

will be fully covered by the unspent portion of the Republic of Korea's grant. For these two years, there will thus be no financial burden on the AALCC, whilst the advantages would be considerable in the sense of modernising the Secretariat and providing a service to the Member Governments. The only financial implication involved for the AALCC would be the creation of a new post of Director which is intended to be filled internally which, however, will amount to only US \$ 500 per year as the post will be filled through promotion. From the third year onwards, should the Member Governments wish to continue the operations of the Unit, the overall operational costs would be around US \$ 3,000 which is quite modest."

11. The Head of Delegation of the *Republic of Korea* appreciated the Secretary-General's proposal for the establishment of a Data Collection Unit within the Secretariat as it was highly practical. He was happy to note that the initial expenses for the setting up and running of the Unit would be met by the unspent portion of his Government's contribution. He expressed the hope that other Member Governments would lend support to the proposal.

12. The Head of Delegation of *Japan* while thanking the Republic of Korea Government for its grant and supporting the Secretary-Generals proposal, suggested that after two years, the functions of the Unit should be reviewed by the Heads of Delegations so as to determine its continuance.

13. The Head of Delegation of *Egypt* endorsing the views expressed by the Delegations of the Republic of Korea and Japan considered the establishment of the Data Collection Unit as a practical demonstration of South-South co-operation. He suggested that the Unit should be linked to the databank with the Cairo Centre and that the Secretariat must think of running the Unit on commercial lines.

14. The Head of Delegation of *Ghana* felt that since all international organisations had databanks, it was quite appropriate for the AALCC Secretariat to have one. He extended support to the establishment of the Data Collection Unit.

15. The Head of Delegation of *Sierra Leone* also supported the establishment of the Data Collection Unit. He considered it a progressive step and an essential one if the AALCC was to discharge its advisory role effectively. He considered the suggestion of the Japanese delegation a good one, but wished the AALCC at this session itself to consider its establishment on a permanent basis.

16. The Delegate of *India* suggested that the Secretariat must give a serious thought to the kind of information and data it should collect. It might perhaps start with collecting information related to international trade law, monitor developments in that field, status of trade law conventions etc.

17. The Delegate of *Egypt* agreeing with the suggestion of the Indian delegate stated that the information collected should not only be on legal but economic matters as well. Those two must be the parameters.

18. The Delegate of the *Republic of Korea* suggested that once the mandate for establishing the Unit is given by the Heads of Delegations at this session, the Liaison Officers' meeting will be the best forum to work out detailed modalities for the operation of the Unit as suggested by the Indian Delegate. The Liaison Officers meeting will also be appropriate for the review of the Unit's functioning after two years of the Unit's establishment, as the meeting is regularly held in the Secretariat where the Unit would be set up.

19. The *President* stated that the Secretary-General's proposal on the establishment of a Data Collection Unit as an integral part of the Secretariat was unanimously accepted with the conditions that such specific matters related to the operation of the Unit as the working modalities and the future review will be taken up by the Liaison Officers' meeting.

Validity and Viability of the Proposed Centre in the Context of Prevailing International Situation and in the Light of Work of Existing Organisations

1. The validity and viability of the proposed Centre needs to be examined in the light of the profound changes that have taken place on the world scene since 1989 having a major impact on national economies. On the political plane, these include the end of the cold war between the two Super Powers, the revival of democratic institutions in Eastern Europe and the recent Gulf Crisis. The end of military rivalry between the two Super Powers has ushered in prospects of peace and stability resulting in appreciable cuts in national defence budgets which, it is hoped, would be diverted to the cause of development. It has also given rise to the expectation that the United Nations, which from its inception has been preoccupied with averting the possibility of another World War breaking out, would now be able to focus its concentrated attention on economic cooperation for development and that the North-South dialogue, which has been stalled for more than a decade, will be able to take-off the ground.

2. But the recent Gulf Crisis, apart from reviving fears of political instability and international tension, has plummeted the world in a situation in which a majority of oil importing developing countries will face the prospects of collapse of their economies due to sudden rise in oil prices. Further, upsurge of democracy in Eastern Europe has resulted in the breakdown of the centrally planned economy and its displacement by the market economy. Although a prosperous and democratic Eastern Europe will open the prospects of new markets for developing countries' exports, one of the negative consequences is likely to be that initially global assistance to reforming Eastern Europe will be at the expense of assistance to the developing countries. Already there has been substantial reduction in foreign aid allocation in the U.S. and EEC's aid budgets for the year 1990 for the Third World countries.¹ Major industrialized countries have brought into being a new Bank to finance reforms in Eastern Europe in April this year. The bank called the European Bank for Reconstruction and Development (EBRD) will have a capital base of \$ 12,000 million with a 30% as paid-in capital. The USA, with a 10% share, will have the largest shareholding in the new Bank. The EBRD will be heavily focussed towards the private sector.²

3. On the economic front, the important events include the Uruguay Round of Multilateral Trade Negotiations under the auspices of GATT and the upcoming economic integration of Europe in 1992.

4. The economic integration of Europe in 1992 combined with the recent developments in East Europe present both opportunities and challenges to

¹ OPEC "East Europe at the expense of the South" *OPEC Fund News Letter*, January-April, 1990.

² *The Hindustan Times*, (New Delhi) 10 April 1990.

the developing countries as a whole. It is feared that because of the geographical contiguity and cultural affinity towards the East European States, the EEC aid budgets traditionally allocated to the developing countries are likely to be diverted to the reconstruction of Eastern Europe. Moreover, the developing countries, particularly the newly industrialized ones in the Asian region, face significant risks from the European integration in that despite assurances that the average level of external protection will not be increased as national tariffs are converted to a common European Community structure, fears remain that non-tariff barriers in the more restrictive countries may be adopted by the European Community as a whole, thus increasing the average level of external protection.

5. It is also anticipated that improved efficiency within the European Community will make its products more competitive to the imported goods from outside and this will tend to dampen prospects for trade with Asia. But the reduction of barriers to the circulation of goods within the European Community, such as the elimination of national quotas, should benefit Asian exporters as well as producers within the European Community by giving them access to wider market. Should protectionism increase, it is likely that there would be an intensification of direct investment in the European Community, particularly from the newly industrialized countries and Japan which have tended to neglect the European Community in favour of USA and South-East Asia. It is argued that the fear of 'Fortress Europe' is totally unfounded. With the exception of agriculture, which will for a few more years continue to receive protection, in all other areas the European market will be thrown open not only within Europe but also to other countries. It has been estimated that formation of a single economic market will result in almost one percentage point faster rate of growth all over the Community. It will create two million additional jobs within the next six years. Increasing stress on technology will lead to more concentration on production of fewer goods leaving the rest to be imported from outside. Investment activity in Europe will remain dynamic for several years and the level of investment will be robust. It will open up innumerable opportunities for participation and cooperation with countries all over the world.

6. However, according to a report submitted to the recent OAU summit in Addis Ababa³ the change of equations in Europe has put new pressures on the continent of Africa which would increase when a unified Europe embracing both East and West becomes a reality. Although there is as yet no withdrawal by USA from Africa, a subtle readjustment of responsibilities seems to be underway as a result of diminishing US and Soviet interests in the area. France has stepped into Africa in a big way. There seems to be a parallel between what France is doing in the Pacific and what it is doing in the Indian Ocean. France is using satellite technology to mount special TV programmes for its former colonies in Africa. The USA's CNN

3 OAU, *Secretary-General's Report on Economic Crisis in Africa* submitted to the OAU Summit held in Addis Ababa, July 1990.

has already made deep inroads in English-speaking Africa.

7. Africa is rich in natural and mineral resources. Europe needs all these for its industries. As environmental awareness movement grips the developed world, it will turn for dumping grounds for its industrial wastes and for natural resources elsewhere, and an impoverished Africa could be an easy prey. Africa could well be heading for an environmental disaster as Europe turns to it for greater economic activity. The pressures from united Europe have already become crude with new conditions being attached to whatever little aid the countries of Africa are receiving. These conditions are in addition to those already imposed by the IMF and World Bank and cover such sensitive areas as plurality in political system and greater care for human rights. The pressures that Africa faces today are aptly brought out in the conclusion of the OAU report on the crisis:

'Africa today is the most economically backward region of the world. This state of affairs alone is enough cause for grave concern on the part of the continent's leaders. But what is even more alarming is the fact that Africa's economic performance is either stagnant or actually on the decline.'

8. With the end of the cold war, non-alignment for political purposes has lost its rationale. But that opens up vistas of South-South co-operation to force the industrialized North to take a reasonable stand. However, it is up to the other fortunate countries of the partially developed South to rise to the occasion to meet this challenge.

9. Trade has become a major force in world's economies. Since GATT was first set up more than forty years ago, world trade has soared from US \$ 60 billion to more than \$ 3 trillion a year. Currently ninety per cent of world trade is transacted under the GATT rules. Yet as trade has become more important, it has also become a source of international tension. With more and more newly industrialized countries of the Third World emerging on the world scene and with the virtual collapse of the Warsaw Pact, future frictions are even more likely to centre around economic disputes rather than military ones. This is where GATT comes in. Its purpose is to set rules for world trade and to resolve disputes. Seven previous rounds of GATT negotiations have substantially reduced tariffs and improved the world trading environment. But GATT now needs to be revised to deal with a more complex global economy. It was designed when trade was much smaller and traded goods were mostly agricultural commodities and natural resources. Today, trade content has expanded to include sophisticated services and new technologies. The Uruguay Round is intended to bring GATT rules on trade up-to-date with today's global economic realities. The on-going negotiations are focussed on reduced tariffs, improved discipline on safeguards and avoidance of dumping, cuts in trade distorting subsidies, better rules on government procurement, a speedier and more effective dispute settlement mechanism, and lastly, the expansion of GATT discipline over trade-related aspects of intellectual property rights (TRIPS), trade related aspect of in-

vestment measures (TRIMS) and trade in services, these being negotiated for the first time under GATT's auspices.⁴

10. The Uruguay Round began in September 1986 and is scheduled to end in December 1990. However, present indications are that despite three and a half years of talks, the negotiations are hampered in four key issues viz. agriculture, trade, textiles and services. There are differences, on the one hand, between the USA and EEC and, on the other, between the Group of Seven led by USA and the newly industrialized developing States.

11. The USA and EEC are sharply divided on farm trade and on phasing out subsidies. The USA is seeking fundamental reforms in farm trade, including an end to subsidies paid to European farmers to capture foreign markets, internal support payments that encourage excess production and barriers to imports. This view is not acceptable to EEC States. Besides, while the EEC and Canada are seeking to elevate GATT to a full-fledged international trade organisation, the USA appears to be in no mood to have a supra-national body with powers to regulate the US trade. Unilateral measures initiated by USA under its Omnibus Trade Act of 1988 are seen as violative of GATT principles of non-discrimination and multilateralism.

12. The contention between the industrialized countries and the developing ones is centred around the Multi-Fibre Agreement (MFA) which has governed the trade in textiles for more than three decades and the inclusion of intellectual property rights (TRIPS), investment (TRIMS) and trade in services in the GATT system which have adverse implications for the developing countries. India, Brazil and other developing countries consider MFA to be a serious aberration of GATT principles and wish it to be phased out. But the industrialized countries have refused to do so. In addition thereto, the USA, Japan and EEC countries demand that developing nations open up their economies for investment and for strict rules against trade in pirated products. In this context, they have described India and Thailand as having "major industries devoted to making pirated products" and not wanting to pay royalties under worldwide patent agreements.⁵ They have also insisted upon inclusion of trade in goods and services — such as banking, engineering and insurance — under the GATT system on the premise that some one trillion dollar worth of trade in services out of the total three trillion of international trade is unregulated. Developing countries consider the inter-linkage between TRIPS, TRIMS and trade in services a mechanism for their recolonisation.

13. For the Uruguay Round to succeed and the GATT talks to come to a satisfactory conclusion involves as much the developing countries as it is for the larger trading nations. Only that way could the smaller countries talk to the major industrial countries on the basis of equality and the international democracy in economic relations strengthened. Almost every

country, whether developed or developing, is concerned with the struggle for technological advantage, mobile investment flows and finding easy export markets for its goods. The competition is necessarily stiff and the only way to keep it within the bounds of acceptable trade norms is to arrive at a broad multilateral agreement under the GATT. The promised benefits of the Uruguay Round may be limited, but its long-term psychological effect on international economic climate will prove beneficial to all

14. Hitherto, the developing nations had sat on the sidelines in GATT's multilateral trade negotiations as they had then nothing to offer in across the board exchanges. But with the structure of their trade having undergone a transformation, 36 developing countries are now participating in the on-going Uruguay Round. They have turned away from exclusive exporters of primary products into exporters of industrial goods. Their share of primary products (achieved traditionally by representing the greater part of exports) dropped from 30% in 1970 to 18.3% in 1980.⁶ Some of the newly industrialized countries have achieved their best results in the exports of industrial products and concrete projects as well as in sales of patent licences, in consulting and execution of capital investment projects.

15. However, for their active participation in the multilateral trade negotiations, the developing countries need adequate preparation as well as a forum to be able to concert their viewpoints and finalize their strategies. Although they have utilized the Group of 77 and the South Commission for this purpose, for want of a permanent institutional support system, they have been sorely handicapped in that regard. It may be pointed out that unlike the OECD which has a huge Secretariat in Paris with a staff of over 2,000 and 700 of them Ph.Ds, the developing countries lack similar permanent secretariat with the result that their pious declarations never get implemented for lack of follow-up action. A permanent institutional support system is, therefore, imperative for convergence of their views and articulation of their aspirations in international forums.

16. Certain lessons have to be taken from these developments. The first one is that affluence of a group of countries in a region depends upon the extent the countries of that region are able to globalise or regionalise their economies dismantling national barriers to the flow of trade and exploiting regional complementarities. The European Community has been able to achieve unprecedented growth mainly because of very close cooperation and coordinated working within the member countries. Countries in the Pacific region (ASEAN) have been able to achieve significant growth by cooperating with each other. Canada and USA are progressing well as a result of mutual cooperation. Mexico has recently proposed to the US to have free trade flows between the two countries. Every where regional cooperation with neighbouring countries has produced significant results.

17. However, regional cooperation will yield dividends only when it is

⁴ US Embassy, New Delhi. *Economic News from the United States*, September 1990.

⁵ *The Hindustan Times*, (New Delhi) 24 July 1990.

⁶ Asian Development Bank, *Asian Development Outlook*, 1990.

preceded by a certain degree of harmonisation of national outlooks, laws and regulations in the economic field. It is perhaps for this reason that in the Afro-Asian region, with the exception of ASEAN, numerous attempts at regional cooperation, such as South Asian Association for Regional Cooperation (SAARC), the Gulf Cooperation Council (GCC), West African Economic Community (CAEO), Economic Community of West African States (ECOWAS), Preferential Trade Arrangement between the Southern and Eastern African States (PTA), Economic Cooperation among Maghreb States, Council of Arab Economic Community (CAEU), etc. have not been able to produce tangible results.

18. In the Afro-Asian region, regional cooperation would remain elusive unless and until economic laws and regulations of the countries in the region are harmonised to a substantial extent. It, therefore, seems that the establishment of the proposed Centre invested with the function of harmonization of legal regimes applicable to economic activities could play a significant role in promoting economic cooperation in the region.

19. Another lesson to be appreciated is that developing countries stay poor not only because of lack of capital and technology, but also because of lack of access to coordinated information about their potential. Industrialized countries and the transnational corporations seem to know much more about the developing nations than they about each other. It is perhaps for this reason that our economies have been North-oriented instead of being South-bound. Moreover, in the economic sphere, these days developments take place so fast that it often becomes difficult to keep track of them unless a specialised institutional machinery is devised and necessary skills developed for the purpose.

Justification of the establishment of proposed Centre

20. It has been stated that since there are a number of inter-governmental institutions active in this area and that the information collected by them is easily accessible to the Member States of the AALCC, the proposed Centre would merely be duplicating the work of those institutions. It should, however, be pointed out that the activities of these institutions are limited to their respective fields of competence and the information collected by them is on a universal basis on the topics falling within their competence, some of which might be of relevance to the AALCC Member States. For instance, the World Bank compiles and updates information only on laws in selected areas of direct relevance to its operations. It is not, therefore, a source for fully comprehensive information on legal regimes having a bearing on the economic development of its member countries. However, its subsidiary organ, the International Centre for the Settlement of Investment Disputes (ICSID) has prepared a compilation of Investment Laws of the Developing Countries as well as the investment protection treaties concluded by them. Similarly, the IMF, which acts as a global financial policeman, does compile and update copies of laws and important regulations of its member countries, including the African and Asian countries in some fields

of particular relevance to its activities, such as exchange controls, central banking and taxation. UNCTAD's broad mandate includes preparation of legal frameworks for restrictive business practices, transfer of technology, economic cooperation among developing countries, shipping and transport, and commodities. They have brought out studies on regulation of foreign investment in Asia, Arab countries and in Africa; bilateral agreements on trade and economic cooperation concluded by developing countries; and on counter trade regulation in selected developing countries.

21. The UN Commission on Transnational Corporations (UNCTC), whose primary concern is formulation of legal frameworks for regulating the activities of transnational corporations, compiles and updates information on laws and regulations, codes and contracts, and agreements relating to foreign investment and technology transfer and in all sectors of economy. UNCITRAL which is primarily concerned with unification of international trade law by removing or minimising legal barriers to the flow of trade, compiles information only on topics under its consideration such as the law governing procurement or the law governing guarantees. WIPO's mandate includes preparation of legal frameworks for the protection of intellectual property rights. UNIDO's primary task is to quicken the pace of industrialization in the Third World and one of its activities is concentrated on formulation of model contracts and clauses, guides and checklists of issues for contractual arrangements to facilitate industrial collaboration in some of the industrial sectors.

22. At the regional level, the institutions proposed to be set up include the Investment Information and Promotion Services for Asia and the Pacific (a project of UNCTAD) and the South Investment Data Exchange Centre (SIDE) which will be located in Kuala Lumpur⁷. While the main objective of the UNCTAD's project would be to promote industrial joint ventures among enterprises of the countries in the Asian Pacific region, the SIDE envisages collection of relevant data on subjects such as manufacturing, investment, human resources, and physical infrastructure of its participating countries.

23. As for the national institutions active in the area, there are aplenty, but they collect and analyse information pertaining to developments in the economic field from purely national angle. Thus, there appears to be no institution in sight which collects and disseminates information on a comprehensive basis about the legal regimes governing economic activities in the Afro-Asian region. The proposed Centre would, therefore, be a unique institution as a collector and disseminator of overall information about the legal regimes and the changes taking place in the economic field, not only in the Afro-Asian region, but worldwide having an impact on the economies of the region.

24. As stated earlier, the Secretariat approached a number of institutions

⁷ One of the decisions taken by the Summit Meeting of the Group of 15 held in Kuala Lumpur on 1-2 June 1990.

to know their reactions to the proposed Centre and to ascertain whether those institutions would be prepared to have cooperative relations with the proposed Centre. The replies received from them have been very encouraging as each one of them has not only supported the establishment of the projected Centre, but all of them have expressed their willingness to establish cooperative relations with the AALCC or the proposed Centre as and when the latter comes up and to permit the Centre to have ready access to information or documentation available with them.

Ways and means of concretizing the proposal to establish an autonomous Centre

25. Having established the rationale, necessity and usefulness of the proposed Centre, it now remains to consider the modalities by which the proposed Centre could be brought into being. There appear to be two modalities which need to be considered by the Member Governments. The first one contemplates the establishment of the Centre as an autonomous institution hosted by a Member Government albeit under the auspices of the AALCC. The second one proposes the setting up of a data collection unit within the AALCC Secretariat as an initial step to the proposed Centre to be brought into being over a period of time after adequate groundwork therefor had been laid.

26. In deciding on the first modality, i.e. establishment of the Centre as an autonomous institution, consideration will have to be given to its possible venue, status and relationship with the AALCC, staffing of the Centre, provision of logistic support and physical facilities to enable the Centre to function effectively and efficiently, and finally and more importantly, the sources of its funding.

27. As the proposed Centre is intended to serve the Member States in Asia and Africa, an ideal location of the venue of the Centre would partly be the place which is centrally situated between the regions of the two continents though with modern communications this is not an overriding factor. Moreover, political, social and economic stability at the place of location would also be of importance. However, these considerations would only be relevant if more than one Member Government had come forward to host the Centre. The willingness of a Member Government to host the Centre and provide necessary infrastructural facilities is an essential prerequisite to the launching of the Centre in view of cost-effective considerations and considering the lack of resources in the AALCC membership, barring a few exceptions.

28. It has been proposed that the Centre should function under the auspices of the AALCC. Therefore, as a subsidiary organ of the AALCC, its relationship with the AALCC and the host Government will have to be clearly spelt out. As a creature of the AALCC, the Centre would have the character of an inter-governmental organisation and have the same immunities and privileges for itself and its foreign-based officers as those conferred on the AALCC. A headquarters agreement would, therefore, need to be concluded

between the AALCC and the Host Government defining not only the Centre's status, privileges and immunities but also containing provisions concerning its functional relationship with the AALCC on the one hand, and the Host Government, on the other. The headquarters agreement should also include a clear commitment by the Host Government to respect the independence of the Centre.

29. Since the Centre is to be organised under the auspices of the AALCC, it is implicit that the Centre would operate under the administrative and substantive jurisdiction of the AALCC. The administrative jurisdiction shall be exercisable by the Secretary-General of the AALCC, in consultation, where necessary, with the Host Government, and would extend to such matters as appointment of the executive and professional staff, their terms and conditions of service, periodic review of the progress made by the Centre, organisation of seminars and symposia by the Centre, its budget allocation and expenditure. The substantive jurisdiction shall vest in the AALCC itself and shall be exercisable over the Centre's programme of work and the studies and reports prepared by the Centre.

30. Since 1971, the AALCC is served by a Standing Sub-Committee on International Trade Law Matters which has the mandate of monitoring and reviewing recent legislative developments in the field of international trade and economic relations. The Sub-Committee meets concurrently with the plenary meetings during the annual sessions of the AALCC and is generally attended by the delegates and observers having an interest or expertise in trade law matters. It, therefore, stands to reason that the Trade Law Sub-Committee should be authorised to oversee the work of the Centre. However, to enable the Sub-Committee to discharge this extended function efficiently, it would not only need to be strengthened and broadbased, but the frequency of its meetings would have to be increased during the annual sessions. Hitherto, its meetings have been restricted to five or six meetings. In this context, it should also be considered whether the work of the Centre should be reviewed by Ministerial Meetings convoked by the AALCC periodically and attended by Ministers of Foreign Trade, Economy or Commerce, to ensure that appropriate follow-up action is taken on the recommendations of the AALCC based on the Centre's work. It may be mentioned that in the past the AALCC had convened two such meetings, one in September 1980 in Kuala Lumpur and the other in September 1981 in Istanbul to consider regional cooperation in industry.

31. The Consultant in his report presented before the Beijing Session had raised the question whether the Centre would be a policy formulating institution. It is believed that the South Korean proposal does not contemplate the proposed Centre as a policy-making one. This suggestion should in any case be ruled out on two reasons: firstly since the Centre is intended to be organised under the auspices of the AALCC which by itself is a consultative organisation with its recommendations being hortatory in nature, it would be a contradiction in terms if the subsidiary organ, the Centre, were to have a policy-making role. Secondly, there could be a more fundamental

objection to such a proposition in view of the fact that the developing countries which have asserted their right to adopt an economic system of their choice and to set their national economic priorities without any external pressure or interference as reflected in the UN resolutions on permanent sovereignty over natural resources and the Charter of Economic Rights and Duties of States would not be prepared to assign such a role to the Centre. The Centre can and should be envisioned as an information and research institution for the use of the Member States of the AALCC.

32. As for the staffing of the Centre, considering the functions proposed to be assigned to it and the quality of work expected, it is felt that when and if it is established, it should initially have as a minimum a Director, a Deputy Director, four or five legal/economic officers, one computer programmer, one computer operator, one administrative and financial officer and subordinate staff as may be required. The Director might be appointed by the Secretary-General of the AALCC in consultation with the Host Government and could be a national of that Government. The Deputy Director could be deputed by the AALCC either from among its staff or from one of the Member Governments. Both the Director and Deputy Director should be recognised experts in the field of economic relations so that they could give policy orientation and direction to the work of the Centre. The key personnel of the Centre will, however, be the legal/economist staff which would have to be recruited from amongst such nationals of Member States who have recognised proficiency in both law and economics. These will have to be suitably remunerated to ensure staff of high calibre. Such officers may be deputed by Member Governments or recruited directly from amongst the nationals of Member countries. The make-up of the Centre's staff should be such as to ensure appropriate international or regional staffing.

33. To enable the Centre to discharge its functions effectively, the Centre would also need a specialised library, a computerized data bank as well as a fax machine to enable it to monitor, classify and store information concerning developments taking place around the globe in the economic field in their international, regional and domestic settings. A suggestion had been made at the Beijing Session that the computerized data bank at the AALCC's Cairo Centre for International Commercial Arbitration should be utilised for gathering information. It is felt that although information available with the Cairo Centre could be availed of by the proposed Centre, to make the Centre completely dependent on the Cairo Centre for access to information for its day-to-day work would seem to be impractical. For the Centre to function effectively, its staff must have the computerized information within their easy reach.

34. Even assuming that a Member Government would host the Centre, provide it with requisite infrastructural facilities and even bulk of funding to start with, substantial additional funding would be required not only for having a contingent of competent professional staff, building of a specialized library and installation of a computerized data bank, but also for the continued operations of the Centre. The Director of the Centre would have

to be a person of some standing and eminence in the field of international economic relations so that he could give policy direction to the work of the Centre. His deputy would have to be nearly equal to him. The incumbents to these posts would have to be remunerated commensurate with their experience and standing. To fill in the professional positions, the Centre will have to locate experts in the twin disciplines of law and economics which would not be an easy job. Even if they were located, an attractive package will have to be offered to induct them in the Centre. It may be pointed out that legal officers in UNCITRAL and UNCTAD working in similar fields draw anything between \$ 2500 to 3500 p.m., besides the perks and perquisites admissible to them under the UN service rules. Comparable treatment and conditions of service would have to be provided to attract best talents to the Centre. A high calibre personnel is needed not only to enable the Centre to give advisory opinion and guidance to Member States on legal aspects of economic questions, but also for the purpose of imparting training to officers of Member Governments in dealing with those questions. On a rough estimate, therefore, in order to launch the Centre straightway with a minimum of paraphernalia, at least \$ 500,000 to 750,000 would be needed as the first capital investment.

35. The crucial question is how and where this money could be raised even assuming that the host government would be providing the required infrastructural facilities. Would it be provided by the more affluent Member Governments or would the entire membership of the AALCC be prepared to take on this financial burden? Prospects do not appear to be bright taking a cue from the present financial situation of the AALCC which is not a happy one. Despite the fact that annual contributions of the Member Governments to the AALCC are quite modest as compared to their contributions to other inter-governmental organisations of which they might be members, only 40 to 50 per cent of the Member Governments pay their contributions on a systematic basis which has forced the Secretariat to curtail some of its activities. A number of Member States have not paid their contribution for the last several years and the present situation is that the accumulated arrears of contributions exceed the annual budget of the AALCC. This scenario does not bode well for initiating the establishment of the Centre straightaway.

Establishment of a Data Collection Unit within AALCC Secretariat

36. It is, therefore, felt that although the proposed Centre as an autonomous institution is a *sine qua non* to help Member States in Asia and Africa to quicken the pace of their development through regional cooperation, the establishment of such a Centre should be seen as an ideal long-term objective because such a project requires not only substantial finance, but preparation of considerable groundwork and development of a certain degree of expertise. It is, therefore, suggested that as a first practical step towards implementing the aforesaid long-term objective, the AALCC should set up a data collection unit as an integral part of the Secretariat.

37. As an integral part of the Secretariat, the data collection unit would obviously function under the supervision and direction of the Secretary-General and would be staffed by two/three legal officers having some specialisation in the discipline of international economic law, one as a computer programmer and one as a computer operator. Its main function would be to get in touch with competent authorities or concerned institutions in the Member Governments for acquisition of information and documentation on their respective laws, regulations and practices in the economic field. The unit would also approach concerned UN organs and other organisations for obtaining relevant information available with them. It may be mentioned that AALCC has already established a framework for mutual cooperation with the United Nations, its subsidiary organs and agencies as well as close working relations with a number of other inter-governmental organisations. The collected information would be classified subject/topic-wise and fed into computer for storage and dissemination. Initially, the unit shall directly report to the AALCC or its Trade Law Sub-Committee on the extent and kind of data collected by it and seek its directions as to whether research should be initiated on the topics it may specify.

Financial implications and viability of the Data Collection Unit

38. The unspent portion of the Republic of Korea grant at the disposal of the Secretariat is US \$ 19,546.66. If the Heads of Delegations agree in principle to the creation of the proposed Unit as an integral part of the Secretariat, albeit without entailing any financial burden on the AALCC for the time being, it is proposed to set up and run the Data Collection Unit for a period of two years, viz. 1992 and 1993 from the funds provided by the Republic of Korea which has already given its consent provided she will not be expected to furnish any further funds for maintaining the Unit. The Annex to this study sets out the details on the proposal. This would not entail any financial burden for the AALCC during those years and at the same time it would do away with the necessity of raising any voluntary contributions during those two years for this purpose.

39. On a most-cost effective basis, the proposed Unit can comprise of a Director, a Legal Officer, one part-time Consultant, one Programmer and one Operator. The Unit to succeed would require to be headed by a person well-versed in the field of international economic law, and this is why it is proposed to create a new post of Director which could be filled internally. The financial implications involved in the promotion of one of the senior officers currently dealing with Trade Law matters will be modest and could be absorbed by the general budget of the AALCC. As a matter of fact, it will roughly amount to US \$ 500 per annum. Besides, the other Legal Officer working in the Secretariat on some aspects of economic matters can also be inducted in the Unit and his emoluments being borne by the general budget of the AALCC would not involve any extra expense. However, one part-time Consultant and full-time Programmer would have to be recruited from outside. The services of a Consultant are essential because in addition

to maintaining the equipment and training of the personnel involved, he will be recruited to programme the computers so that the data collected by the Unit could be stored in the computers in a readily accessible form. The Programmer will be the person who will process the data into the computers from day-to-day in the form and manner required. The post of Operators is intended to be filled by in-house steno-typists so as to save costs.

40. Since the data will be collected from not only Member Governments but also from United Nations, its agencies and organs and other inter-governmental organisations with which the AALCC maintains mutual cooperation arrangements, it is expected that the information and data that would come in would be massive and it will take quite some time to catalogue, code and systematise before it is processed in the computers. However, all efforts will be made to ensure that the envisaged databank would become fully operational and adaptable for any use that is intended as soon as practicable.

41. The minimum equipment requirement (hardware) for the Unit would include two computers, one of 40 megabyte capacity and the other of 20 megabyte capacity; one hand scanner; and one UPS equipment for uninterrupted power supply. The higher capacity computer is a versatile machine suitable for different purposes. It is, however, intended to be used primarily as a databank. The second computer of lesser capacity is intended to be used for day-to-day activities as well as for use in emergencies if the other computer blacks out. The Printer is meant for taking out printouts as and when required. A Hand Scanner is a must for feeding maps and graphs into the databank. The UPS equipment is essential for ensuring uninterrupted power supply. In addition, there will be recurrent requirements of softwares like cartridges, tape drive and disk floppies.

42. As spelled out in the Annex, the estimated costs of one-time acquisition of the necessary equipment and the operational costs of the unit for a period of two years aggregates to Rs. 350,500 or US \$ 14,020. Since the unspent portion of the Republic of Korea's grant with the Secretariat is US \$ 19,546.66, the Unit can easily be organised and maintained for a period of two years without any conceivable difficulty. However, from the third year onwards, if the AALCC decides to continue the operations of the Unit, the overall operational cost works out to Rs. 77,000 or US \$ 3080 per annum. These costs include the breakup costs of maintenance of the equipment, purchases of required software and salaries of the Programmer and the Operator, there being no need to retain the services of the part-time consultant after the initial period of two years. Since operational costs of the Centre after two years are modest, they can easily be absorbed by the general budget of the AALCC until such time when a host government comes forward to host the projected Centre and to bear its operational costs singly or jointly with other interested Member Governments. The attendant benefits of the Unit would consist in the introduction of modern office equipment in the AALCC Secretariat and the Secretariat

personnel getting acquainted with the modern techniques of office management.

Consideration by the Liaison Officers

43. The proposal was placed before the Liaison Officers of the Member States of the AALCC at their 229th meeting held on the 28th of November 1991. The Liaison Officer for the Republic of Korea complimented the Secretary-General for his proposal on the creation of a Data Collection Unit by utilising the grant made by his Government as a first practical step towards the long-term objective of establishing an autonomous Centre as proposed by his Government during the Nairobi Session (1989).

44. The Liaison Officer for Ghana also commended the proposal as the most sensible and practicable in the sense of providing a feasible implementation of the proposal of the Government of the Republic of Korea while at the same time contributing towards the modernisation in the AALCC Secretariat without any financial implications for the Member Governments at least for the two initial years. He pointed out that significant developments in the economic sphere were taking place worldwide and the proposed Data Collection Unit would make it possible for the AALCC Secretariat to pool the latest information about these developments for dissemination to the Member States. He further pointed out that the proposed personnel, who would largely be drawn from the existing staff, would only marginally increase the budget even after the initial stage. Supporting the creation of a new post of Director to run the Unit, he pointed out that the cost to the organisation would only amount to some US \$ 500 per annum. The part-time consultant would be phased out while other staff would largely be recruited from the existing staff. He, therefore, urged the Liaison Officers' Meeting to endorse the Secretary-General's proposal for the establishment of the Data Collection Unit as an integral part of the Secretariat for the years 1992 and 1993.

45. The Secretary-General in supporting the views expressed both by the Liaison Officers of the Republic of Korea and Ghana underlined the fact already underlined by the Liaison Officer for Ghana that the cost to the Organization, at least in the initial stages, would be minimal while the advantages would be considerable. Even after the initial two years, since the hardware would already have been purchased, the recurrent cost of maintaining the Unit would be fairly manageable.

46. The Liaison Officers unanimously approved the proposal and recommended its transmission to the Member States and Heads of Delegations at the forthcoming annual session of the AALCC in Islamabad for their final approval.

ANNEX

ESTIMATED COSTS OF INFRASTRUCTURAL FACILITIES, EQUIPMENT AND PERSONNEL NEEDED FOR THE ESTABLISHMENT OF DATA COLLECTION UNIT IN THE AALCC SECRETARIAT FOR A PERIOD OF TWO YEARS

Infrastructural Facilities and Equipment Needed

1. Computer Room : Air-conditioned to ensure dust free environment. One air-conditioned room can be provided by the Secretariat for this purpose.

(HARDWARE)

2. Computers : Two—to perform different operations on the given data including mathematical and data classification.
3. Printer : One—to take out copies on the data or whatever classified data required.
4. U.P.S. (Uninterrupted Power Supply Unit) : One—to ensure uninterrupted power supply.
5. Hand Scanner : For feeding maps and graphs in the computers.

(SOFTWARE)

6. Cartridge Tape Drive : One.
7. Disk Floppies : As and when required.
8. Personnel required : (i) Director—One
(ii) Legal Officer—One
(iii) Part-time Consultant⁸
(iv) Programmer⁸
(v) Operator—In-house.

ESTIMATED COSTS

1. *HARDWARE*

- (a) WIPRO Computer PC/XT-20 MB/MONO Rs. 44,500

⁸ These will have to be recruited from outside. The rest will be inducted from the AALCC Secretariat and will continue performing their present functions.

(b) WIPRO Computer PC-AT-286-40 MB Hard Disk	Rs. 63,500
(c) WIPRO Printer EX 1000 136 Col 300 CPS DMP	Rs. 32,500
(d) Hand Scanner	Rs. 10,000
(e) U.P.S.	Rs. 20,000
(f) Maintenance for the second year (No cost for the first year because of warranty)	Rs. 15,000
II. SOFTWARE	
(a) Cartridge Tape Drive	Rs. 20,000
(b) Other softwares and training	Rs. 20,000
	<u>Rs. 225,500</u>
III. FURNITURE	Rs. 5,000
IV. PERSONNEL	
(a) Consultant part-time for 2 years @ Rs. 1500 p.m.	Rs. 36,000
(b) Programmer for 2 years @ Rs. 3000 p.m.	Rs. 72,000
(c) Operator In-house for 2 years @ Rs. 500 p.m.	Rs. 12,000
	<u>Rs. 125,000</u>
Total	Rs. 225,500
	<u>Rs. 125,000</u>
	Rs. 350,500 or US \$ 14,020.

ENVIRONMENT AND DEVELOPMENT

IX. ENVIRONMENT AND DEVELOPMENT

(I) INTRODUCTION

1. The United Nations General Assembly, by its resolution 44/228 of 22 December 1989, decided to convene the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil, in June 1992. The mandate of UNCED as formulated by the aforesaid resolution covered a wide range of major environmental and developmental issues, all of which had actual or potential legal implications. These included :

- (a) Protection of the atmosphere by combating climate change, depletion of the ozone layer and transboundary pollution;
- (b) Protection of the quality and supply of fresh water resources;
- (c) Protection of the oceans and all kinds of seas, including enclosed and semi-enclosed seas, and of coastal areas and the protection, rational use and development of their living resources;
- (d) Protection and management of land resources by *inter alia* combating deforestation, desertification and drought;
- (e) Conservation of biological diversity;
- (f) Environmentally sound management of biotechnology;
- (g) Environmentally sound management of wastes, particularly hazardous wastes, and of toxic chemicals, as well as prevention of illegal international traffic in toxic and dangerous products and wastes;
- (h) Improvement of the living and working environment of the poor in urban slums and rural areas, through eradication of poverty, *inter alia*, by implementing integrated rural and urban development programmes as well as taking other appropriate measures at all levels necessary to stem the degradation of the environment; and
- (i) Protection of human health conditions and improvement of the quality of life.

2. The UNCED was also mandated to promote, as a specific objective, the further development of international environmental law and to examine in this context the feasibility of elaborating general rights and obligations of States, as appropriate, in the field of environment.

3. In practical terms, six concrete results expected from the UNCED included :

- (a) an agreed statement of principles on environment and development to govern the conduct of nations and peoples (The Earth Charter);