

cialized agencies and other bodies of the United Nations system in the implementation of the Programme of Action and to report to the Economic and Social Council;

4. *Requests* the Economic and Social Council to undertake an appraisal of the activities of the organizations of the United Nations system in the light of the Programme of Action, taking into account, in particular, the relevant discussions and decisions of the Governing Body of the International Labour Office, as well as the reports referred to in paragraphs 2 and 3 above, and to report to the General Assembly at its thirty-second session.

106th plenary meeting  
21 December 1976

**31/177. Statute of the United Nations Special Fund for Land-locked Developing Countries**

*The General Assembly,*

*Recalling* its resolution 3311 (XXIX) of 14 December 1974 in which it requested the Secretary-General to submit to it at its special session devoted to development and international economic co-operation a comprehensive study on the transit problems of the land-locked developing countries and a complete study on the establishment of a fund in favour of the land-locked developing countries,

*Recalling also* Economic and Social Council resolution 1755 (LIV) of 16 May 1973 in which the Council defined the scope of a complete study on the establishment of a fund,

*Recalling further* the decision taken at its seventh special session<sup>100</sup> and its resolution 3504 (XXX) of 15 December 1975, in which it decided to establish immediately a special fund for the land-locked developing countries to compensate for their additional transport and transit costs,

*Reaffirming* that the land-locked developing countries, as a result of their geographical limitations, are doubly disadvantaged, especially with regard to their additional transport, transit and transshipment costs,

*Having considered* the draft statute of the United Nations Special Fund for Land-locked Developing Countries contained in the note by the Secretary-General prepared in pursuance of General Assembly resolution 3504 (XXX),<sup>101</sup>

1. *Expresses its appreciation* to the Secretary-General and the United Nations Conference on Trade and Development for the preparation of proposals on the organizational arrangements of the United Nations Special Fund for Land-locked Developing Countries, including the draft statute;

2. *Approves* the statute of the Fund, annexed to the present resolution;

3. *Requests* the United Nations Development Programme, in close collaboration with the secretariat of the United Nations Conference on Trade and Development, to manage the Fund during the interim period and report on its activities to the General Assembly at its thirty-second session;

4. *Appeals* to all international organizations and financial institutions, as well as potential donor countries, to provide the necessary financial resources in order to make the Fund operational during the interim period;

5. *Requests* the Secretary-General to convene the pledging conference as envisaged in article 3, paragraph 2, of the statute;

6. *Calls upon* Member States and the entire international community to contribute generously to the Fund.

106th plenary meeting  
21 December 1976

**ANNEX**

**Statute of the United Nations Special Fund for Land-locked Developing Countries**

**INTRODUCTION**

The United Nations Special Fund for Land-locked Developing Countries (hereinafter referred to as the Fund) shall operate as an organ of the General Assembly in accordance with the provisions set forth below.

*Article 1*

**PURPOSE**

In order to compensate the land-locked developing countries for their additional transport and transit costs, the Fund shall:

(a) Provide resources to offset the disadvantages created by the additional transport and transit costs facing the land-locked developing countries;

(b) Provide financial and technical assistance for projects aimed at reducing the transit and related transport costs incurred by the land-locked developing countries, and at other improvements in the transit and related transport facilities and arrangements for these countries;

(c) Provide financial support for studies, to be carried out by appropriate United Nations organs, of existing transit and related transport facilities and arrangements for land-locked developing countries, and of ways of improving them;

(d) Co-ordinate its activities with:

(i) The programme of studies and technical assistance concerning the transit and related transport needs of land-locked developing countries being carried out by the United Nations Conference on Trade and Development and the regional commissions;

(ii) Related programmes in the Department of Economic and Social Affairs of the United Nations Secretariat and other United Nations bodies;

(iii) Programmes of technical and financial assistance on behalf of land-locked developing countries in the United Nations Development Programme and other multilateral and bilateral assistance agencies.

*Article 2*

**GUIDING PRINCIPLES**

1. The provision of assistance shall be in conformity with the purposes and principles of the Charter of the United Nations.

2. Assistance from the Fund shall not serve as a means for economic and political interference in the internal affairs of recipient countries and shall not be influenced by considerations relating to the nature of their economic, social and political systems.

*Article 3*

**RESOURCES**

1. The resources of the Fund shall consist of voluntary contributions in cash or in kind by Governments. The Fund

<sup>100</sup> Official Records of the General Assembly, Seventh Special Session, Supplement No. 1 (A/10301), p. 10, item 7, subpara. (a).

<sup>101</sup> A/31/260, annex.

shall also be empowered to receive contributions from international organizations, both governmental and non-governmental, and from other private sources.

2. Contributions to the Fund may also be made by means of pledging conferences convened by the Secretary-General of the United Nations, the first pledging conference to be convened not later than twelve months after the adoption of the statute of the Fund. Contributions as pledged to the Fund shall be payable within the twelve months following the pledge.

3. Cash contributions shall be made in convertible currencies or in currency readily usable by the Fund.

4. Contributions shall be made without limitation to a specific recipient country.

#### Article 4

##### ORGANIZATION AND SUPERVISION

1. The policies and procedures of the Fund shall be formulated by a Board of Governors, composed of representatives of thirty-six States Members of the United Nations or members of specialized agencies or of the International Atomic Energy Agency, elected by the General Assembly keeping in view, *inter alia*, the need for balance among the representation of the beneficiary land-locked developing countries and their transit neighbours, on the one hand, and potential donor countries, both developed and developing, on the other. States elected to the Board of Governors shall do their utmost to ensure that their representatives possess the expertise required for the efficient operation of the Fund.

2. The members of the Board of Governors shall be elected for a term of three years, provided, however, that, of the members elected at the first election, the terms of one third of the members shall expire at the end of one year and the terms of a further one third of the members at the end of two years. Retiring members shall be eligible for re-election.

3. The Board of Governors shall report annually to the General Assembly through the Economic and Social Council. The comments of the Council on the report shall also be transmitted to the Assembly.

4. The Board of Governors shall meet at least once a year and as often as may be necessary for the conduct of the work of the Fund.

5. The Board of Governors may, in the light of requirements, establish an Executive Committee which shall supervise the operations of the Fund on a continuous basis and report to the Board on its activities at regular intervals. Beneficiary land-locked developing countries and their transit neighbours, on the one hand, and potential donor countries, on the other, shall be represented on the Executive Committee in proportions similar to such representation on the Board of Governors.

#### Article 5

##### QUORUM AND VOTING

1. A majority of the members of the Board of Governors or of the Executive Committee shall constitute a quorum.

2. Each member of the Board of Governors and each member of the Executive Committee shall have one vote.

3. Decisions on all questions shall as far as possible be made on the basis of consensus. In the absence of consensus, decisions shall be made by a majority of the members present and voting. For the purpose of the present article, the phrase "members present and voting" means members present and casting an affirmative or negative vote. Members which abstain from voting are considered as not voting.

#### Article 6

##### MANAGEMENT

1. The chief executive officer of the Fund, who shall be appointed by the Secretary-General of the United Nations subject to confirmation by the General Assembly, shall be the Executive Director of the Fund.

2. The Executive Director shall discharge his functions under the guidance and supervision of the Board of Governors

and the Executive Committee, if established, in whose deliberations he will participate without the right to vote. He shall exercise over-all responsibility for the day-to-day operations of the Fund and shall report directly, on a regular basis, to the Board of Governors, or through the Executive Committee, if established, on the operations of the Fund.

3. The Executive Director shall be assisted by a small secretariat within the framework of the United Nations Secretariat. The Fund may enter into management contracts with the competent international organizations, including the regional development banks, to conduct its operations. The contracts shall ensure the full and effective control, at all times, of the Fund over the operations. The Executive Director shall make effective use of the existing facilities of the United Nations Secretariat, including those of the United Nations Conference on Trade and Development, the regional commissions and the United Nations Industrial Development Organization, as well as those of the United Nations Development Programme. Where appropriate, the Fund may also use the facilities of the specialized agencies.

#### Article 7

##### MODES OF OPERATION

1. To carry out its purposes as specified in article 1, the Fund is empowered to make grants and loans, including loans on concessionary terms, and, as appropriate, to participate in investments and to allocate assistance in kind under its control and direction.

2. The Fund shall ensure an equitable distribution of its resources, taking into account the needs of each of the land-locked developing countries as well as relevant problems at the regional and subregional levels.

#### Article 8

##### RESPONSIBILITIES OF GOVERNMENTS OF RECIPIENT COUNTRIES

Governments of recipient countries shall ensure the effective utilization of the resources provided by the Fund, shall maintain the records required by the Fund in connexion with the administration of its financial and technical assistance and shall report fully on the utilization of such assistance.

#### Article 9

##### FINANCIAL ADMINISTRATION

1. The financial regulations for the Fund shall be drafted by the Secretary-General of the United Nations in consultation with the Executive Director of the Fund, for approval by the General Assembly on the recommendation of the Board of Governors. In the preparation of these regulations, account shall be taken of the special requirements of the operations of the Fund.

2. Pending the approval by the General Assembly of financial regulations for the Fund, the Financial Regulations and Rules of the United Nations<sup>102</sup> shall apply.

#### Article 10

##### FUTURE INSTITUTIONAL ARRANGEMENTS

The General Assembly shall review, in the light of experience, the effectiveness and further evolution of these institutional arrangements with a view to deciding upon such changes and improvements as may be necessary in order to meet fully the purposes of the Fund.

### 31/178. Implementation of General Assembly resolutions 2626 (XXV), 3202 (S-VI), 3281 (XXIX) and 3362 (S-VII)

*The General Assembly,*

*Recalling* its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action on the Establishment of a

<sup>102</sup> ST/SGB/Financial Rules/1/Rev.1 and Amend.1-5.