

## CHAPTER 449

# THE NATURAL WEALTH AND RESOURCES (PERMANENT SOVEREIGNTY) ACT

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## CHAPTER 449

### THE NATURAL WEALTH AND RESOURCES (PERMANENT SOVEREIGNTY) ACT

[15<sup>th</sup> July, 2017]

[GN. No. 246 of 2017]

Acts Nos.  
5 of 2017  
9 of 2017  
2 of 2020  
4 of 2021

#### PREAMBLE

WHEREAS, the fundamental objectives and directive principles of state policy enshrined under sub-article (1) of Article 8 and Article 9(f) of the Constitution of the United Republic of Tanzania, 1977, assert that the United Republic is a State which adheres to the principles of democracy and social justice and, accordingly, sovereignty resides in the People and it is from the People that the Government, through the Constitution of the United Republic of Tanzania, 1977, derives all its powers and authority and that the primary objective of the Government shall be the welfare of the People;

AND WHEREAS, international law recognises the right of the United Republic to assert permanent sovereign right for the purpose of exploring, exploiting and managing its natural resources;

AND RECOGNISING, that the United Republic is a signatory to the United Nations Universal Declaration of Human Rights and the African Charter on Human and People's Rights and subscribes to Articles 17 and 21 respectively;

AND WHEREAS, the United Republic being a sovereign state has permanent sovereignty over all natural wealth and resources thence imposing on the Government the

responsibility of ensuring that interests of the People and the United Republic are paramount and protected in any arrangement or agreement which the Government makes or enters in respect of such natural wealth and resources;

AND WHEREAS, by virtue of Article 27 of the Constitution of the United Republic of Tanzania, 1977, the protection of natural wealth and resources in the United Republic is charged on the People and the Government and the control of which is entrusted to the President;

AND WHEREAS, the fundamental objectives and directive principles of state policy enshrined under paragraphs (c) and (i) of Article 9 of the Constitution of the United Republic of Tanzania, 1977 require all activities of the Government to be conducted in such a manner as to ensure that the national wealth and heritage are harnessed, preserved and applied for the common good, and to prevent exploitation, and that, the use of the national wealth and heritage places emphasis on the development of the People and the Nation, and in particular, geared towards the eradication of poverty, ignorance and diseases;

AND WHEREAS, the Government has resolved to fairly and equitably undertake protracted measures intended to ensure that the natural wealth and resources of the United Republic are used for the greatest benefit and welfare of the People and the United Republic by ensuring that all arrangements or agreements made into by the Government protect interests of the People and the United Republic;

AND WHEREAS, it is necessary to make comprehensive statutory provisions to provide for ownership and control over natural wealth and resources and to provide for the protection of permanent sovereignty over natural wealth and resources;

NOW THEREFORE, be it ENACTED by the Parliament of the United Republic of Tanzania as follows:

## PART I PRELIMINARY PROVISIONS

- Short title                   **1.** This Act may be cited as the Natural Wealth and Resources (Permanent Sovereignty) Act.
- Application  
Act No.  
4 of 2021 s. 21               **2.**–(1) This Act shall, without prejudice to the authority of the Revolutionary Government of Zanzibar over ownership and control of its own national wealth and resources in accordance with the Constitution of the United Republic of Tanzania, 1977 and the laws of Tanzania Zanzibar in relation to natural wealth and resources, apply to Mainland Tanzania as well as Tanzania Zanzibar.
- (2) Without prejudice to subsection (1), this Act shall not apply to an agreement that provides for special arrangement relating to transportation of natural resources that are not exploited in the United Republic and such arrangement has been approved by the Cabinet.
- Interpretation  
Act No.  
9 of 2017 s. 14               **3.** In this Act, unless the context otherwise requires-  
“arrangement or agreement” means any contract relating to extraction, exploitation or acquisition and use of natural wealth and resources;  
“Government” means the Government of the United Republic or the Revolutionary Government of Zanzibar as the case may be, and the corresponding Constitutions and institutions of the United Republic and Tanzania Zanzibar exercising powers or performing functions in relation to natural wealth and resources;  
“Minister” means the Minister responsible for legal affairs;  
“natural wealth and resources” means all materials or substances occurring in nature such as soil, subsoil, gaseous and water resources, mineral resources, petroleum resources, fauna and

flora, genetic resources, aquatic resources, micro-organisms, air space, rivers, lakes and maritime space, including the Tanzania's territorial sea and the continental shelf, living and non-living resources in the Exclusive Economic Zone which can be extracted, exploited or acquired and used for economic gain, whether processed or not; and  
 "national jurisdiction" means the authority of judicial system in the United Republic to administer justice over things and persons within the United Republic.

## PART II

### PERMANENT SOVEREIGNTY OVER NATURAL WEALTH AND RESOURCES

Proclamation  
of permanent  
sovereignty

4.-(1) The People of the United Republic shall have permanent sovereignty over all natural wealth and resources.

(2) The ownership and control over natural wealth and resources shall be exercised by, and through the Government on behalf of the People and the United Republic.

(3) The First and Second Schedules shall have effect in relation to assertion by the People and the United Republic over permanent sovereignty over natural wealth and resources.

Inalienability of  
natural wealth  
and resources

5.-(1) The natural wealth and resources shall be inalienable in any manner whatsoever and shall always remain the property of the People of the United Republic.

(2) The natural wealth and resources shall be held in trust by the President on behalf of the People of the United Republic.

(3) For purposes of subsections (1) and (2), all activities and undertakings relating to exploration of natural wealth and resources shall be conducted by the Government on behalf of the People of the United Republic.

(4) Without prejudice to subsection (3), the Government may, where it considers necessary, authorise any person to perform functions or undertakings relating to exploration of natural wealth and resources in accordance with the laws of Tanzania.

Prohibition of exploitation except for benefit of People  
Cap. 2

**6.**—(1) Pursuant to paragraphs (c) and (i) of Article 9 of the Constitution of the United Republic of Tanzania, 1977, it shall be unlawful to make any arrangement or agreement for the extraction, exploitation or acquisition and use of natural wealth and resources except where the interests of the People and the United Republic are fully secured.

(2) An arrangement or agreement for international cooperation for the economic and social development involving natural wealth and resources, whether in the form of public or private capital investments, exchange of goods and services, technical assistance or exchange of scientific information shall aim at furthering independence and self reliance of the People of the United Republic based upon respect for permanent sovereignty over natural wealth and resources.

(3) For purposes of subsections (1) and (2), it shall be the duty and responsibility of the Government, all organs and persons or authorities exercising executive, legislative or judicial functions to take cognisance of, observe and apply the provisions of this Act.

Guarantee of returns from natural wealth and resources

**7.** In any arrangement or agreement for extraction, exploitation or acquisition and use of natural wealth and resources, there shall be guaranteed returns into the Tanzanian economy from the earnings accrued or derived from such extraction, exploitation or acquisition and use.

Participation of People and Government

**8.** Any authorisation granted for the extraction, exploitation or acquisition and use of natural wealth and resources, arrangements shall be made or given to ensure that the Government obtains an equitable stake in the venture and the People of the United Republic may acquire stakes in the venture.

Requirement for beneficiation

**9.**—(1) An arrangement or agreement for the extraction, exploitation or acquisition and use of natural wealth and resources shall ensure that no raw resources are exported for beneficiation outside the United Republic.

(2) For the purpose of subsection (1), in any arrangement or agreement for the extraction, exploitation or acquisition and use of natural wealth and resources, there shall be commitment to establish beneficiation facilities within the United Republic.

Retention of earnings

**10.**—(1) An arrangement or agreement for extraction, exploitation or acquisition and use of natural wealth and resources shall require that earnings from disposal or dealings be retained in the banks and financial institutions established in the United Republic.

(2) For the purpose of subsection (1), it shall be unlawful to keep such earnings in banks or financial institutions outside the United Republic except where distributed profits are repatriated in accordance with the laws of Tanzania.

### PART III

#### PROTECTION OF PERMANENT SOVEREIGNTY

Prohibition of proceedings in foreign courts  
Act No.  
2 of 2020 s. 100

**11.**—(1) Pursuant to Article 27 (1) of the Constitution of the United Republic of Tanzania, 1977, permanent sovereignty over natural wealth and resources shall not be a subject of proceedings in any foreign court or tribunal.

(2) For the purpose of subsection (1), disputes arising from extraction, exploitation or acquisition and use of natural wealth and resources shall be adjudicated by judicial bodies or other organs in the United Republic and in accordance with laws of Tanzania.

(3) For the purpose of implementation of subsection (2), judicial bodies or other bodies in the United Republic and application of laws of Tanzania shall be acknowledged and incorporated in any arrangement or agreement.

Review by National Assembly

**12.** All arrangements or agreements entailing extraction, exploitation or acquisition and use of natural wealth and resources may be reviewed by the National Assembly.

Power to make regulations

**13.**—(1) The Minister may make regulations for the better carrying out of the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the regulations shall prescribe:

- (a) code of conduct for investors in natural wealth and resources;
- (b) minimum guidelines for inspection, monitoring and evaluation of investments in natural wealth and resources; and
- (c) anything which is incidental or conducive to the effective implementation of this Act.

## FIRST SCHEDULE

*(Made under section 4(3))*

### 1962 UN GENERAL ASSEMBLY RESOLUTION ON PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES (GAR 1803)

The General Assembly,

Recalling its resolutions 523(VI) of 12<sup>th</sup> January, 1952 and 626(VII) of 21<sup>st</sup> December, 1952,

Bearing in mind its resolution 1314(XIII) of 12<sup>th</sup> December, 1958, by which it established the Commission on Permanent Sovereignty over Natural Resources and instructed it to conduct a full survey of the status of permanent sovereignty over natural wealth and resources as a basic constituent of the right to self-determination, with recommendations, where necessary, for its strengthening, and decided further that, in the conduct of the full survey of the status of the permanent sovereignty of peoples and nations over their natural wealth and resources, due regard should be paid to the rights and duties of States under international law and to the importance of encouraging international co-operation in the economic development of developing countries,

Bearing in mind its resolution 1515(XV) of 15<sup>th</sup> December, 1960, in which it recommended that the sovereign right of every State to dispose of its wealth and its natural resources should be respected,

Considering that any measure in this respect must be based on the recognition of the inalienable right of all States freely to dispose of their natural wealth and resources in accordance with their national interests, and on respect for the economic independence of States,

Considering that nothing in paragraph 4 below in any way prejudices the position of any Member State on any aspect of the question of the rights and obligations of successor States and Governments in respect of property acquired before the accession to complete sovereignty of countries formerly under colonial rule,

Noting that the subject of succession of States and Governments is being examined as a matter of priority by the International Law Commission,

Considering that it is desirable to promote international co-operation for the economic development of developing countries, and that economic and financial agreements between the developed and the developing countries must be based on the principles of equality and of the right of peoples and nations to self-determination,

Considering that the provision of economic and technical assistance, loans and increased foreign investment must not be subject to conditions which conflict with the interests of the recipient State,

Considering the benefits to be derived from exchanges of technical and scientific information likely to promote the development and use of such resources and wealth, and the important part which the United Nations and other international organisations are called upon to play in that connection,

Attaching particular importance to the question of promoting the economic development of developing countries and securing their economic independence,

Noting that the creation and strengthening of the inalienable sovereignty of States over their natural wealth and resources reinforces their economic independence,

Desiring that there should be further consideration by the United Nations of the subject of permanent sovereignty over natural resources in the spirit of international co-operation in the field of economic development, particularly that of the developing countries.

## PART I

Declares that:

1. The right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of their national development and of the well-being of the people of the State concerned.
2. The exploration, development and disposition of such resources, as well as the import of the foreign capital required for these purposes, should be in conformity with the rules and conditions which the peoples and nations freely consider to be necessary or desirable with regard to the authorisation, restriction or prohibition of such activities.
3. In cases where authorisation is granted, the capital imported and the earnings on that capital shall be governed by the terms thereof, by the national legislation in force, and by international law. The profits derived must be shared in the proportions freely agreed upon, in each case, between the investors and the recipient State, due care being taken to ensure that there is no impairment, for any reason, of that State's sovereignty over its natural wealth and resources.
4. Nationalisation, expropriation or requisitioning shall be based on grounds or reasons of public utility, security or the national interest which are recognised as overriding purely individual or private interests, both domestic and foreign. In such cases the owner shall be paid appropriate compensation, in accordance with the rules in force in the State taking such measures in the exercise of its sovereignty and in accordance with international law. In any case where the question of compensation gives rise to a controversy, the national jurisdiction of the State taking such measures shall be exhausted. However, upon agreement by sovereign States and other parties concerned, settlement of the dispute should be made through arbitration or international adjudication.
5. The free and beneficial exercise of the sovereignty of peoples and nations over their natural resources must be furthered by the mutual respect of States based on their sovereign equality.
6. International co-operation for the economic development of developing countries, whether in the form of public or private capital investments, exchange of goods and services, technical assistance, or exchange of scientific information, shall be such as to further their independent national development and shall be based upon respect for their sovereignty over their natural wealth and resources.

7. Violation of the rights of peoples and nations to sovereignty over their natural wealth and resources is contrary to the spirit and principles of the Charter of the United Nations and hinders the development of international co-operation and the maintenance of peace.

8. Foreign investment agreements freely entered into by or between sovereign States shall be observed in good faith; States and international organisations shall strictly and conscientiously respect the sovereignty of peoples and nations over their natural wealth and resources in accordance with the Charter and the principles set forth in the present resolution.

## PART II

Welcomes the decision of the International Law Commission to speed up its work on the codification of the topic of responsibility of States for the consideration of the General Assembly.

## PART III

Requests the Secretary-General to continue the study of the various aspects of permanent sovereignty over natural resources, taking into account the desire of Member States to ensure the protection of their sovereign rights while encouraging international co-operation in the field of economic development, and to report to the Economic and Social Council and to the General Assembly, if possible at its eighteenth session.

## SECOND SCHEDULE

*(Made under section 4(3))*

### CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES

GA Res. 3281(xxix), UN GAOR, 29<sup>th</sup> Sess., Supp. No. 31 (1974) 50

The General Assembly,

RECALLING that the United Nations Conference on Trade and Development, in its resolution 45(III) of 18<sup>th</sup> May, 1972, stressed the urgency to establish generally accepted norms to govern international economic relations systematically and recognised that it is not feasible to establish a just order and a stable worked as long as a charger to protect the rights of all countries, and in particular the developing States, is not formulated.

RECALLING FURTHER that in the same resolution it was decided to establish a Working Group of governmental representatives to draw up a draft Charter of Economic Rights and Duties of States, which the General Assembly, in its resolution 3037(XXVII) of 19<sup>th</sup> December, 1972, decided should be composed of forty Member States.

NOTING that, in its resolution 3082(XXVIII) of 6<sup>th</sup> December, 1973, it reaffirmed its conviction of the urgent need to establish or improve norms of universal application for the development of international economic relations on a just and equitable basis and urged the Working Group on the Charter of Economic Rights and Duties of States to complete, as the first step in the codification and development of the matter, the elaboration of a final draft Charter of Economic Rights and Duties of States, to be considered and approved by the General Assembly at its twenty-ninth session.

BEARING IN MIND the spirit and terms of its resolutions 3201(S-VI) and 3202(S-VI) of 1<sup>st</sup> May, 1974, containing, respectively, the Declaration and the Programmed of Action on the Establishment of a New International Economic Order, which underlined the vital importance of the Charter to be adopted by the General Assembly at its twenty-ninth session and stressed the fact that the Charter shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality and interdependence of the interests of developed and developing countries.

HAVING EXAMINED the report of the Working Group on the Charter of Economic Rights and Duties of States on its fourth session, transmitted to the General Assembly by the Trade and Development Board at its fourteenth session.

EXPRESSING ITS APPRECIATION to the Working Group on the Charter of Economic Rights and Duties of States which, as a result of the task performed in its four sessions held between February 1973 and June 1974, assembled the elements required for the completion and adoption of the Charter of Economic Rights and Duties at the twenty-ninth session of the General Assembly, as previously recommended.

ADOPTS AND SOLEMNLY PROCLAIMS the following Charter:

Charter of economic rights and duties of states

Preamble

The General Assembly,

REAFFIRMING the fundamental purposes of the United Nations, in particular the maintenance of international peace and security, the development of friendly relations among nations and the achievement of international co-operation in solving international problems in the economic and social fields,

AFFIRMING the need for strengthening international co-operation for development,

DECLARING that it is a fundamental purpose of the present Charter to promote the establishment of the new international economic order, based on equality, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems,

Desirous of contributing to the criterion of conditions for:

- (a) the attainment of wider prosperity among all countries and of higher standards of living for all peoples;
- (b) the promotion by the entire international community of the economic and social progress of all countries, especially developing countries;
- (c) the encouragement of co-operation, on the basis of mutual advantage and equitable benefits for all peace-loving States which are willing to carry out the provisions of the present Charter, in the economic, trade, scientific and technical fields, regardless of political, economic or social systems;
- (d) the overcoming of main obstacles in the way of economic development of the developing countries;
- (e) the acceleration of the economic growth of developing countries with a view to bridging the economic gap between developing and developed countries;
- (f) the protection, preservation and enhancement of the environment.

MINDFUL of the need to establish and maintain a just and equitable economic and social order through:

- (a) the achievement of more rational and equitable international economic relations and the encouragement of structural changes in the world economy;
- (b) the creation of conditions which permit the further expansion of trade and intensification of economic co-operation among all nations;
- (c) the strengthening of the economic independence of developing countries;
- (d) the establishment and promotion of international economic relations, taking into account the agreed differences in development of the developing countries and their specific needs,

DETERMINED to promote collective economic security for development, in particular of the developing countries, with strict respect for the sovereign equality of each State and through the co-operation of the entire international community,

CONSIDERING that genuine co-operation among States, based on joint consideration of and concerted action regarding international economic problems, is essential for fulfilling the international community's common desire to achieve a just and rational development of all parts of the world.

STRESSING the importance of ensuring appropriate conditions for the conduct of normal economic relations among all States, irrespective of differences in social and economic systems, and for the full respect of the rights of all peoples, as well as strengthening instruments of international economic co-operation as a means for the consolidation of peace for the benefit of all.

CONVINCED of the need to develop a system of international economic relations on the basis of sovereign equality, mutual and equitable benefit and the close interrelationship of the interests of all States,

REITERATING that the responsibility for the development of every country rests primarily upon itself but that concomitant and effective international cooperation is an essential factor for the full achievement of its own development goals.

FIRMLY CONVINCED of the urgent need to evolve a substantially improved system of international economic relations,

SOLEMNLY ADOPTS the present Charter of Economic Rights and Duties of States.

## CHAPTER I

## Fundamentals of international economic relations

Economic as well as political and other relations among States shall be governed, *inter alia*, by the following principles:

- (a) sovereignty, territorial integrity and political independence of States;
- (b) sovereign equality of all States;
- (c) non-aggression;
- (d) non-intervention;
- (e) mutual and equitable benefit;
- (f) peaceful coexistence;
- (g) equal rights and self-determination of peoples;
- (h) peaceful settlement of disputes;
- (i) remedying of injustices which have been brought about by force and which deprive a nation of the natural means necessary for its normal development;
- (j) fulfillment in good faith of international obligations;
- (k) respect for human rights and international obligations;
- (l) no attempt to seek hegemony and spheres of influence;
- (m) promotion of international social justice;
- (n) international co-operation for development;
- (o) free access to and from the sea by land-locked countries within the framework of the above principles.

## CHAPTER II

## Economic rights and duties of states

## Article 1

Every State has the sovereign and inalienable right to choose its economic system as well as its political, social and cultural systems in accordance with the will of its people, without outside interference, coercion or threat in any form whatsoever.

## Article 2

1. Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities.

2. Each State has the right:

- (a) to regulate and exercise authority over foreign investment within its national jurisdiction in accordance with its laws and regulations and in conformity with its national objectives and priorities. No State shall be compelled to grant preferential treatment to foreign investment;

- (b) to regulate and supervise the activities of transnational corporations within its national jurisdiction and take measures to ensure that such activities comply with its laws, rules and regulations and conform with its economic and social policies. Transnational corporations shall not intervene in the internal affairs of a host State. Every State should, with full regard for its sovereign rights, cooperate with other States in the exercise of the right set forth in this subparagraph;
- (c) to nationalise, expropriate or transfer ownership of foreign property, in which case appropriate compensation should be paid by the State adopting such measures, taking into account its relevant laws and regulations and all circumstances that the State considers pertinent. In any case where the question of compensation gives rise to a controversy, it shall be settled under the domestic law of the nationalising State and by its tribunals, unless it is freely and mutually agreed by all States concerned that other peaceful means be sought on the basis of the sovereign equality of States and in accordance with the principle of free choice of means.

#### Article 3

In the exploitation of natural resources shared by two or more countries, each State must co-operate on the basis of a system of information and prior consultations in order to achieve optimum use of such resources without causing damage to the legitimate interest of others.

#### Article 4

Every State has the right to engage in international trade and other forms of economic co-operation irrespective of any differences in political, economic and social systems. No State shall be subjected to discrimination of any kind based solely on such differences. In the pursuit of international trade and other forms of economic co-operation, every State is free to choose the forms of organisation of its foreign economic relations and to enter into bilateral and multilateral arrangements consistent with its international obligations and with the needs of international economic co-operation.

#### Article 5

All States have the right to associate in organisations of primary commodity producers in order to develop their national economies, to achieve stable financing for their development and, in pursuance of their aims, to assist in the promotion of sustained growth of the world economy. In particular accelerating the development of developing

countries. Correspondingly, all States have the duty to respect that right by refraining from applying economic and political measures that would limit it.

#### Article 6

It is the duty of States to contribute to the development of international trade of goods, particularly by means of arrangements and by the conclusion of long-term multilateral commodity agreements, where appropriate, and taking into account the interest of producers and consumers. All States share the responsibility to promote the regular flow and access of all commercial goods traded at stable, remunerative and equitable prices, thus contributing to the equitable development of the world economy, taking into account, in particular, the interests of developing countries.

#### Article 7

Every State has the primary responsibility to promote the economic, social and cultural development of its people. To this end, each State has the right and the responsibility to choose its means and goals of development, fully to mobilize and use its resources, to implement progressive economic and social reforms and to ensure the full participation of its people in the process and benefits of development. All States have the duty, individually and collectively, to co-operate in eliminating obstacles that hinder such mobilization and use.

#### Article 8

States should co-operate in facilitating more rational and equitable international economic relations and in encouraging structural changes in the context of a balanced world economy in harmony with the needs and interests of all countries, especially developing countries, and should take appropriate measures to this end.

#### Article 9

All States have the responsibility to co-operate in the economic, social, cultural, scientific and technological fields for the promotion of economic and social progress throughout the world, especially that of the developing countries.

#### Article 10

All States are juridically equal and, as equal members of the international community, have the right to participate fully and effectively in the international decision-making process in the solution of world economic, financial and monetary problems, *inter alia*, through the appropriate international organisations in accordance with their existing and evolving rules, and to share in the benefits resulting therefrom.

### Article 11

All States should co-operate to strengthen and continuously improve the efficiency of international organisations in implementing measures to stimulate the general economic progress of all countries, particularly of developing countries, and therefore should co-operate to adapt them, when appropriate, to the changing needs of international economic co-operation.

### Article 12

1. States have the right, in agreement with the parties concerned, to participate in subregional, regional interregional co-operation in the pursuit of their economic and social development. All States engaged in such co-operation have the duty to ensure that the policies of those groupings to which they belong correspond to the provisions of the present Charter and are outward-looking, consistent with their international obligations and with the needs of international economic co-operation, and have full regard for the legitimate interests of third countries, especially developing countries.

2. In the case of groupings to which the States concerned have transferred or may transfer certain competences as regards matters that come within the scope of the present Charter, its provisions shall also apply to those groupings in regard to such matters, consistent with the responsibilities of such States as members of such groupings. Those States shall co-operate in the observance by the groupings of the provisions of this Charter.

### Article 13

1. Every State has the right to benefit from the advances and development in science and technology for the acceleration of its economic and social development.

2. All States should promote international scientific and technological co-operation and the transfer of technology, with proper regard for all legitimate interests including, *inter alia*, the rights and duties of holders, suppliers and recipients of technology. In particular, all States should facilitate the access of developing countries to the achievements of modern science and technology, the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies and their needs.

3. Accordingly, developed countries should co-operate with the developing countries in the establishment, strengthening and development of their scientific and technological infrastructures and their scientific research and technological activities so as to help to expand and transform the economies of developing countries.

4. All States should co-operate in research with a view to evolving further internationally accepted guidelines or regulations for the transfer of technology, taking fully into account the interest of developing countries.

#### Article 14

Every State has the duty to co-operate in promoting a steady and increasing expansion and liberalization of world trade and an improvement in the welfare and living standards of all peoples, in particular those of developing countries. Accordingly, all States should co-operate, *inter alia*, towards the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade and, to these ends, co-ordinated efforts shall be made to solve in an equitable way the trade problems of all countries, taking into account the specific trade problems of the developing countries. In this connection, States shall take measures aimed at securing additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs, an improvement in the possibilities for these countries to participate in the expansion of world trade and a balance more favourable to developing countries in the sharing of the advantages resulting from this expansion, though, in the largest possible measure, a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products.

#### Article 15

All States have the duty to promote the achievement of general and complete disarmament under effective international control and to utilize the resources released by effective disarmament measures for the economic and social development of countries, allocating a substantial portion of such resources as additional means for the development needs of developing countries.

#### Article 16

1. It is the right and duty of all States, individually and collectively, to eliminate colonialism, *apartheid*, racial discrimination, neo-colonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development. States which practise such coercive policies are economically responsible to the countries, territories and peoples affected for the restitution and full compensation for the exploitation

and depletion of, and damages to, the natural and all other resources of those countries, territories and peoples. It is the duty of all States to extend assistance to them.

2. No State has the right to promote or encourage investments that may constitute an obstacle to the liberation of a territory occupied by force.

#### Article 17

International co-operation for development in the shared goal and common duty of all States. Every State should co-operate with the efforts of developing countries to accelerate their economic and social development by providing favourable external conditions and by extending active assistance to them, consistent with their development needs and objectives, with strict respect for the sovereign equality of States and free of any conditions derogating from their sovereignty.

#### Article 18

Developed countries should extend, improve and enlarge the system of generalized non-reciprocal and non-discriminatory tariff preferences to the developing countries consistent with the relevant agreed conclusions and relevant decisions as adopted on this subject, in the framework of the competent international organisations. Developed countries should also give serious consideration to the adoption of other differential measures, in areas where this is feasible and appropriate and in ways which will provide special and more favourable treatment, in order to meet the trade and development needs of the developing countries. In the conduct of international economic relations the developed countries should endeavour to avoid measures having a negative effect on the development of the national economies of the developing countries, as promoted by generalized tariff preferences and other generally agreed differential measures in their favour.

#### Article 19

With a view to accelerating the economic growth of developing countries and bridging the economic gap between developed and developing countries, developed countries should grant generalized preferential, non-reciprocal and non-discriminatory treatment to developing countries in those fields of international economic co-operation where it may be feasible.

#### Article 20

Developing countries should, in their efforts to increase their over-all trade, give due attention to the possibility of expanding their trade with socialist countries, by granting to these countries conditions for trade not inferior to those granted normally to the developed market economy countries.

#### Article 21

Developing countries should endeavour to promote the expansion of their mutual trade and to this end may, in accordance with the existing and evolving provisions and procedures of international agreements where applicable, grant trade preferences to other developing countries without being obliged to extend such preferences to developed countries, provided these arrangements do not constitute an impediment to general trade liberalization and expansion.

#### Article 22

1. All States should respond to the generally recognised or mutually agreed development needs and objectives of developing countries by promoting increased net flows of real resources to the developing countries from all sources, taking into account any obligations and commitments undertaken by the States concerned, in order to reinforce the efforts of developing countries to accelerate their economic and social development.

2. In this context, consistent with the aims and objectives mentioned above and taking into account any obligations and commitments undertaken in this regard, it should be their endeavour to increase the net amount of financial flows from official sources to developing countries and to improve the terms and conditions thereof.

3. The flow of development assistance resources should include economic and technical assistance.

#### Article 23

To enhance the effective mobilization of their own resources, the developing countries should strengthen their economic co-operation and expand their mutual trade so as to accelerate their economic and social development. All countries, especially developed countries, individually as well as through the competent international organisations of which they are members, should provide appropriate and effective support and co-operation.

#### Article 24

All States have the duty to conduct their mutual economic relations in a manner which takes into account the interest of other countries. In particular, all States should avoid prejudicing the interests of developing countries.

#### Article 25

In furtherance of world economic development, the international community, especially its developed members, shall pay special attention to the particular needs and problems of the least developed

among the developing countries, of land-locked developing countries and also island developing countries, with a view to helping them to overcome their particular difficulties and thus contribute to their economic and social development.

#### Article 26

All States have the duty to coexist in tolerance and live together in peace, irrespective of differences in political, economic, social and cultural systems, and to facilitate trade between States having different economic and social systems. International trade should be conducted without prejudice to generalized non-discriminatory and non-reciprocal preferences in favour of developing countries, on the basis of mutual advantage, equitable benefits and the exchange of most-favoured-nation treatment.

#### Article 27

1. Every State has the right to enjoy fully the benefits of world invisible trade and to engage in the expansion of such trade.

2. World invisible trade, based on efficiency and mutual and equitable benefit, furthering the expansion of the world economy, is the common goal of all States. The role of developing countries in world invisible trade should be enhanced and strengthened consistent with the above objectives, particular attention being paid to the special needs of developing countries.

3. All States should co-operate with developing countries in their endeavours to increase their capacity to earn foreign exchange from invisible transactions, in accordance with the potential and needs of each developing country and consistent with the objectives mentioned above.

#### Article 28

All States have the duty to co-operate in achieving adjustments in the prices of exports of developing countries in relation to prices of their imports so as to promote just and equitable terms of trade for them, in a manner which is remunerative for producers and equitable for producers and consumers.

### Chapter III

#### Common responsibilities towards the international community

#### Article 29

The sea-bed and ocean floor and the subsoil thereof, beyond the limits of national jurisdiction, as well as the resources of the area, are the common heritage of mankind. On the basis of the principles

adopted by the General Assembly in resolution 2749 (XXV) of 17<sup>th</sup> December, 1970, all States shall ensure that the exploration of the area and exploitation of its resources are carried out exclusively for peaceful purposes and that the benefits derived therefore are shared equitably by all States, taking into account the particular interest and needs of developing countries; an international regime applying to the area and its resources and including appropriate international machinery to give effect to its provisions shall be established by an international treaty of a universal character, generally agreed upon.

#### Article 30

The protection, preservation and enhancement of the environment for the present and future generations is the responsibility of all States. All States shall endeavour to establish their own environment and development policies in conformity with such responsibility. The environmental policies of all States should enhance and not adversely affect the present and future development potential of developing countries. All States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction. All States should co-operate in evolving international norms and regulations in the field of the environment.

### Chapter IV Final provisions

#### Article 31

All States have the duty to contribute to the balanced expansion of the world economy, taking duly into account the close interrelationship between the well-being of the developed countries and the growth and development of the developing countries, and the fact that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts.

#### Article 32

No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights.

#### Article 33

1. The present Charter shall not be construed as impairing or derogating from the provisions of the Charter of the United Nations or actions taken into pursuance thereof.

2. In their interpretation and application, the provisions of the present Charter are interrelated and each provision should be construed in the context of the other provisions.

Article 34

An item on the Charter of Economic Rights and Duties of States shall be included in the agenda of the General Assembly at its thirtieth session, and thereafter on the agenda of every fifth session, in this way a systematic and comprehensive consideration of the implementation of the Charter, covering both progress achieved and any improvement and additions which might become necessary, would be carried out and appropriate measures recommended. Such consideration should take into account the evolution of all the economic, social, legal and other factors related to the principles upon which the present Charter is based and on its purpose.”

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