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ARUSHA PROGRAMME FOR COLLECTIVE SELF-RELIANCE
AND FRAMEWORK FOR NEGOTIATIONS

First Short Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries

1. A first Short Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries is adopted, to be reviewed at the Fifth Ministerial Meeting of the Group of 77, calling for specific action in the following priority areas of economic co-operation among developing countries and in accordance with the following principles and objectives.

2. Economic co-operation among developing countries is a basic component of their efforts towards the establishment of the New International Economic Order (NIEO).

3. Owing to the fact that economic co-operation among developing countries is a matter that chiefly concerns the developing countries, it should be formulated and implemented by them, at the subregional, regional, interregional and global levels.

4. In this context, the developed countries and the organizations of the United Nations system should give a strong support to this process in fulfilment of the different General Assembly and UNCTAD resolutions.

A. A global system of trade preferences among developing countries (GSTP)

5. The Ministers recommend that:

- (i) a long-term objective on a global system of trade preferences must be established among developing countries;
- (ii) as a first step, priority should be given to the strengthening and linking up of the existing subregional, regional and interregional preferential schemes, as well as expanding the scope of bilateral arrangements;
- (iii) the following principles, pending the completion of the meetings proposed in paragraph (iv) below, should provide guidelines for work in this field:
 - (a) the recognition that a GSTP would constitute a major instrument for the promotion of trade, production and employment among developing countries;
 - (b) the recognition of the complexities and difficulties involved in the creation of a GSTP, which calls for a realistic step-by-step approach on the part of all interested governments;
 - (c) that a GSTP should not rely only on traditional tariff concessions, but in addition to covering non-tariff barriers it ought to be progressively interrelated with other measures in the field of production, marketing, payments, finance and transport;
 - (d) the strengthening of existing and the establishment of new subregional and regional trade preferences among developing countries;
 - (e) the GSTP would need to be based on the principle of mutuality of advantages, so as to yield benefits to all participants; taking into account the respective levels of economic and industrial development, trade patterns and trade regimes of individual developing countries;

- (f) in addition to non-reciprocal trade preferences, effective special treatment would be required in favour of products of export interest to least developed countries, land-locked and island developing countries on a non-reciprocal basis;
 - (g) subregional, regional and interregional groupings of developing countries could participate as such, whenever they consider it desirable, in the negotiations for a GSTP;
 - (h) the GSTP should be open to the participation of all interested developing countries;
 - (i) the gradual establishment of a GSTP should be accomplished by a parallel strengthening of subregional, regional and interregional integration groupings, which have a highly important role to play in this respect;
 - (j) the global preferential trading arrangement should consist of a coherent set of closely related components, including such elements as the adoption of indicative targets for increasing mutual trade, special techniques and modalities on preferential negotiations and for concessions on quantitative restrictions, agreements on direct trade measures and the use of long-term contracts, recourse to sectoral negotiations when appropriate, provisions on rules of origin and safeguards, and other essential provisions of preferential trade agreements. The GSTP should furthermore incorporate appropriate mechanisms and regular medium-term reviews for evaluating progress;
 - (k) product coverage should include not only manufactures but also commodities and agricultural products in their raw and processed forms;
 - (l) in addition to the GSTP, all other appropriate means of expanding trade should be considered by developing countries, including the use of bilateral arrangements; and
 - (m) a trade information system in support of the GSTP should be established.
- (iv)
- (a) The studies on the Global System of Trade Preferences, prepared by UNCTAD, should be duly analysed as a first step by each government.
 - (b) Subsequent to these analyses, during the fourth quarter of 1979, there shall be a regional evaluation by means of meetings of government experts with the support of the relevant regional economic organizations as appropriate.
 - (c) After the above stages, an interregional meeting of government experts of the Group of 77 should be held within the framework of UNCTAD before the end of 1979 to prepare recommendations on the studies set forth in (iv) (a) above.