



G.77/IFCC-VI/87/B.4

**SIXTH MEETING OF THE INTERGOVERNMENTAL FOLLOW-UP
AND COORDINATION COMMITTEE ON ECONOMIC COOPERATION
AMONG DEVELOPING COUNTRIES
(IFCC-VI)**

Havana, Cuba, 7-12 September 1987

**REPORT OF THE MEETING OF THE COMMITTEE OF EXPERTS
OF THE PEREZ-GUERRERO TRUST FUND FOR ECDC/TCDC**

Caracas, Venezuela, 3-7 August 1987

(Agenda item 5)

**OFFICE OF THE CHAIRMAN OF THE GROUP OF 77
NEW YORK**

REPORT OF THE COMMITTEE OF EXPERTS OF THE PEREZ-GUERRERO
TRUST FUND FOR ECDC/TCDC

A. INTRODUCTION

1. In pursuance of the Guidelines and Modalities for the Utilization of the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries (ECDC/TCDC), adopted by the High-level Meeting of the Group of 77 on ECDC, held at Cairo in August 1986, and at the invitation of the Government of the Republic of Venezuela, the Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC was convened in Caracas, Venezuela from 3 to 7 August 1987.

2. The Meeting was attended by five members of the Committee of Experts invited by the Chairman of the Group of 77 in their personal capacities and by representatives from the Office of the Chairman of the Group of 77 in New York.

3. A representative of the UNDP in New York was available in Caracas during the course of the Meeting.

The list of participants appears as Annex 1.

4. The Meeting was inaugurated by His Excellency Dr. Simon Alberto Consalvi, Minister for Foreign Affairs of the Republic of Venezuela. His statement appears as Annex 2.

5. The Chairman of the Group of 77 in New York, His Excellency Ambassador Fernando Andrade Diaz-Duran, Permanent Representative of Guatemala to the United Nations, also addressed the Meeting at its inaugural session. His statement appears as Annex 3.

6. Mr. Eduardo Praselj (Venezuela) was elected Chairman of the Committee.

7. The Rules of Procedure adopted by the Committee to govern its sessions appears as Annex 4.

8. A Memorandum of Understanding, duly signed by the representative of UNDP, appears as Annex 5.

9. The Statement of Account of the Trust Fund and the cumulative commitments recommended by the Committee of Experts at its first meeting is given in Annex 6.

B. ADOPTION OF THE REPORT

10. The Committee of Experts recommended the following projects to avail of the financing of the Perez-Guerrero Trust Fund for ECDC/TCDC.

- FACILITATING THE IMPLEMENTATION OF THE MULTISECTORAL INFORMATION NETWORK (MSIN)

11. Paragraph 58 of the Report of the Cairo High-level Meeting on ECDC held in August 1986 states as follows:

The Meeting also noted that while pursuing the project on the Multisectoral Information Network, the Group of 77 should make every effort fully to utilize existing information systems in the United Nations system and other concerned international organizations.

12. The Committee had before it the offer of the Technological Information Pilot System (TIPS) (a project funded by the United Nations Fund for Science and Technology and being executed by the United Nations Development Program (UNDP) to promote technical and economic cooperation among developing countries through information exchange) and the Inter Press Service Third World News Agency (IPS) to facilitate the implementation of the MSIN project without diluting its separate identity.

13. TIPS has agreed to set aside free of cost a fixed portion of time on TIPS communication network for the use of the MSIN project for transmission and exchange of messages between TCDC/ECDC Focal Points in the MSIN participating countries. IPS, which has the sixth largest communication network among international news agencies and was designated at the IFCC-II at Tunis as a carrier of the Group of 77, has offered to put at the disposal of the Group of 77 the communication facilities at IPS United Nations Bureau in New York for linking it to MSIN participating countries through TIPS in Rome.

14. The Committee gave high priority to the implementation of the MSIN project, and in this context considered of relevance the offer made by TIPS and IPS. The Committee approved the preparation of a feasibility report by TIPS/IPS that would elaborate the concrete technical modalities by which the offer from TIPS and IPS would facilitate the implementation of the MSIN project. It invited TIPS/IPS to present the specific proposal for such a feasibility report by the end of August 1987 to the Chairman of the Committee or in his absence his nominee from the Committee who has, in this instance, been specifically mandated by the Committee to examine and approve the final proposal in time for IFCC-VI.

15. The feasibility report, once completed, will be presented to the Steering Committee of the MSIN project.

- INTER-REGIONAL TRADE FINANCING FACILITY

16. The major sources of trade financing in developing countries are the commercial banks. Whilst these banks are readily prepared to finance "traditional" exports to traditional markets, by contrast, in the case of non-traditional exports - mainly manufactures - the size and maturities of individual transactions, the creditworthiness of the borrowers, the rates of interest which they can pay, and the type of goods which require financing, are not within the range which existing banks have in the past been readily willing to accept. The other existing sources of such trade credit include national export credit institutions and certain regional banks. However, the domestic trade finance institutions have been able to provide only relatively small amounts of financing and the regional organizations' involvement has been limited.

17. Given the importance of this issue, and in order to facilitate the creation of a workable trade financing mechanism that would concretely facilitate the growth of trade between developing countries, the Committee approved a feasibility study which would focus on the following elements in particular:

- (a) Make a comparative analysis of the operations and objectives of existing trade financing mechanisms of developing countries;
- (b) Identify the existing financial as well as other obstacles hampering growth of trade among developing countries;

(c) Taking into account the studies prepared by the ECDC Division of UNCTAD, identify the eligible products of trade financing based on their potential for trade expansion among developing countries and estimate the magnitude of financial resources required to finance them;

(d) Present alternatives on various aspects of the proposed Financing Facility, taking into account existing trade financing schemes, their scope, adequacy, and financial resources available to them.

(e) Explore ways and means of integrating the inter-regional trade financing facility with an inter-regional clearing arrangement to facilitate South-South trade.

18. While noting that the proposal for such a study had been brought to the notice of the Committee by UNCTAD, the Committee decided, in conformity with the Guidelines of the Fund, that the feasibility study would be undertaken by a professional consultancy organization from developing countries members of the Group of 77. Such a study would be required to be completed in the shortest time possible.

19. The Committee recommended that UNCTAD, which has done considerable work in this area, be requested to actively assist the concerned professional consultancy organization in the execution of the study.

20. The Committee approved a disbursement of US\$40,000 for the purposes of this study.

- GROUP OF 77 INFORMATION BULLETIN

21. The multilateral activities of the Group of 77 are necessarily spread over the world and encompass a range of disciplines and interests. In recognition of the need to integrate these interests, several resolutions and decisions of the Group have stressed the importance of a constant flow of information between the Chairmanship of the Group in New York and the Chapters in Geneva, Vienna, Rome, Paris and Nairobi.

22. Such a system of information flow has been identified as a basic prerequisite for strengthening the prospects for coordination and increasing

the capacity of the Group to contribute to the process of economic cooperation among developing countries.

23. Equally, the need for such a system stems from the recognition that the negotiating capacity of the Group in all multilateral fora is adversely affected by the absence of such a coordinated system of information exchange.

24. Over the years, various initiatives have been taken to fill the gap but, while they have all made positive contributions, it is recognized that the existing arrangements are inadequate to meet the needs which have been identified. Presently the Office of the Chairman in New York brings out a Bulletin. Because of cost constraints and inadequate infrastructure, the Bulletin has in recent times not exceeded eight issues a year and is ad hoc in content and restricted in circulation to Permanent Missions of the Group of 77 in New York.

25. The purpose of the present project, therefore, is to provide for the planned and systematic exchange of information on a bi-monthly basis (twice a month) which would be disseminated door-to-door to every mission/embassy of the Group of 77 in the six Chapters at New York, Geneva, Rome, Vienna, Paris and Nairobi.

26. The execution of the project would be entrusted to the Inter Press Service (IPS) which has bureaux and offices in all the G-77 Chapters and has the sixth largest communication network among international news agencies; IPS has offered to the Group of 77 the usage of this network. It may be recalled that one of the specific recommendations of IFCC-II in 1983 was that "the Chapters (of the Group of 77) should make maximum use of communication facilities provided by Inter Press Service (IPS) for the flow of news and other activities related to the production and distribution of the Bulletin."

Objectives of the project:

The overall objectives of the project are as follows:

a) to provide all Chapters of the Group with relevant and timely information about the activities and interests of all members of the Group.

- b) to promote closer cooperation among the Chapters of the Group of 77 through the regular exchange of information.
- c) to enhance the negotiating capacity of developing countries in multilateral fora by increasing information levels about issues related to the negotiations.
- d) to enhance the prospects of fulfilling the priority placed on ECDC activities.

Project activities:

The project will aim at producing a bi-monthly Bulletin of information on the activities of the Group of 77 in all the Chapters as well as on other developments in the multilateral environment that affect the vital interests of the Group. Emphasis will be placed on information to increase the negotiating capacity of the Group and ECDC activities.

The specific activities will, therefore, be as follows:

- a) The Chairman of the Group in each Chapter will inform the IPS correspondent in that location about activities and events which should be included in the Bulletin.
- b) The IPS correspondents will, independently, collect information which may also be included.
- c) Each correspondent, using the IPS communications network, will prepare and transmit information relating to his/her Chapter to the IPS office in New York where the Bulletin will be put together.
- d) The coordinating editor of the project, who will be hired by the Chairman of the Group in New York, in consultation with IPS, will collate and edit all available material into a single Bulletin assembled in New York. He/she would apply normal editorial judgement in determining the priority and placing of information in the Bulletin.
- e) A copy of the edited Bulletin will be given to the Chairman in New York who will be responsible for reproducing the Bulletin and distributing it to members of the Group and other interested parties in New York.

f) The coordinating editor in New York will transmit copies of the same Bulletin over the IPS network to the IPS correspondent in all the Chapters who will make a copy available to the Chairmen in the Chapters. The correspondent, or someone else designated by IPS will reproduce photocopies of the Bulletin and mail/distribute them to a list of members (and others). The list will be prepared, and updated periodically, by the Chairman in each Chapter.

Institutional Framework and Reporting Arrangements:

a) The project will be administered and managed by the Chairman of the Group of 77 at United Nations Headquarters in New York.

b) Executing Agency for the project will be:

IPS Tercer Mundo S.A.
Edificio Policentro, Oficina 1
Avenida Quinta Cuba 3011 y Calle 30
Panama

IPS Tercer Mundo is a wholly owned subsidiary, registered in Panama, of the Inter Press Service non-profit cooperative of journalists, which carries out most of the overseas operations of IPS.

c) The IPS officer responsible for the project will be Dr. Roberto Savio, Director General of IPS. Practical implementation will be delegated to IPS correspondents and administrators in the Chapters concerned. The day-to-day coordination will be carried out by a journalist to be appointed by the Chairman of the Group of 77 in New York in consultation with IPS.

d) IPS will submit an annual progress report on the project.

e) The Chairman of the Group of 77 in New York undertakes to assist IPS in the execution of the project by maintaining regular contacts with the Chapters to ensure their cooperation with the local IPS representative. The Chairman of the Group in New York will also receive and disburse funds to IPS for the project on schedules to be mutually agreed.

Budget:

The total cost of the project for a 3-year period has been estimated by IPS to be US\$204,480. The contribution sought from the Group of 77 is US\$136,080, which works out to US\$45,360 on an annual basis. The details of the proposed budget for the project is as follows:

	Year 1	Year 2	Year 3	TOTAL
Nominal contribution to be paid to the executing consultant (IPS Third World News Agency) towards professional costs (6 Chapters at US\$2,400 each)	14,400	14,400	14,400	43,200
Coordinator, New York	9,600	9,600	9,600	28,200
Handling, copying and mailing 5 Chapters x US\$3,600 each	18,000	18,000	18,000	54,000
SUB-TOTAL	42,000	42,000	42,000	126,000
OVERHEADS (8%)	3,360	3,360	3,360	10,080
Contribution requested from G-77	45,360	45,360	45,360	136,080
IPS contribution:				
Share of professional costs	14,400	14,400	14,400	43,200
Telecommunication links	8,400	8,400	8,400	25,200
TOTAL COST OF PROJECT	68,160	68,160	68,160	204,480

The Committee recommends the commitment of US\$136,080 to this project for a 3-year period. However, the funds for the second and third year of the project would be disbursed after the Committee of Experts undertakes a review of the project at the end of the first year trial period, and recommends such continued disbursement to IFCC.

- DEVELOPMENT OF DEVELOPING COUNTRIES CONSULTANCY AND ENGINEERING CAPACITIES

27. Developing countries' market is by far the most important market for international consultancy, engineering and other investment related services. It is estimated that around 80% of international demand for such services comes from developing countries. More than 90% of this demand is presently met by industrialized countries.

28. In view of the initiatives of industrialized countries to "liberalize" the international market in the area of services (Uruguay Round of GATT negotiations) and in view of the acceptance in principle of developing countries members of GATT to negotiate on this issue (see Punta del Este Declaration), it is of great importance that the present position and capacities of developing countries C/E organizations (at different stages of development and different economic conditions) to compete on the open market, be realistically assessed and that the practical experiences and proposals of C/E organizations enrich the negotiating platform of developing countries in the forthcoming GATT negotiations.

Objectives:

The objective of the project is to organize the interested C/E organizations from developing countries to compare and systematize their experiences with different/trade promotion/protection liberalization measures in the C/E field (national, regional, South-South, global) and to articulate their proposals concerning the forthcoming GATT negotiations in services. The result of the cooperative project will be submitted to interested governmental bodies of developing countries as one of the possible inputs for the preparations for GATT negotiations (background documentation, expert-advice). The project will also discuss the promotional measures for mutual cooperation among C/E organizations of developing countries which may be considered in the framework of GSTP negotiations.

Approach:

It is proposed to take a positive approach towards liberalization of trade in C/E services, concentrating first of all on possible measures (national, regional, international) which would enable developing countries C/E organizations (at different stages of development) to become an "equal" partner in a "free" competitive market. Capacities/capabilities of C/Es in different sectors will be compared, international competitive conditions/distortions (information systems, financing insurance, technical assistance, procedures of international finance institutions, references, etc.) analyzed and positive measures for improving the capacities of C/E and for changing the international competitive conditions proposed (like technical assistance, preferences, joint ventures and other forms of association, special support in the information area, etc.). The possibilities of a gradual liberalization strategy will be explored. The problem will be approached not only as a "trade" issue but also as a "developmental" problem.

Project Preparation:

The project definition stage will involve collection of documentation, consultations with C/E organizations, their Associations and government bodies responsible for GATT negotiations and contacts with concerned regional and international organizations in order to define the project opportunity and prepare a feasibility report and propose a project implementation strategy. The project preparation stage will primarily deal with the following substantive issues:

- Patterns and structures of the international C/E markets in specific economic sectors and the capacities and position of DCs C/E organizations in the international context,
- Policy measures of developing countries to protect and promote the development of national C/E capacities and a comparative historical analysis of approaches of some selected developed countries,
- International market environment for C/E activities (infrastructure and support mechanisms, like information systems, financing mechanisms, insurance, technical assistance practices, subsidized exports, etc.).

- Proposals (substantive, tactic) concerning developing countries position in GATT negotiations on services and the possibilities of including C/E services into GSTP negotiations.

As part of the project, it is planned to convene an expert group meeting to validate the feasibility report for the main project before it will be submitted to the Chairman of the Group of 77 for circulation to all countries members of the Group of 77.

Project Duration and Cost:

The project development phase is estimated to require six months. The estimated cost of this phase is US\$70,000 and includes cost of collection of documentation, travel and per diem for consultations, consultants fees and cost of an expert group meeting.

The Committee recommends the disbursement of US\$70,000 for this purpose.

Executing Agency:

The International Centre for Public Enterprises in Developing Countries (ICPE) and the International Association of State Trading Organizations of Developing Countries (ASTRO), both from Ljubljana, Yugoslavia, will be the executing agencies for the preparatory phase of the project.

**- ACTION COMMITTEE OF THE GROUP OF 77 FOR COOPERATION
IN CONSULTANCY, CONSTRUCTION AND ENGINEERING AMONG
DEVELOPING COUNTRIES**

29. The Committee noted that an Intergovernmental Expert Meeting of the Group of 77 on Consultancy, Construction and Engineering took place in Havana in May 1987. One of the recommendations of this meeting was to establish an Action Committee in this field whose tasks would be to:

- increase cooperation among developing countries in the spheres of consultancy, construction and engineering and exchange information on

technical and professional training and upgrading possibilities, particularly with a view to the least developed countries;

- contribute to the substantial improvement of the terms currently prevailing in trade for the delivery of consultancy, construction and engineering services and the contracting of expertise in the developed countries; and,

- ensure the effective transfer of expertise and the corresponding professional training in the countries receiving this technology.

The Committee was informed that the proposed immediate tasks to be undertaken by the Action Committee would, inter alia, be to:

- prepare a directory of consultants of developing countries members of the Group of 77;

- facilitate the functioning of a network of national focal points in the field of consultancy, construction and engineering.

The Committee recommended that support be given to the preparatory phase of the Action Committee in order to facilitate its early and effective launching. Accordingly, the Committee recommended to allocate US\$38,500 for this purpose. This amount would be actually disbursed only after the Committee is created in conformity with the guidelines and procedures agreed by the Group of 77 for establishing Action Committees, and after the Action Committee has received a matching contribution of the same amount from member countries.

C. OTHER MATTERS

30. The Committee recommended that the Chairman of the Committee be invited by the Chairman of the Group of 77 in New York to attend IFCC Meetings in order to introduce the report of the Committee of Experts and be available to provide clarifications if required.

31. The Committee noted that in conformity with article (j) of the Guidelines and Modalities for the Utilization of the Perez-Guerrero Trust Fund for ECDC/TCDC, countries or groups of countries including Action Committees will continue to have the possibility of submitting projects to the

IFCC and/or Ministerial Meetings of the Group of 77 for financing from the Fund. The Committee recommended that in all such instances it would be advisable if the proposals are referred to the Committee of Experts before a final decision is taken.

32. The Committee appealed to Governments, research institutions, regional groupings of the countries members of the Group of 77, and to UN agencies and organizations, other international organizations, and all other bodies involved in the furthering of economic cooperation among developing countries, to submit proposals to the Committee of Experts for consideration, in accordance with the Guidelines and Modalities for the Utilization of the Fund.

33. The Committee expressed its deep sense of gratitude to the Government of the Republic of Venezuela for hosting its first meeting and for the very warm hospitality and facilities accorded to its members and those attending from the Office of the Chairman of the Group of 77 in New York. The Committee was particularly grateful to His Excellency Dr. Simon Alberto Consalvi, Minister for Foreign Affairs of the Republic of Venezuela for having found time to inaugurate the Meeting and for his continued interest in its deliberations.

D. CLOSURE OF THE MEETING

34. The Committee finalised its report at its meeting on August 7, 1987. At its final session, the original copy of the Report was signed by Members of the Committee.

John
Handwritten initials
 M. Anne Raxel
 Pontain
 P. Raxel

ANNEX 1

LIST OF PARTICIPANTSCommittee of Experts

Ambassador Abul Fazl (Pakistan)
Ambassador of Pakistan to Mexico

Mr. Even Fontaine-Ortiz (Cuba)
Counsellor, Permanent Mission of Cuba
to the United Nations; Chairman of the
Fifth Committee of the 41st General Assembly;
First Vice-Chairman of the Governing Council of
the UNDP; Member, UN Advisory Committee on
Administrative and Budgetary Questions

Mr. Kenneth Mbuli (Swaziland)
Principal Secretary of the Ministry of Finance
of the Kingdom of Swaziland

Dr. Eduardo Praselj (Venezuela)
Former adviser to the Minister of the
Presidency of the Republic of Venezuela and
to the Minister of State for International Economic Affairs

Ambassador Prakash Shah (India)
Joint Secretary, Government of India,
Head of Division of United Nations and
International Organisations, Ministry of
External Affairs
(Former Ambassador to Malaysia, Venezuela)

Office of the Chairman of the Group of 77 in New York

Ambassador Fernando Andrade Diaz-Duran
Permanent Representative of Guatemala
to the United Nations
Chairman of the Group of 77

Mr. Pavan K. Varma
Assistant to the Chairman of the Group of 77
First Secretary
Permanent Mission of India to the United Nations

Mr. Alberto Armas-Rojas
Assistant to the Chairman of the Group of 77
Second Secretary
Permanent Mission of Venezuela to the United Nations

Mr. Arturo Lozano
Documentation Officer
Office of the Chairman of the Group of 77

ANNEX 2

ADDRESS BY DR. SIMON ALBERTO CONSALVI
MINISTER FOR FOREIGN AFFAIRS OF THE REPUBLIC OF VENEZUELA

I am particularly pleased to be able to participate at the opening session of the first meeting of the Committee of Experts for Manuel Perez-Guerrero's Trust Fund. This meeting which is being held in Caracas is the outcome of a long and just struggle and is also a homage to one of the most distinguished Venezuelans of our time.

I remember that when Dr. Perez-Guerrero passed away in October 1985, we, the member countries of the Group of 77 were attending a meeting in New York, at Ministerial level, to analyse the Third World's issues and to establish a line of action for the North-South and South-South relations. On that occasion we pointed out that "the most paradoxical of it all is that the crisis faced by our countries is more serious now than ever before, and the world economy continued to be on the verge of a disruption of catastrophic dimensions."

We can affirm with all certainty that in 1987 the economic situation has worsened and has attained extremely dangerous proportions. This reality can be readily confirmed when, just to cite an example, the burden of the foreign debt increasingly affects the possibilities of development of all our countries.

Objectively speaking, we can say that in the course of these two years, the industrialized countries of the North not only have done nothing to alleviate the devastating consequences of a deteriorated world economy, but, on the contrary, their protectionistic barriers, their intolerance and their pressure to secure payment of our debt have created an anxious climate of uncertainty in the developing countries.

The results of the recent UNCTAD meeting are clear reflections of this state of affairs. This is why the establishment of a South-South Cooperation mechanism, such as the "Manuel Perez-Guerrero" Trust Fund, which should encourage international cooperation for its innovating system for identifying and financing concrete development projects, is so satisfactory.

The results of the recent UNCTAD meeting are clear reflections of this state of affairs. This is why the establishment of a South-South Cooperation mechanism, such as the "Manuel Perez-Guerrero" Trust Fund, which should encourage international cooperation for its innovating system for identifying and financing concrete development projects, is so satisfactory.

On the other hand, it is necessary to point out that the establishment of this Fund, which today is being implemented at a technical level, is the result of an arduous process at different international instances.

Indeed, this Fund, previously called "Trust Fund for Cooperation among Developing Countries" had remained idle for years, since procedures to determine the rules of the game for the use of their resources had not been defined.

Needless to say, this delayed the execution of urgent projects until 1986, year in which the modalities and procedures were concretely defined. All this shows evidence that the developing countries can indeed coordinate their efforts and agree on their positions in order to propose concrete solutions. And, we hope that this step will be the beginning of new and fruitful stages toward South-South Cooperation.

As a Venezuelan I must say that I am very proud to be here at the outset of the Fund which has been named after one of my most distinguished contemporaneous fellow-citizens, Dr. Manuel Perez-Guerrero.

The President of the Republic, Dr. Jaime Lusinchi, in referring to him at his funeral said: "Perez-Guerrero was a master, a great master of Venezuelan diplomacy, a great master of life..... Perez-Guerrero served as few have served the Venezuelan cause". Indeed, the professional life of Dr. Perez-Guerrero, over a span of more than 40 years, was devoted to the best causes of Venezuela and of the international community, particularly the developing countries.

Perez-Guerrero's international activity was both intense and diverse, reason why it cannot be easily summarized. I would specially like to stress his first endeavors at the League of Nations, his participation in the United Nations from the same date of the subscription of the Charter onwards, his diverse responsibilities both as officer of the UN and as representative of Venezuela. He was Secretary General of UNCTAD, Co-Chairman of the North-South Conference and Chairman of the Group of 77.

In our country he was the Minister of the Treasury Department, head of the Planning Bureau, Minister of Mines and Hidrocarbons and Minister of State for International Economic Affairs.

In the international field, Manuel Perez-Guerrero's name will always be linked to noble diplomacy, unselfishness, intense struggle to revindicate the peoples and to search for a better and fairer world. As stated by him in May 1977 at the Ministerial Meeting of the Paris Conference: "A third of the human race cannot live in peace and prosperity when the remaining two thirds suffer from poverty and are deprived of the essentials of life. Prosperity that is not shared cannot last".

I would dare to think than Dr. Perez-Guerrero's opinion on the idea of naming this Fund after him would not have met with his approval. I say this because his personality, which was at the same time that of an arduous worker and that of a struggler sensitive to the huge problems of the contemporary world, was characterized by honesty, modesty and unselfishness. We consider that this homage paid to Perez-Guerrero is also a recognizance towards Venezuela and to the constant participation of this country in efforts designed to achieve a fairer and more equitable international economic system.

Apart from this, I consider that to pay true homage to the memory of Dr. Manuel Perez-Guerrero is an everyday task for the developing countries in the strengthening of their cooperation and solidarity.

He was emphatic in stating that: "This unit, that of developing countries, born out of a feeling of solidarity has its precedent in the labor unions established by the workers after the industrial revolution. Indeed, the objective is the same, a fair participation in the wealth they helped to create".

Meetings like this, resulting from the solidarity and the conviction on the need for cooperation are the fruit of the unfailling action of those men concerned with the destiny of humanity. This is the reason of the great responsibility with which you have been entrusted.

We wish you the highest success in your deliberations, in the assurance that the task entrusted to you under the optimistic presence of Dr. Manuel Perez-Guerrero will be totally fulfilled.

ANNEX 3

ADDRESS BY AMBASSADOR FERNANDO ANDRADE DIAZ-DURAN
PERMANENT REPRESENTATIVE OF GUATEMALA TO THE
UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77

Mr. Minister of Foreign Affairs, Dr. Simon Alberto Consalvi, members of the Committee of Experts for "Manuel Perez-Guerrero" Trust Fund. In my capacity as Chairman of the Group of 77, and on its behalf, I wish at the outset to pay homage to the memory of a distinguished Venezuelan, a visionary with a versatile personality who in the Third World was considered as a charismatic person capable of understanding the problems of the developing countries. In the international sphere, Dr. Manuel Perez-Guerrero is remembered for his merits, his talent, his personality and his achievements, particularly in the economic and social fields. The Group of 77, comprised by 127 developing countries has played a very important role in the North-South dialogue, especially in cooperation among developing countries. The Group was established in 1964 at UNCTAD I and has played a major role within the United Nations system.

Today, this Group is very pleased to be in Caracas, Venezuela, for the opening session of the First Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund.

The excellent idea of the Venezuelan Government, its President and the Minister of Foreign Affairs to convene this meeting has allowed us to embark upon very important deliberations, the outcome of which will be the setting of guidelines for feasible projects which may bolster the developing countries' efforts to improve integration, particularly in the field of economics. The Fund itself is a major one, the main object of which is to finance feasibility and pre-investment studies.

This Fund, which at present is only at its preliminary stage is bound to grow. We, developing countries are all, without exception, convinced that this particular type of activity is today more necessary than ever due to the current adverse economic situation.

As Chairman of the Group of 77 I would also like to express a special recognition to Venezuela's role within the United Nations system and within the Latin American Economic System. It is only right to acknowledge this fact and to underline it here today.

To conclude, I would like to wish the members of the Committee of Experts every success possible in their work, and once more I would like to stress that the memory of Dr. Manuel Perez-Guerrero should guide us in our work, our objectives and above all should remind us that this outstanding international figure was known for the steadfastness of his beliefs, his devotion to efforts towards the creation of a better and fairer world.

ANNEX 4

RULES OF PROCEDURE GOVERNING SESSIONS OF THE COMMITTEE

1. The Committee will elect from among its members a Chairman for every two-year term.
2. The Committee will meet annually at least six weeks before the scheduled dates of the IFCC Meeting.
3. Extraordinary meetings could be convened by the Chairman of the Committee in consultation with the Chairman of the Group of 77 in New York.
4. Notifications for meetings would be given to Committee members at least six weeks in advance.
5. The Chairman of the Group of 77 in New York, in consultation with the Chairman of the Committee, will circulate in advance a draft agenda.
6. The Office of the Chairman in New York will provide secretariat support to the Committee.
7. The Committee will normally meet in New York, unless a country offers to host the meeting.
8. The Committee could invite representatives of agencies/organizations/governments relevant to its deliberations, to attend as special invitees.
9. The working language of the Committee would be the same as the official languages of the Group of 77, but in order to save costs the Committee could decide at every session to reduce interpretation facilities.
10. The quorum for the Committee will be four members, provided each of the regions (Africa, Asia and Latin America) are represented.
11. Proposals to be considered by the Committee should be submitted through the Office of the Chairman of the Group of 77 in New York.
12. The Committee will take its decisions by consensus.

ANNEX 5

Mr. S. Shahid Husain, Deputy Director, Special Unit for TCDC, was available to the Committee of Experts for consultations at its meeting at Caracas from 3-7 August 1987. He clarified questions arising from a review of the UNDP Associate Administrator's letter to the Chairman of the Group of 77, of 11 June 1987.

It was agreed that taking into account the provisions of the Guidelines for the Perez-Guerrero Trust Fund, adopted by the Group of 77 at its High-level Meeting at Cairo in August 1986, as also the relevant provisions of General Assembly Decision 41/457, and the relevant decision of UNDP's Governing Council, UNDP's role in the operationalization of the Fund would be to facilitate the identification of suitable research and consultancy organizations only of developing countries members of the Group of 77. These organizations would be required to carry out the pre-investment studies, or feasibility studies, in accordance with UNDP's bidding procedures, and procedures applicable to the approval and implementation of ECDC/TCDC projects. In this process the Office of the Chairman of the Group of 77 in New York will be consulted and be kept fully informed.

Signed

EDUARDO PRASELJ
Chairman of the Committee
of Experts of the Perez-Guerrero
Trust Fund for ECDC/TCDC

Signed

S. SHAHID HUSAIN
Deputy Director,
Special Unit for TCDC
UNDP

ANNEX 6

The financial status of the Perez-Guerrero Trust Fund as of 31 December 1986 is summarized as follows:

	(Millions of United States dollars)
Fund available at inception	5.9
Interest income earned	<u>1.5</u>
Total funds	7.4
Less: Cumulative expenditures (on the GSTP project and assistance to LDCs to attend the IFCC-III Mtg.)	<u>0.9</u>
Balance of funds	<u>6.5</u>
Consisting of: a) Unspent budgets (the remaining amount of the allocation set aside for the GSTP project)	1.5
b) Unencumbered funds	<u>5.0</u>

The estimated annual interest earned presently would be in the vicinity of US\$400,000; this would fall to US\$307,000 once the unutilized GSTP allocation (currently earning interest for the Fund) is fully disbursed.

The Committee of Experts has recommended at its first meeting a total commitment of US\$284,580. An additional amount, to be determined prior to IFCC-VI, will be recommended for disbursement to TIPS/IPS to prepare a feasibility report on their offer to facilitate the implementation of the MSIN project.