

## 2062nd meeting

Thursday, 7 July 1977, at 3.20 p.m.

*President* Mr. L. ŠMÍD (Czechoslovakia)

E/SR.2062

### AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (E/5937 and Corr.1, E/5937/Add.1 and Add.1/Corr.1 and 2, E/5937/Add.2 and 3, E/5937/Add.4 and Add.4/Corr.1, E/5977-5980 E/5995, E/5996, E/CEPAL/1027)

### AGENDA ITEM 11

Assessment of the progress made in the implementation of General Assembly resolutions 2626 (XXV) entitled "International Development Strategy for the Second United Nations Development Decade", 3202 (S-VI) entitled "Programme of Action on the Establishment of a New International Economic Order", 3281 (XXIX) entitled "Charter of Economic Rights and Duties of States" and 3362 (S-VII) entitled "Development and international economic co-operation" (E/5939 and Corr.1, E/5942, E/5970, E/5974, E/5981, E/5985, E/5991, E/5992, E/5994, E/5999, E/6001, E/6016)

1. The PRESIDENT reminded members of the Council that, during the general discussion, they could comment on both agenda item 3 and agenda item 11.

2. Mr. MORSE (Administrator, United Nations Development Programme) said that he hoped his statement would be encouraging not only because UNDP had emerged from its financial difficulties and its Governing Council at the twenty-fourth session had already begun to strengthen the efforts of UNDP but also because he was convinced that the world was really moving towards a more balanced and equitable international economic order.

3. The problems which had yet to be solved before that new order could be established were certainly becoming more and more complex, as the recent meetings in Paris of the International Conference on Economic Co-operation had demonstrated. UNDP was in a good position to know how intractably micro-economic problems could defy solution.

4. But it also knew from experience that such problems yielded to properly applied knowledge and techniques. The same should hold good for the more difficult problems faced by the world as a whole, and it was precisely that conviction which had permeated the recent ministerial meeting of OECD, which had reaffirmed its support for development assistance, and also the Kuwait Declaration on Technical Co-operation among Developing Countries, adopted in June 1977 (see E/6013, para. 501). The authors of that Declaration had recognized that technical co-operation

among developing countries was a historical imperative brought about by the need for a new international economic order, and he was confident that the United Nations Conference on Technical Co-operation Among Developing Countries, to be held in Buenos Aires in March/April 1978, would constitute a major step in the process of global restructuring which the Economic and Social Council so actively supported.

5. He and his colleagues were working hard to keep UNDP abreast of changing demands. During the previous year, a great deal of thought had been given to the Programme's organizational structure, to the kind of contribution it was making and could make to developing countries, to its role in the United Nations system, and to its prospects at the beginning of the second programming cycle (1971-1981) at a time when the interdependence of all countries was increasing. At its twenty-fourth session, the Governing Council had undertaken an analytical review of those issues and, without going into detail, he wished to refer to the decisions and recommendations which had been adopted on certain major problems relating to UNDP activities.

6. UNDP had always been broadly involved in the task of helping developing countries to build up a capacity for self-reliance and it could henceforth, in the light of experience, usefully expand that activity. The Governing Council had asked him to develop further the existing functions of planning, appraisal and evaluation of technical co-operation operations carried out with UNDP funding and to determine, in consultation with the specialized agencies and Governments, how the United Nations system could most effectively assist developing countries in meeting their technical co-operation priorities and objectives, bearing in mind the need for increasing assistance for their priority programmes for the benefit of the poorer sectors.

7. With respect to the resources of the Programme the Governing Council, referring to the Programme's function as the central funding body for technical co-operation in the United Nations system, had appealed to all Governments to increase their contributions and to study the possibility of making contributions covering periods of several years; it had requested him to invite Governments for informal discussions, with a view to sharing equitably the responsibility for providing resources for the Programme. Some of the recommendations on resources had a direct bearing on the maintenance and coherence of the United Nations system and to that end the Governing Council had appealed to Governments to avoid the creation of new technical co-operation funds within the United Nations system and to regroup, wherever feasible, existing funds within the framework of UNDP. Other steps recommended by the Governing Council were designed to

improve country and inter-country programming and to ensure better co-ordination at the field level through the resident representatives. He had been encouraged by the mandate he had received from the Governing Council; in his view, the United Nations development system could not but benefit from the implementation of the decisions and recommendations of the Governing Council of UNDP, and he hoped that the Economic and Social Council would feel able to endorse them.

8. Mr. LAMBERT (Secretary General, International Civil Aviation Organization) said that recent developments in the field of civil aviation had in general been very encouraging; there had been a considerable increase in total traffic (passenger, freight and mail), increased profits for scheduled airlines and a relative increase, particularly marked in the case of airlines in developing regions, in total international tonne-kilometres.

9. In 1976, ICAO had taken several initiatives in various developing regions, both at the intergovernmental and the inter-airline level, to establish co-operation in the use of maintenance and training facilities, the joint management of airlines, the pooling of air services, etc. ICAO had, in any event, always acted to promote such co-operative efforts, and the support of UNDP had been particularly useful in that respect.

10. In 1976, safety in civil aviation had maintained a very high level, the figures being the best for any year over the previous two decades, with the exception of 1975. Technical progress had also been able in the development of more energy-efficient aeroplanes, the use of satellite links for aeronautical fixed telecommunications, and the centralization and automation of aeronautical meteorological services. With regard to the environment, research on means to reduce aircraft noise had yielded encouraging results.

11. ICAO had continued to work on all aspects of civil aviation: international standards, regional air navigation plans, international air law conventions, air transport studies and statistics, the provision of technical assistance to developing countries—with the assistance of UNDP—and the study of certain problems in consultation with States; in particular, at a conference convened by ICAO in April 1977, representatives of about 100 States had undertaken a general examination of the basic problems faced by international air transport at the present time and had adopted several recommendations on policy questions relating to non-scheduled air services, adjustment of capacity to demand and the establishment of fares and rates; the ICAO Assembly would examine all those recommendations in September 1977.

12. On matters of general interest to all United Nations bodies, he mentioned work on aircraft engine emissions with a view to the establishment of a certification scheme for the control of engine emissions, the establishment of a Dangerous Goods Panel to develop international standards on major aspects of the transport of dangerous goods by air, the updating of provisions regarding unlawful interference with international civil aviation, and the study of legal problems raised in some specific cases when an aircraft

registered in one State was operated by an operator belonging to another State.

13. ICAO also contributed to the improvement of economic and social conditions in the world; for example, it had recently carried out, on behalf of UNDP, a study aimed at determining the contribution that civil aviation could make to the development of the national economies of the African States, and it proposed to undertake similar studies in other regions of the world. It also continued to co-operate closely with other specialized agencies, such as WMO, ITU, UNEP and IMCO.

14. Mr. WOJCIK (International Atomic Energy Agency) read out the statement which the Director-General of IAEA would himself have made to the Council had his duties not kept him in Vienna. He laid particular emphasis on the conclusions of the International Conference on Nuclear Power and its Fuel Cycle, which had been held in May 1977 at Salzburg; it was to be hoped that those conclusions would be widely referred to in the United Nations system during the consideration of energy problems. That Conference, which had been attended by some 2,000 representatives, had taken into consideration *inter alia* questions of non-proliferation, the environment and public opinion. It had reaffirmed the value of nuclear power against a background of rapidly growing world energy needs.

15. The development of nuclear power had been hampered by the economic recession, technical problems and sometimes also by public opposition. It had to be recognized that neither Governments nor the international bodies concerned, including IAEA, had succeeded in convincing the public that nuclear energy represented a smaller risk than many other technologies that had already been widely accepted. After having heard the views of the representatives of the citizens' groups concerned by those problems, participants in the Salzburg Conference had concluded that it was essential to improve communication and understanding on matters of nuclear safety. International organizations such as WHO, UNESCO and IAEA should help to enlighten the public on the subject, particularly by means of comparisons between nuclear energy and alternative methods of power production.

16. Indeed, no energy source could be judged in isolation. Developing countries had to make their choice between various forms of energy in full awareness of their respective economic, social and environmental advantages and disadvantages, and in the context of increasing world demand; it was estimated that, by the year 2000, world consumption of energy would be two to three times the present level and the share of the developing countries would then be far above the current level of 10 per cent as a result of the rise in their standards of living. Against that background, the Salzburg Conference had defined the role to be played by nuclear energy: in the short term, in countries which had sufficiently large grids and which were deficient in hydrocarbons and coal resources, it would substantially alleviate their dependence on energy imports; in the longer term, it offered the world a technologically mature solution to its increasing energy needs; lastly, even the current minimum nuclear objective would result in the saving of 1.5 to 2 billion tons of oil per year by the year

2000, i.e. more than one half the present world total. Nuclear plants had, moreover, proved their reliability and advantages in difficult situations, such as the previous hard winter in the United States of America. A return to the pre-nuclear era was not a realistic solution.

17. With regard to various phases of the fuel cycle, a steep increase in uranium demand was anticipated. However, because of uncertainties at other stages of the cycle, such as reprocessing, it was difficult to predict the exact figure. International planning could of course avoid a scarcity of uranium, but it had so far not been possible to achieve that kind of cohesion. Enrichment capacities would be adequate up to 1985, but very long lead times were needed for new developments. The technology of reprocessing had been worked out satisfactorily in many countries, which regarded it as necessary for making the best use of energy potential and as the first step towards long-term waste management. The use of plutonium had also been demonstrated in both thermal and fast reactors and, in certain countries, it was available in sufficient quantity for the introduction of fast breeders. At the Salzburg Conference, the Governments of almost all the major industrialized and developing countries had reaffirmed their commitment to the increasing use of contemporary nuclear plants, chiefly light water reactors. However, there had been no clear consensus about the next generation of nuclear plants, namely, fast breeder reactors. Future discussions on the subject should also include the interested developing countries. However, few countries could really be self-sufficient in that sphere and that in itself should provide an incentive for the multinational and international management and control of fuel cycle facilities and services. The IAEA study of regional fuel cycle centres could be regarded as the first step in that direction.

18. As far as the environment was concerned, it had been demonstrated that the application of the principles of the International Commission on Radiological Protection would make it possible to keep to an acceptable level the exposure of both workers and the general public arising from the use of nuclear power. Furthermore, the safety of nuclear plants had been demonstrated, since in over 1,400 reactor-years no accident or radiation-related disability had occurred; that was a record in the industry. Nevertheless, safety features continued to be developed and, in that connexion, IAEA, with the support of member States, had worked out safety codes and guides for thermal power plants. Technology was available for the treatment, conditioning and storage of all hazardous radioactive waste products; international co-operation was essential, however, for the development of waste disposal facilities and especially for the establishment of regional disposal facilities. Unfortunately, the time was not yet ripe for such co-operation.

19. The introduction of nuclear power would give rise to a number of difficult problems in developing countries—especially with regard to financing and, in particular foreign currency requirements, but also skilled manpower, the industrial and engineering infrastructure, access to a free nuclear market and advanced technology, the availability of nuclear power plants in the required sizes, and an assured supply of nuclear fuel. Article IV of the Treaty on the

Non-Proliferation of Nuclear Weapons (General Assembly resolution 2373 (XXII), annex) provided for the exchange of technological information for the peaceful uses of nuclear energy. IAEA was trying to incorporate those aims in its statutory provisions. Currently, operating nuclear plants in five developing countries represented only 3 per cent of the world's nuclear capacity. That figure would increase to 9 per cent in 1985 with the nuclear plants under construction or planned in 12 other developing countries.

20. The strengthening of the international non-proliferation régime was of general concern. 102 States were already parties to the Treaty on the Non-Proliferation of Nuclear Weapons. However, Agency safeguards were also extensively applied outside the scope of the Treaty and only five non-nuclear-weapon States still had significant unsafeguarded plants. The first priority was therefore to achieve full fuel cycle safeguards in all non-nuclear-weapon States. Furthermore, existing international safeguards needed to be supplemented, in particular by the creation of regional or multinational fuel cycle centres, internationally controlled plutonium storage, and international conventions governing physical security arrangements, especially relating to international transfers of nuclear material. The implementation of those measures would require new, unconventional solutions which, in view of the nature of the problem, might gradually be accepted.

21. Referring to the co-ordination of the work of IAEA with that of other United Nations bodies, he said that work on the establishment of a computerized energy data bank was progressing satisfactorily, with the co-operation of the United Nations Statistical Office, the Centre for Natural Resources, Energy and Transport, OECD, the World Bank, ECE, UNIDO, the meetings on energy, the International Institute of Applied Systems Analysis, OPEC and other international organizations. It was expected that the system would become operational in 1978 and that a periodical bulletin would be issued. Those developments should be taken into account in connexion with the consideration of new organizational arrangements in addition to those which had already been made to deal with energy questions in the United Nations. IAEA was pleased with the excellent co-operation which had been established with UNEP, and would in particular be co-operating in the organization of a panel that would make a detailed evaluation of the environmental implications of the use of nuclear energy. That panel would be followed by two others dealing with coal and renewable sources of energy respectively. It was to be hoped that at that series of meetings the environmental implications of the use of other energy sources, such as petroleum, would also be considered. Finally, relations between IAEA and WHO were still developing very satisfactorily.

22. Mr. GODOY ARCAYA (Organization of American States) speaking at the invitation of the President, endorsed the Secretary-General's comment at the 2061st meeting that the economic cycle had entered a period of recovery. In the case of Latin America, GDP had increased by 4.2 per cent as against 2.6 per cent in 1975, and the value of exports had risen by 14 per cent. The value of imports had declined slightly, but the balance of payments and terms of trade with industrialized countries had developed favour-

ably. Unfortunately, the structure of external indebtedness remained dangerous, the volume of investment was inadequate, inflation was continuing, and unemployment was still considerable.

23. When the Alliance for Progress had been created at the beginning of the 1960s, financial co-operation had been viewed as the main factor in development. However, it was now recognized as only one of a number of factors, chief among which were liberalization of world trade, more equitable terms of trade between developing and developed countries, international financial and monetary stability, and the establishment of equitable rules for adapting and transferring technology by means of direct foreign investment and technical assistance.

24. With regard to financial co-operation, the world recession had been the major factor contributing to Latin America's deficit on current account and to the substantial foreign indebtedness of the countries of the region. In that connexion, he drew attention to the role played by private credits, which had to some extent offset the reduction in official development assistance received by the region. That reduction had been particularly marked in the case of AID assistance, of which only 9 per cent had gone to Latin America in 1975, compared to 23 per cent at the end of the preceding decade, as well as World Bank assistance (21.8 per cent as against 31.5 per cent in 1960-1968) and Eximbank aid, the net flow of which had been negative on account of steadily increasing debt redemption payments. On the other hand, the flow of IDB co-operation funds had increased (\$1.375 million in 1975, as against \$652 million in 1971), and Canada had been making greater efforts to promote development in the region.

25. OAS held the view that criteria for the distribution of financial assistance must be broadened so as to take account of variables other than the level of *per capita* income, such as the income distribution in each country.

26. He noted that a number of activities in the field of trade co-operation had been carried out under the auspices of OAS: member States of OAS had decided to undertake an assessment of the generalized scheme of preferences of the United States of America, and at a meeting held at Buenos Aires in May 1977, they had, by consensus, defined their attitude to the principle of non-discrimination in the GSP, and had protested against the exclusion of Venezuela and Ecuador from the United States scheme. They had also reiterated that the number of projects eligible to benefit under the GSP should be increased, limitations on preferential treatment done away with a closer definition made of the notion of substantial alteration of the "rules of origin". They had further asked for clearer explanation of the reasons for exclusion or inclusion of products, and had recommended that the GSP should be placed on a permanent basis, stressing the need for flexible information and technical co-operation procedures for its application.

27. At the same meeting, the OAS members had also expressed concern at the extremely slow progress made in the multilateral trade negotiations, particularly those with a bearing on agriculture and stock-farming.

28. The technical co-operation received by Latin America continued to concentrate on activities preceding the phase of investment for long-term development, among them training and institution-building. The region had received technical assistance amounting to approximately \$320 million in 1975, and it was becoming more multilateral. The greatest increase had been in assistance from IDB.

29. That change in the pattern of aid was due to the heavy drop in bilateral assistance from AID. On the other hand, there had been a considerable increase in bilateral co-operation from countries such as the Federal Republic of Germany, Japan, the Netherlands and the United Kingdom. OAS itself had increased direct services to the region by 16.2 per cent per annum between 1970 and 1975, whereas the average annual increase for other international bodies during the same period had only been 14.7 per cent. Technical assistance given by OAS was directed into two sectors – education, science and culture, and economic and social development. In the first sector, the regional programme for scientific and technical development deserved mention and in the second, the programmes relating to public finance, regional development, administration for development, social development, and labour and employment. OAS had been working actively since 1969 to promote the application of science and technology to development. The specialized conference held on that subject had been an important landmark, and the pilot project for the transfer of technology was a useful experiment in establishing institutions at the national and at the regional level to organize the acquisition of know-how related to economic and social development objectives. OAS had invested \$2.2 million in that particular activity and in others concerned with the transfer of technology.

30. There was no reason to think at the moment that the future would see an expansion of technical assistance for Latin America. Nevertheless, closer investigation of the region's potential ought to persuade the industrialized countries to give it more aid.

31. With regard to inter-agency co-operation, the Secretary-General of OAS had made efforts to promote a greater degree of co-ordination between international institutions concerned with development in Latin America. In November 1976, a tripartite IDB/ECLA/OAS meeting had been held to co-ordinate the work of those three institutions and avoid duplication, and a similar meeting had taken place, at which UNDP had been represented, on co-operation with the English-speaking countries of the Caribbean. In May 1976, the UNESCO/OAS Joint Commission had met at Washington, D.C., to identify opportunities for collaboration in carrying out programmes for Latin America. Relations between OAS and OECD had grown closer, and the latter supplied information for country and other studies by OAS. Finally, OAS was maintaining close liaison with the secretariats of UNCTAD and GATT, in order to keep itself informed about meetings connected with the multilateral trade negotiations and other matters.

*The meeting rose at 4.40 p.m.*