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SUMMARY RECORD OF THE 38th MEETING

Chairman: Mr. MURGESCU (Romania)

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The meeting was called to order at 10.45 a.m.

AGENDA ITEM 59: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued)

AGENDA ITEM 68: TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued)

1. Mr. SEBURYAMO (Burundi) said that the background against which UNDP was carrying out its development activities was somewhat gloomy, as a number of previous speakers had stressed. At every international meeting, there was general agreement that international economic relations were governed by an unjust and anachronistic system. The unanimous conclusion was that the system needed to be fundamentally restructured if justice and equity in relations between States was to be achieved. A new international economic order could not otherwise come into being, and successive adjustments, however extensive, would in no way change the existing situation. Development activities were an attempt to meet that challenge through a determination to change the situation to the benefit of all, the privileged as well as the underprivileged.

2. The frustration felt by the developing countries was the result of the slow pace of change emerging from the protracted and somewhat unfruitful North-South "negotiations". One basic reason why his country supported operational activities was that they were a concrete indication that something was being done. Actions spoke louder than words, and operational activities were the true link between the developed and the developing countries. They would soon serve also as the pivot for co-operation between the developing countries themselves.

3. The developing countries had recently proposed that global negotiations should be initiated on issues of vital common concern, thus evidencing their willingness to persevere until solutions were found and their continuing hopes for the future, provided that the developed countries showed the necessary political will. Unfortunately, neither money nor technical knowledge and experience had yet been able to overcome under-development; on the contrary, the current situation was one of uneven distribution of public development assistance, which had not increased significantly in real terms but rather was subject to erosion through rampant inflation. While the developing countries had become exporters of goods, the profits from the sale of those goods served only to repay an extremely heavy and gradually increasing external debt.

4. UNDP was devoting all its energies to the development of the developing countries, and especially the poorest of them, in order to counteract such unfavourable trends. However, its efforts were conditional on the resources at its disposal, and the recent Pledging Conference did not inspire confidence in the Programme's financial capacity to pursue its development activities. He shared the concern expressed by the Administrator at the close of the Conference that the level of programme execution during the current programme cycle was bound to decline and that the allocation of IPFs for the next cycle would suffer unless additional amounts were pledged and Governments fulfilled their commitment to increase their contributions by at least 14 per cent annually. A further problem was that, while

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(Mr. Seburyamo, Burundi)

UNDP planning covered a five-year period, contributions were pledged annually. He hoped that the discussions at the special session of the Governing Council in February 1980 would throw some light on that defect in programming and persuade contributors still reluctant to do so to give serious consideration to making multi-year contributions. The special session would also consider the question of the allocation of IPFs for the third programme cycle (1982-1986). Burundi would participate actively in its work and hoped that the point of view of the least developed countries would be properly understood. It believed that a number of objective and balanced criteria were needed if the IPFs were to be allocated equitably but without infringing the principle of universality.

5. The Administrator of UNDP had informed the Committee of the important steps already taken to put into practice the concept and accumulated experience of TCDC. His country had welcomed the decision to organize the high-level meeting in 1980 to discuss TCDC and had already made the necessary arrangements to ensure its active participation. The meeting would provide a unique opportunity for an exchange of views on TCDC and its integration in national development plans and activities.

6. The United Nations Capital Development Fund was of great importance to the least developed countries, including Burundi, as a source of financing for small-scale projects primarily benefiting low-income groups. His country had always been impressed by the speed, flexibility and effectiveness with which the Fund acted. It was therefore pleased that the Governing Council of UNDP had requested the Administrator, in recognition of the specialized personnel qualifications required for the conduct of a capital assistance programme to give due regard to the need for speedy and efficient staffing arrangements in the Fund in close consultation with the Executive Secretary, and that it had further requested him to accord the Fund maximum flexibility in mobilizing administrative resources for an immediate implementation of partial funding.

7. His country generally supported the activities of the United Nations volunteers in developing countries. However, care must continue to be exercised to ensure the quality of services; the experience of a qualified expert should not be automatically passed over simply because it was cheaper to recruit a volunteer. Burundi also supported the recruitment of volunteers from developing countries, but would prefer that the training of local counterparts by the young experts in question should be financed.

8. The United Nations Special Fund for Land-locked Developing Countries had been experiencing serious difficulties since its inception. He regretted that the most recent pledges had been disappointing, despite the appeals made on many occasions by the General Assembly, UNCTAD and the Governing Council of UNDP. He urged Governments and international organizations to contribute generously to the Fund. His Government was prepared to offer facilities for on-the-spot inspection to dispel any doubts regarding the real nature of the difficulties facing land-locked developing countries. Such difficulties constituted a major obstacle to development and were a serious burden on the national budget. The joint activities of UNDP and UNCTAD both in carrying out studies and in financing projects argued for recognition of the Fund's value.

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(Mr. Seburyamo, Burundi)

9. In the 10 years of its existence the United Nations Fund for Population Activities had considerably increased the number of its projects, while its resources had grown from \$2.5 million to more than \$600 million. He welcomed the Fund's continuing growth. At the recent Pledging Conference, his Government had noted the financial support given to the Fund by a number of Member States and had itself pledged a substantial contribution. The activities undertaken by UNFPA were praiseworthy and should be continued.

10. From a purely humanitarian point of view, the activities of UNICEF were of prime importance. During the International Year of the Child the international community had been giving particular attention to children, and he was confident that UNICEF's activities in behalf of children, especially in developing countries, would be energetically continued by the new Executive Director.

11. He reiterated his country's appreciation for the work of UNDP, particularly its direct involvement in projects related to the Transport and Communication Decade in Africa and its assistance to the drought-stricken countries of Africa and neighbouring regions, to the African liberation movements recognized by OAU and to the front-line States in southern Africa.

12. Mr. VERCELES (Philippines) said that the United Nations development system had a vital role to play in the preparatory work for the new International Development Strategy for the third United Nations Development Decade, and in particular for the 1980 special session of the General Assembly on development and international economic co-operation. Global negotiations on major issues affecting raw materials, energy, trade, development, money and finance were also in preparation. The operational bodies in the system, and specifically UNDP, UNFPA and UNICEF, were in the vanguard of those endeavours.

13. As a central funding body for technical co-operation in the United Nations system, UNDP had an important contribution to make in global economic development in the 1980s. Its assistance to developing countries could be crucial in such fields as accelerated food production, energy exploration and technical co-operation among developing countries. During the current Development Decade, the agricultural growth rate had fallen far below the targets set by the International Development Strategy, resulting in serious food deficiencies in the under-developed world. Agriculture would continue to be the main economic activity of the developing countries, and UNDP technical assistance in that field was imperative.

14. His delegation applauded the increasing attention paid by UNDP to natural resources exploration, particularly in the field of energy. As a result of the 1,000 per cent increase between 1972 and 1980 in the oil bill of non-oil-producing developing countries, the current-account deficits of the developing countries were estimated to reach \$50 billion in 1980. The World Bank and UNDP could further stimulate activities in energy exploration.

15. The concept of TCDC had assumed new importance, and such co-operation was being carried out in a genuine spirit of interdependence. Although external help was of crucial importance, there was no substitute for individual and collective self-reliance.

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(Mr. Verceles, Philippines)

16. His delegation was pleased to note that action was being taken on significant policy and operational issues in UNDP. It commended the efforts to improve substantive co-ordination of technical co-operation, the strengthening of investment follow-up, the implementation of new dimensions in technical co-operation, and the collective involvement of developing countries in determining priorities for intercountry programmes. It also welcomed the enhanced role of the resident representatives, who it had always believed should be entrusted with the all-important task of co-ordinating technical assistance from the United Nations system. Overlapping and waste of resources at the field level would undoubtedly occur unless the assistance of other agencies was subordinated to that principle. He stressed that, as the highest representative of the United Nations system at the country level, the resident representative must possess the competence and aptitude needed for co-operation with Governments.

17. The increased cost of experts for UNDP projects was a matter of continuing concern to his delegation. There must be a sensible balance between the needs of the Programme and the resources available to it. He also stressed that the UNDP administration must adhere to the principle of equitable geographical distribution in the recruitment of UNDP staff and experts; with respect to the experts, it would be advisable to resort increasingly to the United Nations volunteers, who had shown themselves equal to the expectations of developing countries. He welcomed the establishment of a new target level of 1,000 field volunteers by 1983, a 100 per cent increase over the initial target established by the General Assembly.

18. His delegation would like to reaffirm the principle of government management of projects, including government execution of UNDP-assisted projects, in order to enhance the promotion of self-reliance in developing countries. There should also be an increased use of qualified nationals in UNDP projects.

19. The population problem was of persisting concern to many developing countries, and it could not be denied that excessive population growth was the greatest single obstacle to economic and social advancement in most of the societies of the developing world. UNFPA, which was marking its tenth anniversary in 1979, had shown a remarkable rate of growth. It had assisted 121 States Members of the United Nations and 14 other countries and territories, and its aid had been accepted even in countries with known political and cultural sensitivities to population programmes. He was impressed by the Fund's initiatives in convening the recent International Conference of Parliamentarians on Population and Development at Colombo. The resulting Declaration on Population and Development called for an annual target of \$1 billion in international population assistance in the next decade. Such a target was not excessive when the implications of the population increases in the developing countries were taken into account. Some 800 million additional jobs would have to be created, and problems of similar magnitude would arise with respect to food, water, shelter and energy. Positive action must be taken at the national and international levels. The Philippines had succeeded in reducing its birth-rate through a deliberate effort consistent with its national development objectives. The population growth rate, which had averaged 3.5 per cent for many decades, had fallen to 2.5 per cent in 1978. At the same time, there had been no violation of the right of people to determine in a free, informed and responsible manner the number and spacing of their children. In global terms, the

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pre-condition for achieving lower birth-rates was the involvement of people in the rural areas, where at least 70 per cent of the world's population lived.

20. Where UNICEF was concerned, the Philippines agreed with the target figure of \$500 million by the mid-1980s. It hoped that the momentum of the International Year of the Child would be maintained, resulting in a substantial delivery of services to children.

21. The United Nations system must develop and strengthen its capability for assisting developing countries. Confidence in the system on the part of both developed and developing countries would thereby be enhanced, and that in turn would lead to increased support for and reliance on the system. A strengthened United Nations development system, with an effective catalytic role, would be of benefit to all.

22. Mr. VONGSALY (Lao People's Democratic Republic) said his delegation felt that it would be useful, in view of the forthcoming meeting of the Governing Council of UNDP to prepare for the third cycle, to give its observations on those preparations, and in particular on the criteria for calculating IPFs. The Administrator's recommendation for a 14 per cent compound annual rate of growth of contributions was quite reasonable, since it would enable the Administrator to prepare more assistance programmes and projects than he intended and would also help him cope with the problem of inflation. His delegation was also in favour of retaining the two basic criteria used by UNDP in allocating country IPFs since the beginning of the second cycle, namely, population and per capita GNP. The six supplementary criteria enumerated in document E/5365/Rev.1, paragraph 90, were not in themselves adequate as a yardstick and a basis for evaluating the needs of recipient countries. In determining the country IPFs for 1982-1986, the Administrator should, in addition to the two basic criteria and the six supplementary ones, take into account the illiteracy rate, the mortality rate and unfavourable climatic or natural conditions in the countries concerned. The draft decision submitted to the Governing Council by the Gambia on behalf of the Group of 77 (CRP.30) could serve as a basic discussion paper at the February session of the Council.

23. His delegation keenly regretted the disappointing results of the recent Pledging Conference so far as the United Nations Special Fund for Land-locked Developing Countries was concerned. Most developed countries continued to ignore the Fund and had refused to contribute to it on the ground that most of the land-locked developing countries were already included in the category of least developed countries. Such arguments did not take account of the specific difficulties experienced by the land-locked least developed countries. In the Committee of the Whole, the Group of 77 had recommended that the developed countries should contribute to the Fund; the developed countries had completely rejected that

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(Mr. Vongsaly, Lao People's
Democratic Republic)

recommendation and had proposed that the words "developed countries" should be replaced by "donor countries". In the view of his delegation, acceptance of that wording would seriously jeopardize the Fund's future. He appealed once again to the developed countries, and to relatively high-income developing countries which were in a position to do so, to give financial support to the Fund.

24. He expressed appreciation of the efforts made by the Executive Director of the United Nations Fund for Population Activities in implementing projects for countries which had sought the Fund's assistance. The substantial increase in the number of projects over the past decade was striking evidence of those efforts. In co-operation with UNFPA, his Government had undertaken a census of its rural population in 1976 and 1977, and it would continue to give its full support to the Fund.

25. UNICEF had provided his country with substantial financial and material assistance since 1973. It had given support to a number of community basic health programmes and education projects. He expressed his country's gratitude to the retiring Executive Director and assured his successor of its full co-operation.

26. Since 1975 his country had been co-operating with WFP, whose assistance had made it possible to overcome many problems. As a result of positive action by WFP, a number of regular and emergency assistance projects, such as assistance to displaced persons and victims of drought and floods, training of teachers and construction of a reception centre for orphans and handicapped children had been or were about to be completed.

27. With regard to technical co-operation among developing countries, he noted that in the 14 months since the adoption of the Buenos Aires Plan of Action some progress had been made towards collective self-reliance. However, much remained to be done, and he hoped that the high-level meeting in 1980 would yield positive results.

28. Mr. AL-ATTIYAH (Qatar) said that, with regard to technical co-operation among developing countries, his delegation attached great importance to the results of the Buenos Aires Conference and also to the Kuwait Declaration and the Havana Declaration of the Conference of Heads of State or Government of Non-Aligned Countries. It was important to encourage self-reliance on the part of the developing countries and to strengthen their technical capacities; that would give them greater confidence in their own capabilities, but it would not obviate the need for the advanced industrial States to play their role in promoting the attainment of those goals and providing the developing countries with technological and financial assistance.

29. His country looked forward to the day when General Assembly resolution 33/135 on the role of qualified national personnel in the social and economic development of developing countries would be implemented, in letter and in spirit, by all

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(Mr. Al-Attiyah, Qatar)

Governments and by the specialized agencies of the United Nations. Human capital was the fundamental essential for the technological and economic progress of the developing countries.

30. His delegation greatly appreciated the report of the Administrator of UNDP on organizational and substantive arrangements for the 1980 high-level meeting to review technical co-operation among developing countries (A/34/415). He urged that, in order to ensure the success of that important meeting, all States Members of the United Nations and members of its specialized agencies should accord great attention to recommendations 35 and 37 of the Buenos Aires Plan of Action. He proposed that, in order to facilitate the work of the high-level meeting, all topics of a similar nature should be grouped together and assigned to working groups, while other topics, including the agenda of the meeting and other substantive documents, should be discussed at the special session of the General Assembly in 1980.

31. His delegation considered that, with regard to progress reporting, Governments should be requested to submit individual reports, just as they had submitted national reports for submission to the Buenos Aires Conference, setting forth the measures taken by them for the implementation of the Buenos Aires Plan of Action and giving their views on the progress achieved and the obstacles encountered. That should be done in co-ordination with representatives of UNDP and representatives of the regional commissions. The results of the United Nations Conference on Science and Technology for Development should also be taken into consideration in the preparations for the high-level meeting.

32. He expressed appreciation for the report submitted by the Executive Director of UNFPA (DP/370 and DP/370/Annex) and paid a tribute to the Fund's success, as reflected in the increased demand for its services by developing countries. The Fund's approach derived from the World Population Conference of 1974, which had drawn attention to the need to respect each country's right to decide on its own population policies in accordance with its national needs; that approach had greatly contributed to the expansion of the Fund's activities. Furthermore, its policy of promoting direct government execution of UNFPA projects had done much to spread confidence in international aid, while at the same time creating and developing technical cadres with a view to self-reliance in that field. The encouragement of action by non-governmental organizations helped to provide a broader knowledge of local needs and ways of meeting them on a sound basis of local expertise.

33. UNFPA's activities in such areas as statistics, censuses, registers of vital records and related analyses and studies should be supported and expanded, as should its other activities relating to family health, family planning, maternal and child care, education of the public on population questions, personnel training and provision of services at the national and local levels. His delegation supported the Fund and the broadening of its activities to cover population distribution,

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migration, particularly internal migration and the rural exodus, attention to the rural population, care for the aged, the role of women in drawing up and executing population programmes and other fields, such as youth, which bore a direct relation to population activities. Special attention should be accorded to those activities, in addition to the traditional activities of the Fund. His delegation called for greater support for the Fund on the part of Governments.

34. He cited as an example of his country's efforts in the field of population activities its participation in the Conference of Ministers of Arab States on Population and Development in 1975 and its co-operation with UNFPA in its population activities. Qatar had participated in the Ministerial Commission created to follow up the implementation of the resolutions of the aforementioned Conference, which had visited many States members of the League of Arab States in 1975-1976. The Commission had expanded the scope of its activities by visiting a number of Asian States in April 1979.

35. He urged the Fund to extend its assistance to the countries struggling against colonialism, foreign occupation, racial discrimination and zionism and to co-operate with national liberation movements. It should expedite the implementation of the project for a survey of Palestinians and should provide the necessary assistance to the Palestinian people fighting for the return of their land and the creation of their own independent State.

36. Mr. GREET (Australia) said that, while the debates in the committees of the General Assembly were an important aspect of the life and work of the United Nations, it was quite probable that many people in many countries knew of the United Nations only through the activities of the specialized agencies and special programmes such as UNDP, WFP and UNICEF. The items under consideration were therefore of particular significance, since they dealt with issues which touched the international community's ultimate constituents most directly.

37. There were clear signs that the level of voluntary contributions available for development activities was tapering off. Many Governments were unable to sustain the same rate of growth of their contributions to development programmes, and there was therefore a need to be realistic as to the level of resources likely to be available. If it was not possible for donor Governments to increase their contributions at the same rates as in previous years, then it was more than ever essential to extract maximum value from every dollar available. There was also an urgent need to restrain overhead costs.

38. Australia looked forward to assuming its duties on the Executive Board of UNICEF, because it had traditionally been a strong supporter of the Fund, whose programmes had a particular relevance to the needs and aspirations of those most in need in developing countries. Australia particularly appreciated the efforts made by UNICEF to mount a relief operation in Kampuchea. Its objective as a member of the Executive Board would be to ensure that UNICEF maintained its high level of performance.

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(Mr. Greet, Australia)

39. Australia also supported the course that UNDP had taken over the past three years. The Programme had put the financial difficulties of 1975-1976 behind it - an achievement which could not be measured solely in financial terms. It had been achieved in large part by restoring confidence in the Programme among donors, by reassuring recipient countries that UNDP could promise reliable delivery of country programmes and by strengthening co-operation between UNDP and the executing agencies. His delegation was confident that the administration of UNDP, in its forward planning, would be alert to any special problems that might arise as a result of the present difficult international economic climate.

40. Finally, TCDC now had its own regular place on the agenda of meetings of the UNDP Governing Council. His delegation was confident that TCDC would contribute significantly to the development of the developing countries. It trusted that, as the concept developed, it would be pursued in practical ways within the context of existing United Nations programmes.

41. Mr. DROUSHIOTIS (Cyprus) said it was his delegation's firm belief that technical co-operation among developing countries, especially in the field of training and exchange of technical knowledge, presented an opportunity to tap the reservoir of human resources available in developing countries and to contribute positively to alleviating the brain drain. The knowledge and experience of one developing country could prove to be of immense use to another developing country, the more so since many developing countries faced similar problems and handicaps at some stage or another in their development efforts. Well-co-ordinated efforts in that respect could result in substantial savings of scarce and valuable resources and help to attain the common goal of sustained economic development and self-reliance.

42. TCDC could and should form an integral part of the over-all effort for economic and social development, and such co-operation on a bilateral or multilateral basis added a new dimension to existing national programmes. Technical co-operation should be as broad and flexible as possible and should increasingly rely on innovative approaches in order better to adapt to local needs.

43. The Government of Cyprus had constantly been making concerted efforts to promote technical co-operation with all countries, and in particular with developing countries. It had already made known its intention to regionalize the three institutions established with UNDP assistance, namely, the Higher Technical Institute, the Hotel and Catering Institute and the Cyprus Productivity Centre, and thus offer the opportunity to neighbouring and other developing countries to benefit from courses organized at those institutions. Cyprus had also acted as host to a number of seminars and meetings and had been a staunch supporter of and a regular contributor to various regional and interregional projects. Its most recent experience of co-operation with developing countries had been the organization at Nicosia of a meeting on the production of plastic houses using local raw materials. The Government had given priority to that field owing to the continuous problems in housing created by the tragic events of 1974, which had left 200,000 Cypriots homeless. Cyprus was currently studying the possibility of initiating a global project with the aim of transferring at the international level the knowledge and experience gained in Cyprus from that pilot project.

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(Mr. Droushiotis, Cyprus)

44. Cyprus believed that a major issue in any co-operation was the financial aspects, and felt that it should be resolved in a concrete form from the very beginning; for it should not be forgotten that the resources of developing countries were limited. The UNDP system of channelling aid and co-ordinating technical co-operation activities should be strengthened and continued in the future.

45. Cyprus was committed to the TCDC cause and was convinced that it was only through co-operation that the common goal of sustained economic growth and self-reliance could be attained. Co-operation among developing countries in all areas would stimulate and foster collective self-reliance and would therefore contribute to the establishment of a new international economic order.

46. Mr. MORSE (Administrator, United Nations Development Programme) said that he wished to thank all delegations for the clear demonstration of support for UNDP. There had been a great growth in contributions in recent years and a significant increase in real terms. UNDP now operated with 14 per cent fewer international Professional staff than in 1976, and the annual average increase in administrative and support costs had been less than the rate of inflation. After the difficult days of 1975, when resources in the pipeline had dried up, UNDP's delivery was now on a solidly ascending curve. It was expected that there would be a 25 per cent increase in programme delivery in 1979 as compared with 1978. That progress should be maintained and, in that connexion, he wished to emphasize the need for some system of multi-year financing.

47. Many delegations had noted the efforts of the Governing Council in preparing programme delivery distribution for the third development cycle, which would be the subject of a special session of the Council in February 1980. The current contributions would have a significant impact on that process. At the recent 1979 United Nations Pledging Conference for Development Activities many Governments had not been able to announce their 1980 pledges, but at the end of the Conference he had informed delegations that a significant shortfall in the level of contributions below the target which Governments had endorsed could present difficulties in the administration of UNDP and portend reductions in the anticipated level of development activity which the IPFs set by UNDP Governing Council would provide; moreover, a major shortfall in 1980 would have a serious effect on the solidly ascending curve in UNDP's programme delivery and on the third development cycle.

48. He wished to thank Governments once again for their pledges and to assure them that UNDP would continue to be carefully managed. He had taken note of all comments made in all areas of UNDP activities and could not but express his disappointment at the modest support that the United Nations Special Fund for Land-Locked Developing Countries had inspired. The geographically disadvantaged situation of those countries was a serious handicap to their development.

49. He shared the confidence of delegations in the concept of TCDC and was sure that Member States would make notable contributions to the high-level meeting to be held in 1980. Finally, he pledged that UNDP would continue to merit the confidence of Governments.

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50. Mr. HEYWARD (Senior Deputy Executive Director, United Nations Children's Fund) said that he wished to express his appreciation to all delegations who had expressed confidence in UNICEF. He agreed that the follow-up activities of the International Year of the Child would be one of the most important undertakings by UNICEF in the coming year. In that connexion, the extension of primary health care, in co-operation with WHO, would be an important element. Furthermore, UNICEF would continue to assist the other United Nations bodies in their efforts aimed at improving the lives of children. To that end, the Fund would continue to assist country programmes, and the Executive Board had accordingly stated that its resources should be increased in 1980 and 1981.

51. He would convey to the staff the expressions of appreciation by delegations, particularly those made in connexion with the pending retirement of the Executive Director.

52. Mr. SALAS (Executive Director, United Nations Fund for Population Activities) thanked all delegations that had expressed support for UNFPA and appreciation for the way its activities had been managed. That support was particularly needed at the present time, in view of the preparations for the next decade. The financial pledges made would enable UNFPA to meet the demands of 1980.

53. The CHAIRMAN suggested that the deadline for the submission of draft resolutions or proposals under items 59 and 68 should be Monday, 19 November, at 6 p.m.

54. It was so decided.

AGENDA ITEM 60: UNITED NATIONS ENVIRONMENT PROGRAMME

55. Mr. RAY (India), speaking on behalf of the Group of 77, requested that the deadline for the submission of proposals under item 60 should be postponed until 6 p.m. on Monday, 19 November, since the Group of 77 was in the process of considering a draft resolution to be submitted in the near future.

56. It was so decided.

AGENDA ITEM 56: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (continued) (A/34/15, 425, 443; TD/268 and Add.1)

57. Mr. GORDAH (Tunisia) said that the problems confronting the international community were becoming increasingly complex as the economic crisis deepened and the internal contradictions of the whole system of international economic relations were exacerbated. Scattered action to control inflation, reduce unemployment and bring order into the monetary system having proved useless, some countries or groups of countries had tried to find a way out of their difficulties by resorting to protectionist policies, with extremely serious consequences for international trade as a whole. The resulting recession had had grave repercussions on the economies of the developing countries, whose indebtedness had

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(Mr. Gordah, Tunisia)

grown in recent years to a point where it endangered their legitimate aspirations to development.

58. It would have been appropriate, therefore, if advantage had been taken of the fifth session of UNCTAD to adopt agreed measures conducive to the establishment of the new international economic order. The Ministerial Meeting of the Group of 77 at Arusha had drawn up guidelines for reforming the institutional framework of international economic relations. Unfortunately, the hopes placed in the Manila Conference had been largely disappointed. His delegation deplored the negative attitude shown there by the developed countries and their refusal to envisage any serious reform in the system of international economic relations. The most recent session of the Trade and Development Board showed how difficult it was to make any progress in the negotiations that had been started, in the absence of a determination to give real scope and content to the notion of interdependence. It was that determination which had made UNCTAD a favoured body for negotiations on trade and development, and it was because of that that it had, on occasion, been able to take some steps in the right direction.

59. His delegation had noted with satisfaction the progress achieved in the Integrated Programme for Commodities. The broad outlines of the Common Fund were emerging, and agreement had already been reached on its structure. The forthcoming meetings should make it possible to draft articles of agreement for the Fund so that it could become operational in the near future. The new mandate given to UNCTAD at its fifth session would help in establishing a framework for international co-operation in the marketing and distribution of commodities and in their processing. The decision was of some interest because it strengthened the basis for the second window of the Fund and completed the constituent elements of the Integrated Programme. It would, of course, be necessary to extend the list of individual commodities and to speed up the rate at which commodity agreements were negotiated.

60. It was also essential to give new impetus to the negotiations on the Code of Conduct on the Transfer of Technology. Persistent differences on a number of basic issues had prevented the conclusion of an agreement in which Tunisia placed great hopes. He trusted that a constructive approach would enable the current session of the Conference to achieve positive results.

61. The system of international economic relations was subject to serious tensions, and the protectionist policies resorted to by some countries were making them gradually worse. Such practices limited the access of developing countries to the markets of industrialized countries and seriously damaged their economies, which could only jeopardize the recovery of the world economy. The efforts of the UNCTAD secretariat to bring the negotiations on the establishment of rules and principles governing international trade to a successful conclusion should receive general support.

62. In the present state of the world economy, restrictive practices constituted a real danger. They were at the origin of the developing countries' growing

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(Mr. Gordah, Tunisia)

indebtedness, and it was noteworthy in that connexion that debt-servicing absorbed an increasing share of their export earnings and led to a massive outflow of real resources in the form of interest, amortization and profits. A serious effort must be made to solve the problem, in view of the burden it placed on the development prospects of countries that were already suffering. He hoped that it would be possible to establish rules and conditions for the permanent easing of access to credit. The expansion of international trade and the financing of development were closely related to a solution to that problem. His delegation was also concerned at the slowness of the transfer of resources to developing countries. The proportion of official development assistance had apparently decreased, and the target of 0.7 per cent of GNP set by the International Development Strategy was still far from being achieved.

63. The time had come for an over-all reappraisal of the whole system of international co-operation with a view to harmonizing short-term policies and long-term objectives. The world economic situation demanded a massive restructuring, and the next session of the Trade and Development Board would constitute an important stage in the negotiations on preparations for the special session of the General Assembly on the Third Development Decade. In that connexion, Tunisia was encouraged by the progress made in giving effect to the principle of collective self-reliance. The Manila Conference had appealed to the developed countries to support the Arusha Programme of Action, and regional and interregional meetings should shortly be making plans for the installation of a complete system of economic co-operation among developing countries. Provided that real political will was shown in the negotiations on the institutional framework of the world economy, it should be possible, with UNCTAD's assistance, to engage in a fruitful dialogue with a view to the establishment of the new international economic order.

64. Mr. ZVEZDIN (Union of Soviet Socialist Republics) said that the continuing economic disorders in the capitalist countries, the increase in their protectionist practices and the new obstructions and barriers to trade with developing, socialist and other countries emphasized the importance of the struggle to normalize international trade and abolish exploitation from commercial relations. UNCTAD was called upon to play a role in that struggle. His delegation attached great importance to UNCTAD's activities in the field of the restructuring of international economic relations on a just and equitable basis, and advocated increasing its effectiveness in expanding commercial and economic co-operation among all countries, irrespective of their levels of development and the differences in their social and economic systems. The Soviet Union and other socialist countries, which participated actively in UNCTAD's multifarious activities, had attached great importance to its fifth session. They had consistently advocated the adoption of a resolution making a clear, unequivocal appraisal of the world economic situation, pointing out the true reasons for the current economic difficulties and indicating ways of overcoming those difficulties; the draft resolution was contained in document TD/249.

65. The socialist countries had made concrete proposals for the further expansion and intensification of international co-operation in trade and economic matters, including in particular the implementation of the Integrated Programme for Commodities, the adoption of an International Code of Conduct on the Transfer of Technology and the development of trade relations among countries having different social and economic systems. They had supported the position of the Group of 77 on assistance to national liberation movements, the exploitation of marine resources and other questions. Proposals had been aimed at controlling the activities of transnational corporations, minimizing the adverse effects of the activities of foreign capital in developing countries, combating the new protectionist policies of leading Western States, increasing co-operation with the least developed countries, and so on.

66. Although useful resolutions had been adopted at the fifth session of UNCTAD, his delegation shared the concern of the developing countries at the meagre progress achieved and the failure to elaborate constructive resolutions on many important matters, mainly because of the negative position taken by the imperialist Powers. The most important questions, including the review of the current international economic situation, had been referred to the Trade and Development Board and other UNCTAD bodies for consideration.

67. The Soviet Union participated actively in the work of those bodies in an effort to promote progress on various aspects of the restructuring of international economic relations. It was working to finalize the International Code of Conduct on the Transfer of Technology, and called for agreement on the regulation of the use of technology by all countries and the creation of conditions in which technology would be used on the democratic basis, without discrimination against any State or groups of States.

68. The Soviet Union and other socialist countries actively supported the provision to developing countries of compensation for the effects of the "brain drain", one of the consequences of neo-colonialist exploitation. They supported the efforts of those countries to increase their role in trading their raw materials, and their proposals on normalizing trade in raw materials. On the whole, the Soviet Union supported the proposal to review the principles governing international trade, and had expressed its wish to participate in working out recommendations on the subject, providing that the recommendations were mutually acceptable, and not aimed at serving the interests of a single group of States. The principles of international trade relations and policies to promote development approved at the first session of UNCTAD should be taken into account.

69. The Soviet Union was in principle prepared to co-operate with the developing countries on restructuring international economic and trade relations, in order to develop the international division of labour on a long-term basis and promote the export by those countries of international competitive products. The Soviet Union had extensive experience in that regard. The outdated economy inherited from tsarist Russia had been steadily restructured from the first days of Soviet power in the interests of equity and the advancement of all peoples in the country. The activities of CMEA involved major structural changes in the economies

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(Mr. Zvezdin, USSR)

of its member States, which ensured equal levels of development and the further expansion of the socialist international division of labour.

70. It should be stressed that action to restructure international industrial relations could be successful only in conditions of growing trust among States, deepening of détente and reduction of international tensions. By keeping that in mind, UNCTAD could make a contribution to developing the new International Development Strategy.

71. Throughout its participation in UNCTAD's activities, the Soviet Union had followed a policy of developing economic co-operation and providing economic, scientific and technological assistance to developing countries. Its relations with those countries were based on methods of co-operation appropriate to its social and economic structure and of proved effectiveness.

72. He was glad to see that the programme of long-term commercial and technological co-operation with the developing countries proposed by the Soviet Union and other socialist States at the fourth session of UNCTAD was being carried out successfully. The Soviet Union's volume of trade with countries of the Group of 77 had more than doubled since that session, largely because of an increase in the technological and economic assistance provided by the Soviet Union. Everything that was produced with Soviet assistance was the undisputed property of the developing countries themselves. His Government planned to continue that policy in the future, in the firm belief that the vital interests of socialist and developing countries regarding improvements in international trade coincided. It should be noted, however, that the developing countries themselves must facilitate increased co-operation, for instance by offering terms of trade comparable to those afforded to the developed capitalist States.

73. His country had recently expanded its commercial and economic co-operation with the least developed countries; it had long-term trade agreements with over 20 of them. With many, such as Lao People's Democratic Republic, Afghanistan, Ethiopia, Democratic Yemen, Guinea and Guinea-Bissau, close relations of multifaceted co-operation had been established. His country would continue to co-operate with the land-locked and island developing countries on the basis of long-term bilateral and multilateral agreements.

74. The Soviet Union's trade with developed capitalist States was also increasing. In 1978, the volume had been 24 per cent greater than that in 1975. Those trade relations were increasingly conducted on a long-term and large-scale basis and included long-term agreements on commercial, economic and technological relations, industrial co-operation and other matters. Such activities could be an effective means of developing an international division of labour.

75. However, the complications in the world economic situation created certain problems for the socialist countries. The increase in protectionist practices and the imposition of trade barriers by capitalist countries had an adverse effect on the exports of socialist countries, and was a gross violation of the Final Act of the Conference on Security and Co-operation in Europe. Many capitalist States

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continued to make the supply to the socialist countries of some types of industrial equipment dependent on the fulfilment of unacceptable political conditions. Such action was an intervention in the internal affairs of the socialist States, and must be condemned. Echoes of the cold war continued to be felt in the East-West trade relations, and much remained to be done before conditions for trade were normalized. His country attached great importance to taking advantage of trade opportunities with all countries; however, it would more actively pursue economic ties with countries that traded with it on a long-term and most-favoured-nation basis.

76. It was unfortunate that neither the fifth session of UNCTAD nor the nineteenth session of the Trade and Development Board had been able to adopt a resolution on trade relations among countries having different social and economic systems. The question should be discussed extensively within UNCTAD: any restriction of those activities that was detrimental to the socialist countries' commercial and political interests would diminish UNCTAD's role and significance in international affairs.

77. The arms race was incompatible with the restructuring of international economic relations, and effective measures to achieve disarmament would release sizable resources which could be used for social and economic development and for expanding international trade. UNCTAD should make a contribution to the struggle for disarmament and should have due regard to the commercial and economic implications of disarmament.

78. Referring to UNCTAD resolution 114 (V), he said that organizational measures should be directed towards ending the proliferation of subsidiary bodies, limiting the length of meetings and the volume of documentation and preventing further increases in budgetary expenditures. They should enable UNCTAD to carry out productively its functions in accordance with General Assembly resolution 1995 (XIX).

79. UNCTAD's main task should be to elaborate recommendations aimed at normalizing and increasing international trade, abolishing discrimination and other artificial trade barriers, including those resulting from the protectionist policies of the leading Western Powers, achieving control over the activities of transnational corporations and meeting the needs of developing countries in their trade relations with monopolistic capitalist countries. His delegation would work actively to achieve those goals.

80. Mr. CHIRILA (Romania) said that the unsatisfactory outcome of the Manila Conference and the results of the recent session of the Trade and Development Board meant that priority consideration must be given to what had still to be done to bring about structural changes in the world economy and in world trade. UNCTAD's activities could not be dissociated from the stage reached in the international dialogue as a whole, where negotiations in the true sense had hardly begun. Considered in that context, the fact that UNCTAD was increasingly engaged in intensive and concrete negotiations in critical areas of international economic relations would soon allow it to play a more active role.

81. The results of the recently completed multilateral trade negotiations had been disappointing for the developing countries. He had in mind particularly the negotiations on special treatment for those countries, the inclusion of certain

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important products in trade liberalization schemes and the successful conclusion of appropriate arrangements in respect of quantitative restrictions and safeguards. The demand made in the draft resolution submitted at the fifth session of UNCTAD by the Group of 77 that those short-comings should be remedied had found confirmation in the authoritative views expressed by the Director-General of GATT and the President of the World Bank, both of whom were tending towards further action in that respect. While maintaining that the commitments already assumed must be fully carried out, his delegation reiterated its position, as stated at the fifth session of UNCTAD, on the need for a new round of negotiations focused on the specific problems of the developing countries.

82. At the same time, the work of the Interim Committee of the United Nations Negotiating Conference on a Common Fund showed that some points already agreed upon had been called into question again. Moreover, disturbing differences of opinion persisted on such important matters as the terms of individual commodity agreements and the procedures for associating them with the Common Fund, the resources of the Fund's two windows, the mobilization of capital and modalities for increasing the Fund's resources and the relationship of the Fund to the United Nations. He hoped that the forthcoming sixth session of the Negotiating Conference would make it possible to solve the outstanding problems and that the decision would be taken to set up the Fund.

83. The important problem of the structural changes that must be made in international economic relations was still on the agenda of the Trade and Development Board. The step forward constituted by the adoption of resolution 131 (V) on protectionism and structural adjustment should be followed up by appropriate action. His delegation shared the general opinion that in addition to the immediate effect of eliminating protectionist practices on international trade, the substance of the problem should be considered in the light of its long-term implications. It was obvious that structural changes in world trade and production were both the condition for and the outcome of the reduction and outlawing of protectionist measures and restrictive business practices, which hampered the efforts of developing countries and impeded the access of their manufactured and semi-manufactured goods to external markets. The Board's recommendations in that connexion should be based on a recognition of the need to protect actions aimed at the diversification and accelerated growth of the economies of developing countries and to foster the expansion of their exports, especially of manufactures.

84. In his introductory statement, the Secretary-General of UNCTAD had rightly emphasized that new initiatives were needed to reform the international monetary system. The urgent need for structural reform was made clearer by the current economic crisis in raw materials and energy. It had brought out the inadequacies of the present system, even after the partial and unco-ordinated measures recently adopted to repair the world financial situation. The programme drawn up at the Meeting of Finance Ministers of the Group of 77 in Belgrade contained the basic elements for a reform that could no longer be postponed. They could serve as a starting-point for putting into effect the provisions of UNCTAD resolution 128 (V). Concrete measures should be agreed on in the Trade and Development Board to restore the soundness of the world financial situation and to make the decision-

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making machinery more efficient and democratic. Such measures should be associated with action to establish adequate procedures for the settlement of external debt and to ensure an increasing flow of resources for development.

85. The Board's priorities should also include the contribution it had been asked to make to the preparations for the 1980 special session of the General Assembly. UNCTAD's opinions on the stage reached and the obstacles in the way of promoting the objectives of the new international economic order, and its contribution to the formulation of the new International Development Strategy, demanded prompt and close attention.

86. Under the terms of UNCTAD resolution 127 (V), the Board was also called upon to take steps to assist the process and activities of economic co-operation among developing countries. The objectives of the First Short/Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries, adopted at the Fourth Ministerial Meeting of the Group of 77, were a convincing demonstration of the value of that important part of the efforts to the new world economic order. In that spirit, his delegation shared the concern expressed about adequate preparations for the special session of the Board's Committee on Economic Co-operation among Developing Countries and for the preliminary regional meetings which were to draft decisions within the framework outlined in resolution 127 (V).

87. His delegation was fully aware of the importance of the coming period of UNCTAD's activities for making progress in the direction indicated at the fifth session of the Conference. In its view, results would be achieved to the extent that there existed the political will to speed the process of structural change so necessary for the world economy and trade. He hoped that the situation in Manila would not be repeated.

88. Mr. ARMENDARIZ (Mexico) said that the Secretary-General of UNCTAD, in his introductory statement at the 28th meeting, had clearly identified the central problems of international economic co-operation for development and described UNCTAD's contribution to the negotiations on them. His delegation generally endorsed the Secretary-General's evaluation and regarded UNCTAD's contribution to the preparation of the new International Development Strategy and to the preparations for the special session of the General Assembly as being of the utmost importance.

89. In any evaluation of the progress made in international co-operation for development, particularly in the fields of trade and development, the fifth session of UNCTAD was especially significant. His delegation was deeply concerned at the failure of the negotiations on the basic issues before the Conference. It was, of course, the sensitivity of those issues that had largely accounted for the difficulties the Conference had faced. His delegation was also concerned to note that, on resuming consideration of the issues which the Conference had been unable to solve, the Trade and Development Board had been equally unsuccessful.

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90. It was important to prevent any further stagnation of the negotiations on those issues, particularly when the General Assembly was preparing the International Development Strategy for the 1980s and when negotiations must be started on the changes that would have to take place over the next decade. A detailed programme should be drawn up covering action in UNCTAD's various fields of competence and ensuring that it would make a significant contribution not only to the preparation of the new Strategy but also to its implementation.

91. With regard to commodities, where the need for changes in the international market for raw materials had already been stated and accepted in previous resolutions, it was essential to make progress in negotiating individual commodity agreements. His delegation had played an active part in negotiating the Rubber Agreement and was in favour of the early conclusion of a cocoa agreement. There must be a show of political will to make progress towards the conclusion of other agreements on the preliminary list of the Integrated Programme on Commodities.

92. Significant agreement had been reached on the basic features of the Common Fund. Within the period set for the drafting of the articles of agreement on the basis of the proposals put forward by the various groups, negotiations should be completed on a draft agreement with a view to the earliest possible implementation, thus encouraging the negotiation of individual agreements and the development of other means of stabilizing commodity prices and markets and improving the export earnings of developing countries.

93. It was also important to promote the participation of the developing countries in the processing and marketing of commodities, on the basis of the measures already adopted. Commodities were a basic and priority element in the international action to improve the economic conditions and development opportunities of developing countries.

94. In the field of manufactures, more vigorous action to guarantee access by developing countries to the markets of industrialized countries was equally indispensable. Protectionist trends in the developed countries and international attempts to differentiate between the developing countries were particularly disquieting. Other criteria being brought into play by the industrialized countries sought to concentrate co-operation in specific areas, on the lines of the basic needs concept and according to formulae that directed the responsibility for the essential structural reforms away from the high-income countries, contrary to the spirit of the Tokyo Declaration advocating favourable treatment for the developing countries. More effective measures were needed to promote adjustment, particularly in the industrial sector, set out in a programme of action that would ensure a substantial increase in exports and in the developing countries' share of world industrial production. Such action should correct the distortions brought about by increasingly sophisticated domestic protection formulae in the industrialized countries.

95. Regarding international monetary reform, he said that the international monetary system should be made more coherent in order to serve the long-term

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needs of the world economy as a whole, by fostering stable exchange rates and a flow of real resources to the developing countries. In the past year the developing countries had succeeded in preparing a draft programme of action for international monetary reform. That draft, recently endorsed by the Group of 77 at Belgrade, was a starting point for action envisaging a series of measures that should be adopted jointly and systematically in order to avoid separate action of the kind which, in the past, had probably aggravated world imbalances.

96. His delegation was also convinced that more decisive action was needed in regard to the transfer of technology, as reflected in the Code of Conduct, and that parallel progress was required in the Code of Conduct on Transnational Corporations and in the codification and development of rules governing restrictive business practices.

97. His delegation endorsed the need for a programme of general and decisive action by the international community in behalf of special categories of developing countries, so that international measures of co-operation could promote harmonious and general development in the developing countries and at the same time ensure that the least developed, land-locked and island developing countries and the most seriously affected countries received effective assistance.

98. Mexico had taken an active part in the drafting of codes of conduct for shipping, in respect of both liner conferences and multimodal transport. It would continue to support UNCTAD's activities to promote the development of shipping in the developing countries and international co-operation in that field.

99. Lastly, his delegation was convinced that economic co-operation among developing countries was one of the corner-stones of the new international economic order. The broad outlines had been agreed upon at the Third Ministerial Meeting of the Group of 77 in Manila and at the Conference on Economic Co-operation among Developing Countries in Mexico City in 1976, supplemented by the measures adopted in the Arusha Programme for Collective Self-Reliance. The ways in which co-operation among developing countries could be promoted had already been agreed on, and what was now required was specific programmes and projects to enable that co-operation to bear fruit.

100. UNCTAD had contributed in all those matters in two fundamental ways. First, it had conceived and developed ideas that would make it possible to expand international co-operation for development. Secondly, it had promoted negotiations, realizing that the implementation of the new international economic order demanded the working out of specific agreements and formulae in all those fields of international co-operation for development. Both aspects were fundamental to the implementation of the new international economic order, and Mexico had given UNCTAD vigorous support in that connexion. UNCTAD should therefore play an active role in the preparation of the International Development Strategy, and to do so it must be given the necessary budgetary and administrative flexibility, as recommended in its resolution 114 (V).

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101. The CHAIRMAN suggested that the list of speakers on item 56 should be closed at 6 p.m. that day.

102. It was so decided.

The meeting rose at 1.15 p.m.