abdalla, ahmed ben salah, gamani corea, mahbub ul haq, enrique iglesias, jan meijer, marc nerfin (president), justinian f. rweyemamu, ignacy sachs, juan somavia, maurice f. strong, inga thorsson

co-chairmen 1981-1982: fernando henrique cardoso, ernst michanek

secretariat: 2, place du marché, ch-1260 nyon, switzerland; telephone 41 (22) 61 82 82; telex 28 840 ifda ch; cable ifpda, geneva

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CORRECTION: Yesterday's (24 March) Bulletin should have been numbered 494 and not 493 as typed. The error is regretted.

commodities: producer cooperation through buffer stocks and supply controls commercially viable

geneva mar 24 (ips-by chakravarthi raghavan). producer cooperation through some buffer stocking and selfpoliced supply control measures to assure floor prices will attract market support and commercial finance, according to a background paper for the jamaica meeting.-

efforts under unctad auspices to promote producer-consumer cooperation between north and south to stabilise international commodity markets and prices have made little progress so far due to the attitude of the industrialised countries, and specially of the usa, backed sometimes by the uk and west germany.-

this has renewed thinking within the third world over possible south-south cooperation. the background paper for the jamaica meeting suggests that while north-south cooperation in this area is still important and needs to be pursued, south-south cooperation as a supplementary method is feasible and will be commercially attractive for joint ventures atleast in some of the commodities.-

such cooperation towards internationally held stocks would be feasible in tropical agricultural products like the beverages, jute, hard fibres, tropical timber and rubber, and some of the minerals not produced in the north like tin, bauxite and cobalt. also, under adequate safeguards, such a cooperation could also cover nationally held stocks as in the case of copper.-

such efforts would however need financial support and equity investment, and could be commercially profitable if the producer cooperation involves buffer stocks backed by supply-management measures to ensure a floor price. -

such cooperation would not be enough to permit unilateral global stocking schemes to support prices. supply control measures have run into the difficulties of distribution of quotas, and thus difficult decisions of distribution of short-term foreign exchange and employment sacrifices.-

but the functioning of the commodity markets is such that once a stocking mechanism to support prices is seen to be credible, the mechanism will never need access to full financial resources. if an operator in the commodity market is convinced that the floor will be held, as the price nears this threshold, he will cover short positions and even go long on the commodity, and thus will be supporting the floor.-

but the ultimate defence of a floor price is supply control, and their existence will make any stocking scheme easily 'bankable'. this means producers must agree to act to ensure that there will be no chronic oversupply and standby control measures will be instituted. these could be selfpolicing, as in the case of coffee, through issuance of export stamps, coupled with an advance decision made known that the buffer stock will not buy if aggregate exports for a given period exceed a target.-

however for such a producer cooperation stocking arrangement, the producers must bear the storage costs of any stocking operations.-

such a facility could then draw upon commercial sources of financing.-

for a facility to cover initially coffee, cocoa, tea, jute, hard fibres, rubber, tin, copper and bauxite, the maximum funds needed for supply control measures would be in the region of 6.7 billion dollars, a considerable portion of which would be in the form of standby lines of credit.-

the historical experience of the variations in maximum and minimum prices of these commodities over their cycles show that a stabilisation fund could generate a return of perhaps twenty percent on shareholders equity, even on the basis that defence of the ceiling is as important as the floor.-

funds could be attracted from private banks and investment companies. the recent waves of mergers between investment banks and commodity trading houses clearly provides empirical support for the commercial viability of these operations. the fund could also attract financing through commodity bonds, the holders of which would be entitled at maturity to a fixed physical quantity of the concerned commodity or the revenue from the sale of a fixed quantity of the commodity.-

the operation could be a joint venture of the south. the exporting country's investment would be the foregone export revenue in a period of supply control and its engagement to accept and enforce them. the foreign partners investment is in the capital provided and the engagement to further sums when needed.-

agriculture: third world, industrialised countries oppose eec tax on vegetable oils

rome mar 25 (ips/asma ben hamida)--third world and some industrialised countries strongly oppose the tax on all vegetable oils the european economic community is considering to protect olive oil production when spain and portugal enter the community.-

as the intergovernmental group on oils and fats met this week at the un food and agricultural organisation (fao), third world and industrialised nation exporters of fats said they opposed the tax idea.-

since 1964 the eec has indicated that it might impose a 'non-discriminatory tax' on both community-produced and imported vegetable oils so that it can absorb the olive oil surplus.-

as spain and portugal -- both olive oil producers -- are expected soon to join the community, the new tax is being looked at seriously.-

when the two countries join the eec, probably in five or six years, the community will have an estimated 200,000 metric tonne surplus of olive oil.-

but a decision to impose the tax is not expected in the near future, and the eec has not made a formal proposal.-

norbert tanghe of the eec agricultural division told ips there is no formal document on the proposal, 'just some ideas (that) came up at the eec council to maintain a balanced policy for the enlarged community when spain and probably portugal join the eec'.-

nevertheless, opposition from third world vegetable oil exporters is already strong. 'we have to do something before the bullet gets out of the gun to kill us', the philippines representative to fao, horacio carandang, told ips.

'if we wait until it gets to gatt it will be too late', he added.-

'we believe that a solution should be sought within the ecc itself', chairman of the philippines committee on coconuts c. villariba told the meeting.-

'the burden should not be shifted to the poor farmers of the developing countries by imposing a tax on vegetable oils which would further depress the already low incomes of these farmers'.

carandang said such a tax is discriminatory and would violate rules of the general agreement on tariffs and trade (gatt), agreements reached in various international fora as well as the spirit of the association of south east asian nations (asean), the ecc and the lome convention.-

some 40 per cent of the philippines' coconut oil production is exported to the eec. 'it is our main export', carandang said.

he argued that if the eec imposed the tax it would affect directly or indirectly 20 per cent of the philippines' farmers.-

the price for coconut oil exports have continued falling, he said, adding that the philippines expects to earn 700 million dollars from exports this year compared 1.2 billion dollars in 1979. the volume of exports has remained the same, he said.

vegetable oils -- palm, coconut, groundnut soybeans, and sunflowers -- are primary exports of several third world countries such as malaysia, sri lanka, senegal and papua new guinea.-

the united states and canada are also large soybean and sunflower oil exporters.-

43.3 per cent the vegetable oils consumed in europe are imported from third world countries, carandang said.-

carandang said all the non-eec committee members, importers and exporters, third world and industrialised countries, opposed the tax idea.-

tanghe said the eec is considering other measures to solve the olive oil problem such as converting olive plantations to other crops, set up a long transitional period before spain and portugal enter the community and establish the necessary bilateral and multilateral contacts with exporter and importers.-

'it is ridiculous that other countries attach such importance to the tax and do not consider the alternative measures', he said.-

tanghe believes the issue is a political one, and charged that some countries want to 'discredit the eec'.-

'we are ready to discuss any concrete problem', he said, arguing that exporters and importers have no problem with the eec's current policies.-

villariba said third world countries are already a large market for industrialised country goods. what happens in the third world affects the industrialised nations, he said.(more)

the philippines representative asked the eec to drop the idea of the proposed tax.-

'independent and self-interested action by each alone to solve their problems is bound to affect the other parties adversely, villariba said, warning against 'self-centred rescue' policies which he said might lead to disaster.

finance: tight resources harden world bank loan policy, officials say

washington mar 24 (ips)--world bank officials say resource constraints are to blame for the bank's hardening loan policy.-

during a press briefing held at the bank's washington headquarters yesterday, vice-president for operations ernest stern said the bank would impose its 'graduation' guidelines more firmly in future.-

'graduation' is the process under which countries become ineligible for bank loans as their per capita income increases beyond established benchmarks.-

stern confirmed the 'inflation updated' cut-off points, which were established at a meeting of the bank's board on january 26.-

countries with per capita incomes in excess of 2,650 us 1980 dollars will no longer be eligible for bank loans.-

access to international development association (ida) 'soft' loans will cease at national per capita incomes of 730 1980 us dollars. benchmarks are subject to update.-

background notes provided by the bank say countries will continue to graduate from ida 'soft' loans to loans from the world bank itself at interest rates closer to the private market level.-

ida provides loans at no interest, but charges a small service fee.-

the bank acknowledges, however, that graduation from ida may have 'to be accelerated at a faster than desirable pace' if the drastic reduction in ida funds continues.

funding has shrunk from 4.1 to 2.6 billion dollars during this fiscal year alone, primarily as a result of a cutback by the united states from amounts pledged in 1980.-

among countries which have received loans from the bank during the last four years, uruguay, oman, trinidad and tobago, cyprus, the bahamas and barbados have now exceeded the 2,650 dollar bank loan benchmark.-

with per capita incomes above 2,000 dollars, yugoslavia, portugal, chile and mexico appear to be approaching the bank's limits.-

stern reported that the bank normally places a cap on loans as countries approach the graduation point.-

once the point is passed, graduation from loans will be completed within five years, barring exceptional circumstances.-

the bank intends to stick by the income benchmarks more firmly because of pressure on its funds but infrastructure development, economic policy, and country access to private capital markets, will continue to play a role in the private graduation negotiations between national governments and the bank.-

the reagan administration has placed the world bank and other multilateral development institutions under severe scrutiny.-

this month, a us treasury report recommended a reduction in the us contribution to ida and saw no prospect for increased us participation in the multilateral institutions as a whole.-

the report suggested that the bank should adopt a tighter loan policy more similar to that of private bank lenders.-

with this press briefing the world bank has apparently fallen into line with the us administration's plans.-

stern, however, would not confirm that us bank negotiators had pressed for a further drop in the main benchmark to 2,200 dollars per capita income.-

although the outlook for future us funding is poor, the bank was granted a substantial increase in its capital base two years ago.-

stern says this increase has been eroded by inflation. he also pointed out that demand for the bank's loans is increasing. china, which is currently joining the bank will be a major new borrower.-

in comparison to these new demands, the reduction in demand for funds because of graduation will be small: less than 60 million dollars per annum for the next few years, according to stern.-

however, in the prevailing political and economic climate, stern predicted a general 'phasing out and levelling off over all programmes'.

unctad: yugoslavia 'very interested' in hosting sixth session in belgrade

geneva mar 24 (ips)--yugoslavia said today it was 'very interested' in hosting the sixth session of the un conference on trade and development (unctad) in its capital city, belgrade.-

speaking before the trade and development board today, a yugoslav spokesman suggested that unctad send a mission to belgrade to evaluate the city's facilities to host the may 1983 session.-

an unctad spokesman told ips that no date had yet been fixed for the mission's departure, but added that it would be 'pretty soon'.-

participants in the board meeting today said they would like to see the venue issue settled 'quickly', according to the spokesman.-

the mission would have to wrap up its report by may 11, the spokesman noted.-

gabon, chosen to host the session, now says it is unable to do so, citing the costs and the time involved to provide the additional facilities for the conference.-

latin america, which has to have hosted the session under the regional rotation convention, has stood down to avoid a political over cuba's offer and us opposition to it.-

thus, the choice of venue has fallen to the asian region.

un conference sources say only belgrade, new delhi and manila have the necessary facilities to host the conference.-

third world sources said last week that if belgrade was able to host the conference, it would be the first choice.

china: to receive un technical assistance

new york mar 17 (ips/thalif deen)--the un development programme (undp) is to provide approximately 142 million dollars in technical assistance to the people's republic of china, it has been announced here.-

the chinese government has asked that the assistance should be concentrated in four major areas: food production and agriculture, production of consumer goods and services, energy development and conservation, and the human resources and infrastructure needed for development.-

the 142 million dollar allocation, called the indicative planning figure (ipf), will be disbursed over the next five years.-

in its first country programme for china, the undp has paid tribute to the chinese government's efforts in meeting its national development objectives.-

in a 29 page report, the undp says that under the leadership of the chinese communist party and the concerted efforts of the chinese people, there have been great achievements in the socialist revolution and construction in the 33 years since the founding of the people's republic.-

building on an extremely backward economic base, china has now established an independent and comprehensive industrial and national economic system, the report says, providing greatly improved living standards in both town and country.

between 1952 and 1980, the total value of industrial and agricultural production increased ninefold, national income rose 5.2 times, industrial fixed assets 27 times and average consumption by 100 per cent, the report says.-

the report will go before the undp governing council, due to meet in geneva may 24 to 28.-

although china has been a contributor and an active participant in the undp's economic and technical assistance programmes since 1977, it started receiving undp technical assistance only in 1978.-

in a major departure from its traditional policy, the chinese government decided in 1978 to seek foreign technical assistance while at the same time maintaining its policy of self reliance.-

responding to china's request, the undp allocated it 15 million dollars on an ad hoc basis, to cover the remaining three years of the agency's second programming cycle.-

the money funded 27 projects, most of which have now been completed.-

in january 1980, the governing council decided to lend china an additional 15 million dollars to finance a 'mini programme' consisting of 79 projects.-

by the end of 1981, most of the 30 million dollars had been delivered to china.

given its large population and relatively low development level, the chinese government is approaching modernisation cautiously, and in step with what it can really afford, says the undp report.-

this means that while the scale of capital construction will be maintained at an appropriate level, the emphasis will be on agriculture, light industry (especially consumer goods related to living standards), energy, transport, education and health.-

the undp's technical assistance will be telescoped into china's sixth five year plan.-

the report says that china is expecting a significant improvement in its strategic objectives, development patterns and economic models.-

the aim is to blaze a new trail characterized by a fairly steady tempo and better economic results, yielding more substantive benefits to the people.-

the next ten years will be crucial to the achievement of this strategic change, says the report.-

the undp programme includes the creation of a national rice research institute, strengthening the development and research of soybean production, upgrading the sugar processing research centre, the introduction of food processing technology, a forest inventory, copying machine technology, and a training centre for oil exploration and exploitation techniques, among others.

mid-east: joint gulf technology proposed

beirut mar 18 (mer-ips)--the six member states of the gulf cooperation council are considering the establishment of a unified gulf technology body, abdullah al goweiz, the gcc's assistant secretary general for economic affairs, said in abu dhabi

the proposal has been studied by the saudi centre for technology and the kuwait institute for scientific research.-

al goweiz who was in the united arab emirates on a visit to discuss various projects with uae officials, said the gcc would lay down standard specifications governing its member states' economic and construction activities.-

he was also schedule to meet uae minister of finance and industry, hamdan ibn rashid al maktum, to discuss the standardisation of weights and measures among gcc member states, as well as the implementation of the unified gulf economic agreement that was approved at the second gcc summit meeting in riyadh last november.

arab banking corporation to open branch in singapore

singapore, 24 mar. (opecona)--the arab banking corporation is awaiting approval of the monetary authority of singapore to start merchant banking operations here.

four arab banks have already established branch offices in singapore.

west germany: arab world primary non-european trading partner

bonn mar 18 (ips/by jorge gillies)--the arab world was west germany's primary non-european trading partner last year, overtaking the united states and canada, according to the west german ministry of economy.-

climbing 32.5 per cent over 1980, trade between west germany and the arab countries reached a total of 27.6 billion dollars in 1981 to make up 8.3 per cent of the european nation's total foreign trade.-

the largest factor in this jump was the rise in german exports to the arab world from 8.6 to 12.7 billion dollars, the ministry noted in a recently released report.-

imports from arab countries grew 19.1 per cent to 14.87 billion dollars last year, despite a 13 per cent decline in oil imports -- to 366.5 million barrels.-

crude oil made up 90 per cent of west germany's total imports from the arab world.-

west germany increased the proportion of its oil imports from arab countries from 59.6 per cent in 1980 to 63 per cent in 1981.

saudi arabia supplied 188.4 million barrels of crude to west germany last year (32.2 per cent of the nation's total oil imports), libya supplied 76.2 million (13.1 per cent), algeria supplied 43.6 million (7.4 per cent), and the united arab emirates, 25.7 million (4.4 per cent).-

other arab sales to west germany included various fuels, crude phosphates, cotton, rugs and fruit.-

west german exports were headed by capital goods for the mechanical, automotive, electronics, chemical, pharmaceutical, and metallurgical industries.

iraq was the major purchaser of german products, followed by saudi arabia, libya, and algeria.-

exports to iraq doubled last year over 1980, reaching a total of over 2.9 billion dollars.-

exports to saudi arabia grew 44.9 per cent to 2.7 billion dollars.-

caribbean: canadian, us volunteers expanding work

kingston mar 20 (ips)--two volunteer groups -- the canadian university service overseas (cuso) and the united states peace corps -- are to expand their work in the caribbean, according to reports here.-

cuso, canada's largest non-governmental international development organisation, plans to double its assistance programme in the commonwealth caribbean through increased support from the canadian international development (cida), the private sector foundations, donors and individuals.-

the agency will spend 1.5 million us dollars in jamaica, belize and the eastern caribbean over the next three years in a number of employment-generating cooperative and self-sustaining development projects.-

the expansion programme envisages the creation of 1,000 jobs, and the localisation of cuso's caribbean programme, moving further away from the original practice of sending canadian volunteers to the region, at the end of the three year period.-

cuso executive director ian smillie is now in jamaica visiting projects supported by the agency, meeting staff members and having talks with government officials on the organisation's work.-

one of the other main international volunteer groups operating here, the us peace corps, has also announced plans to expand its work in the region.

the corps will establish a regional training centre in jamaica, beginning next month.-

the training programme will start with 50 volunteers from the united states and a training staff of ten, some of whom will be jamaicans.-

the volunteers will be send throughout the caribbean, the peace corps said.

west germany: anti-apartheid group criticises sale of military equipment to south africa

bonn mar 18 (ips)--the west german anti-apartheid movement today called for an end to the daimler-benz company's sales of 'unimog' military trucks to the south african army.-

'these vehicles have been regularly used in all south african invasions of angola', said the group in a press conference, mentioning in particular last week's raid deep into angolan territory to destroy bases of the southwest african peoples organisation (swapo).-

the south african invasions, some half a dozen in the past year and a half, invariably bring death and destruction to angolan people and property, according to the angolan government, which charges pretoria with trying to damage the angolan economy with the raids.-

south africa is preparing a 'general offensive', supported by 'sympathetic forces in the united states, britain, and west germany', the angolan embassy in paris charged today.-

southwest africa, or namibia, which is located between south africa and angola, has been occupied by south african troops since 1915 and was declared a province of south africa in 1949.-

in 1966 the united nations declared the south african occupation illegal, and in 1977 it called for an embargo by all member nations of military sales to the apartheid government.

yet daimler-benz has been selling the unimog trucks, which are particularly suited for military actions, to south africa since 1973 with the knowledge of the west german government, said the anti-apartheid movement.-

south africa's apartheid policies in namibia have meant that the black population of that diamond and uranium rich country must live in reservations, apart from the economic and social life of the whites.-

meanwhile, the west german foreign ministry 'took note' of the latest invasion of angola, but made no further comment.-

however katarina focke, a parliamentary deputy of the governing social democratic party (spd) took a harder line.-

'the west must tell south africa much more clearly than it has so far that it will not tolerate this policy', she said in a press communique.-

'a more decisive' approach to the problem of namibia 'and also to the south african problem in general' is necessary, focke added, recommending that west germany increase its ties with neighboring mozambique and angola, 'to contribute to the stability of the region'.