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Chairman:

Mr. PAPADATOS

(Greece)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 79: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (A/45/3; A/45/25; A/45/64; A/45/73-S/21065; A/45/74-S/21068; A/45/113 and Add.1; A/45/138-S/21161; A/45/160-S/21182; A/45/164-S/21187; A/45/276-E/1990/88; A/45/299; A/45/303; A/45/310-S/21355; A/45/334-E/1990/100; A/45/350; A/45/381-E/1990/118; A/45/451; A/45/487; A/45/491; A/45/584; A/45/597; A/45/598-S/21854; A/C.2/45/5; A/C.2/45/L.4)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (1991-2000) (A/45/41)
- (d) FOOD PROBLEMS; (A/45/19; A/45/583)
- (e) NEW AND RENEWABLE SOURCES OF ENERGY (A/45/36 and Add.1)
- (f) DEVELOPMENT OF THE ENERGY RESOURCES OF DEVELOPING COUNTRIES (A/45/274 and Corr.1)

1. Mr. JAZAIRY (International Fund for Agricultural Development) referred to the serious repercussions of the Gulf crisis, particularly in low-income food-deficit developing countries, which would suffer from increases in fuel and fertilizer costs and in the prices of food imported from developed countries, where food production was an energy-intensive process. Another possible consequence of the crisis was a slow-down in world economic activity and international trade, which could erode commodity prices even further.

2. Those problems came on top of the negative legacy of a decade during which the countries of sub-Saharan Africa had experienced serious malnutrition and famine, hunger had become a more acute problem in Latin America and the countries of the Near East and North Africa had seen an alarming increase in their dependence on food imports. Although food production had increased remarkably in some countries of Asia, that continent contained two thirds of the world's absolute poor. Given the gravity of the situation, the international community must provide more resources, particularly to improve the plight of smallholder farmers, rural women and the landless; recipient countries, for their part, must devise strategies to maximize investments in order to improve the food and economic situation of those vulnerable groups to the fullest extent possible.

3. Although the situation had been even more acute during the mid-1970s, an international consensus had been reached leading to the establishment of the International Fund for Agricultural Development (IFAD), which was the only international financial institution in which developing countries had a decisive two-thirds majority. During its 12 years of operation, IFAD had developed a specific approach to assist the rural poor, based on the concept of participatory development. Most of IFAD's loans to low-income countries were on highly concessional terms and the target countries were very carefully selected. The best approach to alleviating poverty in a sustainable fashion was to stimulate the

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entrepreneurship of the poor; even small investments in the development of their technology and know-how and some improvement in their access to credit could have a significant impact on their output. Such investments also strengthened the capacity of the beneficiaries to take advantage of the new opportunities being opened by structural adjustment programmes. In most poor countries, the success of such programmes would depend largely on the response they elicited from the large mass of smallholder farmers and small-scale producers.

4. As to projects carried out with IFAD support, local procurement amounted to 73 per cent, at least double the proportion for projects of other international financial institutions and United Nations agencies. The experience of IFAD had shown that the rate of return on investments in projects to alleviate poverty was between 15 and 25 per cent; such investments provided a significant stimulus to growth and created the basis for a more robust economy that was less import-dependent and more capable of achieving self-reliant growth.

5. Owing to increased population growth in the developing world, there was little virgin land left that could be put to productive use without posing a major threat to the environment. In the past, the frontiers of new land provided the impetus for growth, whereas now the untapped potential due to poverty was the only new frontier left: if the right policies were adopted, poverty could be transformed into an engine of growth.

6. As to the situation in sub-Saharan Africa, he noted that during the past decade a series of external and internal factors, along with accelerated desertification and other forms of environmental degradation, had brought development virtually to a halt. In response to that situation, IFAD had in 1986 launched a Special Programme to help the countries of the region to increase food production and income growth while at the same time combating environmental degradation. In only four years, IFAD had allocated resources of approximately \$US 300 million for projects in 19 countries in the region. In addition to applying the participatory approach to which he had referred to bring about early increases in food production, the projects were stimulating non-agricultural income-generating activities and were being combined with longer-term measures for soil conservation, reforestation and communal range management in order to enhance the natural resource base.

7. While the first phase of the Special Programme had yielded very positive results, without further funds IFAD would have to reduce substantially its financial support to the countries in the region, at a time when those countries faced an even greater need for such support to pay for food and energy imports.

8. The Governing Council of IFAD had asked him to consult with the donors to seek additional contributions for the second phase of the Special Programme. Among the countries which had responded favourably, France, which together with Belgium had been the largest contributor to the first phase of the Special Programme, had announced a contribution of \$40 million, and he urged the other donor countries to respond favourably to that request without waiting for the fourth replenishment of

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the Fund in 1995. The second phase of the Special Programme must not be financed from the Regular Programme of IFAD, for that would imply a reduction in the Fund's resources of about \$300 million and would result in a cut-back of nearly 50 per cent in its lending capacity to the countries of Asia, Latin America, the Near East and North Africa. He hoped that the Committee would play a catalytic role in generating additional contributions from donor countries.

9. Mr. BEN MOUSSA (Morocco) said that the time had come to look at the situation of the developing countries realistically and recognize the disappointing results of international co-operation. The decisions of the developed countries were too often limited by short-term political considerations: perhaps only the inexorable logic of the crises that would arise in the future would compel them to change their attitude. As Mr. McNamara, former President of the World Bank, had warned recently, although the world had overcome the problems arising from East-West rivalry, racial and ethnic conflicts would break out, and economic discrepancies between nations would grow as long as the technological revolution continued to spread unevenly throughout the world.

10. International co-operation should not be used to cloak the economic violence wrought on poor people every day. There was a need to look beyond immediate political and economic prospects and reflect on the future in order to start preparing for the profound economic transformations of the world of tomorrow. The developing world no longer saw itself as a rich reserve of economic and human resources legitimately looking forward to a more equitable order, but rather as an immense mortgaged property labouring under policies of structural adjustment, the doctrinal hegemony of a single development model and the devastating effects of the international economic climate. While the developed countries had entered their eighth consecutive year of uninterrupted growth, the developing countries had been suffering for almost 10 years from declining commodity prices, deteriorating terms of trade and the growing debt-servicing burden, all of which, together with other factors such as the increase in the net transfer of capital to the developed countries and rising energy costs, had helped to make their situation considerably worse. The result had been a marginalization of the least developed countries and a general deterioration in the position of the African countries. The illogicalities of the international trade, financial and monetary system had provoked economic and social upheavals, as well as communal or religious disturbances resulting from a generalized crisis of values and growing popular despair. Together they represented a world-wide threat that could wipe out the recent advances in the sphere of international law and the settlement of ideological and geopolitical conflicts. As far as international co-operation in the field of economic development was concerned, despite the recent improvement in some social indicators, the situation was still very grave, as was shown by the figures for illiteracy, hunger and malnutrition, health and unemployment.

11. An attempt was currently being made to challenge the very concept of development and the usefulness of the Group of 77 as a participant in multilateral negotiations. Nevertheless, despite its apparent diversity, the developing world continued to share a set of common characteristics, including marked dependency on

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commodity exports, serious food shortages, high illiteracy low agricultural productivity, deficiencies in regard to health and social services, a weak middle class, inadequate industrial diversification, population growth, widespread unemployment, serious social inequality, and so on. One phenomenon that could not be left out of account was the frequent urban social explosions that occurred in the developing world as a result of the social repercussions of structural adjustment measures. During the 1980s, the multilateral financial institutions had extended their geographical zone of intervention and increased their influence on national policies, thus helping to disseminate the dominant economic model. Those institutions avoided any real debate on the content of development or structural adjustment, and merely advocated the restoration of financial equilibrium and the struggle against poverty. It would be a mistake to confuse the pockets of poverty that existed in the developed countries with the mass poverty of the developing countries, for it was a far cry from imperfections in the social security system to the endemic poverty that affected a large part of mankind.

12. The new challenge before the international community was to arrive at a new consensus on a universally applicable model of human development that would be economically efficient, socially just, environmentally sound and culture-specific, and would concentrate on promoting the human factor. For that reason, although he recognized the advantages of liberalism over collectivism, he believed it was necessary to give much thought to the operation of the consumer society's production model, which was rapidly becoming the universal standard, presenting itself as the foundation of individual values and collective happiness.

13. If it was to be universal and sustainable, human development could not be expressed exclusively in monetary terms, or be measured by sectoral quantitative indicators. Human development meant solving the problems of the next millennium in an integrated manner, seeking to satisfy humanity's economic and socio-cultural needs, and keeping in mind the interrelationship between the depletion of non-renewable resources, population pressure, dangers to the environment, and the demands of development. In that connection, Morocco had for many years been a proponent of defining qualitative indicators of development, on the basis of General Assembly resolution 40/179, adopted in 1985, and other resolutions of the General Assembly and the Economic and Social Council adopted by consensus in response to various recommendations by the Statistical Commission.

14. UNDP and the World Bank had recently created a new indicator, known as the "human development index", which combined national per capita income, life expectancy at birth and the adult literacy rate. Although it was undoubtedly a well-focused attempt which could perhaps help to guide both national and international policy-making, a reliable measure needed to be devised, consisting of a set of qualitative indicators for the basic economic and socio-cultural needs of the population in regard to food, employment, housing, education, health and social services, including transport and drinking-water supply. To that end, a United Nations conference was to be held in Morocco in 1991, for the purpose of synthesizing the results of the research currently being carried out into the factors that determined an adequate standard of living from the viewpoint of

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decent, humane and lasting development. It was hoped that when the synthesis was completed, it would be possible, on the basis of patterns of consumption and qualitative indicators, to measure what specific advances had been made in the lives of men and women throughout the world. Those indicators would help Governments to plan their development programmes better, allocate their resources more efficiently and eliminate social disparities. Those qualitative indicators should also give direction to international co-operation, especially in combating poverty and in evaluating the implementation of the International Development Strategy and the work of the United Nations Conference on Environment and Development to be held in 1992.

15. For better prospects of development and international co-operation, the Committee should reach agreement on a collective economic-security system, in the form of a multilateral world-watch mechanism to permit effective co-ordination of macro-economic policy by representatives of the countries of the North, East and South. Such a system would make it possible to guarantee equitable and symmetrical international adjustment, while at the same time promoting the adoption by the developed countries of policies favourable to world economic growth and compatible with agreed world objectives and the demands of human development. In the new world economic situation, all those concerned must be able to share in decision-making, and the future of mankind and the human environment must be jointly managed in the common cause.

16. Mr. SARDENBERG (Brazil) said that the net transfer of resources from developing to developed countries was one of the most pressing challenges to international economic co-operation. The World Economic Survey contained an analysis of that problem, as did the report of the Secretary-General (A/45/487), which showed in a very precise manner how important an obstacle it was to economic growth and development in many developing countries.

17. Quantitatively, the amounts involved were staggering, whether in absolute or comparative terms. From 1983 to 1988, resource transfers from the so-called "capital-importing countries" had totalled over \$132 billion, or an annual average of over \$22 billion. According to UNICEF estimates, those \$22 billion could have provided safe water for 4.4 million people or basic education for several hundred million children in developing countries over the same period.

18. In comparative terms, between 1983 and 1987, net financial transfers abroad from developing countries had amounted to almost 3 per cent of GDP, and that percentage had been even higher in the case of Latin America. In 1988, Brazil alone had transferred more than 6 per cent of its GDP. That same year, the most that any industrialized country had earmarked for official development assistance was 1.12 per cent of its GNP, while the average for the countries of the Organization for Economic Co-operation and Development had not exceeded 0.37 per cent of GNP. To appreciate the burden of those net transfers on each developing country, it should be borne in mind that the lower the income, the more difficult it was to mobilize resources for purposes other than meeting individual basic needs.

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19. Given the debt-service commitments and the deterioration in the terms of trade, instead of being a means of promoting economic growth and increasing the resources available to developing countries, international trade had become an obstacle to development and a mechanism for syphoning off resources. That phenomenon had a negative impact both on the developing countries, which were unable to benefit from their own hard-earned savings, and on the developed countries, whose exporters could not market their products in the developing world, which did not have the resources to import them. For the developing countries, net financial transfers were the major non-tariff barrier to their exports.

20. Net financial outflows set off a chain reaction in the domestic economy: a comparative drop in the level of productive investment, the transfer of resources from the private to the public sector, shrinkage of the tax base owing to reduced per capita income, disruption of fiscal policy, and chronic inflationary pressures, which pushed up domestic interest rates and reduced private investment. Together, they formed a vicious cycle.

21. Developing countries were being transformed into net exporters of financial resources before they had reached the commensurate levels of development. The consequences for international co-operation for development were obvious and of no small importance for the work of the United Nations. In fact, it almost did not make sense to speak of international economic co-operation when the countries with lower per capita income, where the propensity to save and invest was necessarily lower, were providing funds to supplement the savings of the most developed and industrialized nations.

22. There again, the interdependence between the South and the North should be stressed. The impact of international interest rates on the economies of developing countries could not be accepted as a necessary evil. International interest rates were largely a result of the macro-economic policies of the major industrialized countries. As the General Assembly had recognized at its April special session, those policies had to take into account the interests of all countries, particularly the developing countries.

23. As was widely known, Brazil was engaged in a far-reaching economic reform aimed at overhauling public finances and creating the conditions needed for modernizing the economy and integrating it more fully into the world market. The measures taken included a new industrial policy based on the liberalization of foreign trade and a fiscal adjustment corresponding to about 10 per cent of GDP. However, the success of such measures depended on a prompt and satisfactory solution to the problem of the external debt. That meant a significant reduction of debt stock and service. Without such a solution, the prospects for development in the debtor developing countries were dim.

24. His Government had repeatedly stated that it intended to honour its financial commitments but that, as a matter of necessity, it would give priority to reactivating the country's economic growth, a goal which could no longer be postponed.

(Mr. Sardenberg, Brazil)

25. The increase in oil prices put an extra burden on the energy-importing developing countries by making their terms of trade even worse. However welcome, the integration into the world economy of the countries of Eastern Europe created further pressures on financial resources and constituted yet another contributing factor towards increasing international interest rates. Also, there was more and more discussion of the possibility of a world recession. In those circumstances, international economic co-operation was more pressing and crucial than ever. The General Assembly could and should signal the urgent need to redress that situation in order to allow the revival of economic growth in developing countries in a supportive international environment.

26. Mr. LUMAUIG (Philippines) said that the net transfer of resources from developing countries was an urgent problem, since it prevented them from making investments that could generate jobs, increase productivity and alleviate poverty. His delegation concurred with the Secretary-General that, unless policies in that area were changed, prospects for those countries would remain bleak in the 1990s.

27. In order to meet their future energy requirements economically, it was imperative for developing countries to plan for a suitable mix of energy sources, with an emphasis on new and renewable sources. However, the trend in recent years had been towards a decline in the exploration and development of alternative energy resources. That trend should be reversed. Specifically, the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy should be fully implemented. Another area that demanded greater international co-operation was human resources development, which promoted human well-being and increased output capacity. However, many developing countries were forced to use the resources needed in that area for debt servicing, to the detriment of education, nutrition, health and social services. Human resources development called for not only education and training, but also for the opportunity to use the knowledge acquired in productive employment.

28. The world food situation was another area that required the attention of the international community. It was necessary to ensure world-wide access to food supplies at the most efficient market prices, without restrictions of any kind. His delegation stressed the need for a successful outcome to the Uruguay Round of multilateral trade negotiations, particularly in agriculture. Failure to reach an agreement in that sector could result in increased protectionism and erode the overall viability of the General Agreement on Tariffs and Trade. Protectionism endangered the international economic environment and seriously impaired the ability of developing countries to meet the needs of their people.

29. Mr. KOIKE (Japan) said that his delegation was happy to note that the draft text of the International Development Strategy for the Fourth United Nations Development Decade reflected the philosophy, commitment and policies articulated in the Declaration on International Economic Co-operation, adopted at the eighteenth special session of the General Assembly. The most important premises of both documents were that the primary responsibility for development rested with the developing countries themselves and that the international community had a

(Mr. Koike, Japan)

responsibility to give strong support to the efforts of the developing countries. The principal aim of the Strategy was to ensure that the 1990s would be a decade of strengthened international co-operation and accelerated development in the developing countries. The draft was a well-written document that presented every possible element for the reactivation of development: economic policy frameworks, external debt, development financing, international trade in commodities, science and technology, industrial policies, and agriculture.

30. Japan reaffirmed its commitment to increase its official development assistance in accordance with its medium-term programme, which called for the disbursement of at least \$US 50 billion over the five-year period from 1988 to 1992. Acknowledging that the target of 0.15 per cent of GNP in aid to the least developed countries had gained acceptance by the international community, Japan intended to continue to expand its assistance to least developed countries with that in mind. On the other hand, it had been pointed out that the military expenditures of the developing countries were five times greater than the total development assistance they received. The current détente between East and West and the ever-greater role played by the United Nations in peace-keeping and peace-making efforts in regional conflicts provided an excellent opportunity to reduce military expenditures and channel the resources thus released to social and economic development. The largest portion of the "peace dividend" should come not from the developed countries but from the developing countries, which could give higher priority to economic and social welfare.

31. Although not completely satisfied with the draft text of the Strategy, Japan supported its adoption by consensus.

32. With regard to food problems, it was a source of great dismay that, although global food production was sufficient to feed everyone in the world, there were more than 500 million people in hunger or undernourished. The situation should be rectified and the World Food Council had a fundamental role to play. Food-deficit developing countries should give first priority to the food and agricultural sector, with the aim of achieving food security and self-reliance, and should also formulate and implement national food strategies for raising agricultural productivity. In its official development assistance programme, Japan gave priority to co-operative projects and programmes in the food and agricultural sector, believing that such co-operation would increase food production, mitigate food shortages, and improve the living standards of farmers. The guidelines to be provided by the World Food Council would be vital to concerted international efforts to solve the world's food problem.

33. As the report of the Secretary-General (A/45/451) indicated, there was a general consensus on the fundamental components of human resources development, including an increase in life expectancy at birth, a higher degree of adult literacy and an intensification of efforts in the fields of hygiene, nutrition, primary health care and primary education. Any development strategy should address those basic needs or, in other words, the enhancement of human welfare must be at the centre of any development strategy.

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34. Human resources development was not only an objective in itself, but also a means to achieve economic goals. Japan welcomed the report of the Secretary-General and the UNDP Human Development Report 1990, for the insights which they offered into what should be done in expanding and making use of human capabilities and also into the policy decisions regarding the allocation of resources. Those insights helped to keep in mind the necessary balance between equity and efficiency. Japan supported the activities of the United Nations and of its specialized agencies in the field, and had increased the proportion of its assistance to human resources development from 3.3 per cent of total assistance in 1975-1976 to 15.4 per cent in 1986-1987.

35. Mr. GIANELLI (Uruguay) said that the rise in oil prices, the threat of failure of the Uruguay Round and the lack of productive investment in the developing countries, together with the serious problem of external debt, limited the growth possibilities of those countries and jeopardized their internal adjustments.

36. The international community, which reacted rapidly in the political arena, did not respond with the same degree of urgency in the economic sphere. The recent lack of consensus at the Trade and Development Board, in Geneva, with respect to a draft resolution on the consequences of the crisis in the Gulf, was of considerable concern to Uruguay, given that the objective of the draft, submitted by the Group of 77, was to mitigate those consequences for the poor countries which were suffering the most from them.

37. As frequently happened, the international organizations had reacted more quickly than the Governments and had proposed relief measures. UNCTAD had pointed out that, for the oil-importing developing countries, an average price of \$30 per barrel meant an annual increase of around \$25 billion in the cost of imports, equivalent to 10 per cent of their export earnings after payment of their debt-service obligations. In order to deal with the situation, which was exacerbated by the rise in interest rates and the continuing recession in the developed countries, UNCTAD had proposed the following measures: compensation on favourable terms to the countries most affected by the increase in the price of oil, to be drawn on resources other than those currently intended for the developing countries, and without any linkage to structural adjustment programmes; a halt to speculation on the oil markets; and a study of the possibility of reaching an agreement between consumers and producers which would include guidelines for intervention in the market by the countries having official stocks of crude, so as to discourage speculation.

38. For its part, the World Bank had suggested that aid should be given on three fronts: preparation of appropriate policies for meeting the crisis; modification, and where possible expansion, of the programmes of granting credits to overcome certain negative effects of the crisis; and co-ordination of assistance to reduce the level of debt and of debt-service payments.

39. It should not be forgotten that, if the grave problems of the developing countries were to be resolved, it was essential for the Uruguay Round to

(Mr. Gianelli, Uruguay)

incorporate the agricultural sector effectively under the rules and constraints of GATT, so that the current distorting and protectionist practices of certain developed countries, which acted as obstacles to international trade, could be eliminated.

40. Finally, as the President of the Inter-American Development Bank had said in his statement to the Committee, it was necessary to bear in mind the links which existed between debt, trade and investment. It was to be regretted that the greater portion of external investments by the developed countries went to other developed countries, and those which were made in developing countries were concentrated in a small number of countries.

41. The developing countries must band together and respond to those challenges, modernize their economies and increase their international competitiveness. Argentina and Brazil had already started the process, by agreeing to set up a common market. Uruguay had fully joined in the process and it was expected that Paraguay and Chile would do so too.

42. Ms. BOOTO (Zaire) said that Zaire supported the Declaration prepared by Bolivia on behalf of the Group of 77. Zaire welcomed the major changes which had occurred in international political relationships, but hoped that the integration of the countries of Eastern Europe into the world economy would not accentuate marginalization of the developing countries, in particular the countries of Africa.

43. In most developing countries, the problem of external debt continued to be a severe obstacle to development. The various initiatives taken to alleviate the debt problem had to be reviewed, bearing in mind the necessities for growth and development in the debtor countries, and the international community must take urgent steps to end negative transfers of resources from the developing countries to the developed ones, which significantly reduced the level in real terms of official development assistance.

44. The drop in the prices of raw materials was also of concern to Zaire, since it made export earnings unpredictable and caused them to fall steadily, leading in turn to a weakening of the capacity to finance development and adding to the difficulties of debt-servicing. Effective solutions to the problem had to be found, through implementation of the relevant provisions of the Integrated Programme for Commodities.

45. Zaire had noted with interest the reports on new and renewable sources of energy (A/45/36) and on energy exploration and development trends in developing countries (A/45/274). Some developing countries possessed enormous sources of energy but worked them only to a very limited extent, owing to various factors, including the great dependence of oil on its production sector. The rise in the price of oil was causing serious problems for those engaged in energy planning, for producers and for consumers. It was thus necessary to revive interest in new and renewable sources of energy.

(Ms. Booto, Zaire)

46. The report of the World Food Council (A/45/19) provided eloquent data on hunger and malnutrition in the world. It was regrettable that at a time when dramatic changes were taking place in international political relations, hunger continued to be a cause of death for men, women and, above all, children, who were its principal victims. The international community should take action in that regard. In that context, mention should be made of the World Summit for Children - in which the Prime Minister of the Republic of Zaire had participated, thus demonstrating his interest in the welfare of children - which had shown that a lasting solution to such problems required the broadest possible consensus and participation at the highest level.

47. Mrs. PERKOVIC (Yugoslavia) said that her delegation fully supported the statement made by the representative of Bolivia on behalf of the Group of 77. Yugoslavia expressed satisfaction at the fact that, following the adoption of the Declaration on International Economic Co-operation, a consensus had been achieved on the next international development strategy, since it reflected the awareness of all countries that, under the current conditions of growing interdependence, a harmonious development of the world economy could be ensured only through the co-ordinated activities of all parties concerned.

48. The principal aim of the strategy should be to ensure accelerated development in the developing countries. While it was true that each country should take adequate measures at the national level, there was no doubt that a favourable international economic environment was essential. The delegation of Zaire had said that the international community should make greater efforts to solve the multiple economic problems affecting the developing countries and to ensure the success of the strategy. That strategy, which appeared to be more realistic and less ambitious than previous ones, should prevent the mistakes of the 1980s from being repeated and ultimately ensure the reactivation of development in the developing countries.

49. With regard to hunger and malnutrition in the world, the report of the World Food Council (A/45/19) showed that, despite the initiatives taken in that sphere, the number of hungry persons had increased in the 1980s to some 550 million. There was no doubt that hunger and malnutrition could be eliminated through sustained development, which should have as its central objective the improvement of the human condition. The development of agriculture and the provision of technical assistance to solve the food problem were of paramount importance in that context. Yugoslavia would continue to promote economic and technical co-operation and trade with developing countries with a view to alleviating the problem of hunger. The outcome of the Uruguay Round would considerably affect the world food situation. Yugoslavia was in favour of liberalizing international trade in agricultural products and was convinced that GATT rules should also be introduced into that sector.

50. With regard to new and renewable energy sources, Yugoslavia fully supported the recommendations and conclusions contained in the relevant report (A/45/36). The crisis in the Gulf had highlighted the need to put greater emphasis on the

(Mrs. Perkovic, Yugoslavia)

development of new and renewable energy sources, not only in order to mitigate the effects of periodic oil price shocks and diversify energy sources, but also in order to protect the environment. Yugoslavia supported the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy; its implementation, the results of which had been very meagre, called for additional concerted efforts and international co-operation.

51. The report (A/45/274) on the energy resources of the developing countries was interesting and informative, but it had been prepared prior to the dramatic increase in oil prices. The uncertainty as to future trends in oil prices called for the initiation, as a matter of priority, of an international dialogue between oil producers and consumers. Yugoslavia supported the proposal made by the President of Venezuela with regard to convening a conference on that topic under the auspices of the United Nations.

52. Lastly, document A/45/487 concerning the net transfer of resources from developing countries described the history of that phenomenon and showed clearly that it was interrelated with the problems of debt, the deteriorating terms of trade, protectionism and financial flows. The solution to the problem of the net transfer of resources should, therefore, be sought in the context of the solution to those other problems. Yugoslavia supported the proposals contained in chapter V of the report and believed that massive national and international efforts were required in order to create the conditions for private capital - in the form of foreign direct investment and commercial bank flows - to play again a significant role in the development process.

53. Mr. CAMARA (Food and Agriculture Organization of the United Nations) said that in his statement under agenda item 148 he had reported on the contribution made by the Food and Agriculture Organization of the United Nations (FAO) to the preparatory work for the eighteenth special session of the General Assembly and the international development strategy. He recalled that in November 1990 FAO would consider a long-term strategy for the food and agriculture sector based on a document which had already been submitted to the General Assembly.

54. He had noted with appreciation that the Chairman's working document on the international development strategy reflected in summary form the major policy recommendations of FAO's strategy. The FAO Council would give detailed consideration in November to those and other policies which were considered appropriate for promoting the objectives of the international development strategy in food, agriculture, nutrition and rural development and in the related areas of overall economic growth, trade, commodities, poverty alleviation, the development of human and natural resources, environment and agriculture.

55. With regard to current developments in the world food and agriculture situation, general trends had been uneven and prospects were uncertain; nevertheless, world agricultural production was expected to increase by about 2.5 per cent in 1990, a smaller increase than in 1989, but clearly higher than the

(Mr. Camara, FAO)

growth rates of 1986-1988. The increase would occur mainly in the developed countries; in much of the developing world, the results would probably be less satisfactory.

56. In Africa and in Latin America and the Caribbean, food production was expected to fall below population growth in 1990, which was a disquieting feature. In Asia, a significant decline was expected in the growth rate of food and agricultural production. However, in India and other densely populated countries, food production was still expected to exceed population growth. In China, for instance, it was likely that there would be an increase in agricultural production but slow growth in livestock production, caused by a feed shortage. In the Middle East, an increase in food and agricultural production was expected which would largely offset the shortfall of the previous year.

57. World cereal output was expected to reach record levels in 1990. Developed countries, in particular the countries of North America and the Union of Soviet Socialist Republics, would account for the bulk of the increase, although production was also expected to rise in developing countries in the aggregate. Since the world output of cereals would exceed global utilization for the first time in four years, cereal stocks were likely to increase slightly, which would improve the outlook for world food security. Nevertheless, serious regional food supply problems were likely to persist in 1991. That was the case in the Sudan, parts of Ethiopia, Angola, Mozambique and Liberia and in several Sahelian countries. In Latin America and the Caribbean, food reserves were also very low. Another cause for concern was the problem of feeding refugees, owing to the events in the Middle East.

58. The situation with regard to locust and grasshopper infestations, which had been extremely serious in recent years, particularly in Africa, had greatly improved in the past year. In the mean time, a new threat to Africa's agriculture had appeared: the New World screwworm fly, which was potentially devastating to livestock. FAO was co-ordinating an international eradication programme for which \$US 91 million was proposed.

59. FAO and the World Health Organization (WHO) had decided to sponsor and organize jointly an international conference on nutrition, to be held in December 1992, which would mobilize the efforts of the international community during the decade ahead in order to tackle effectively the problems of under-nutrition and specific nutrition-related diseases.

60. In 1989 the growth in agricultural trade had slowed and the value of world exports of agricultural products had increased by about 3 per cent, as against only 1.5 per cent in the developing countries, which was less than in the 1980s. In Africa and Latin America and the Caribbean, export earnings from agriculture had fallen in 1989. A further deterioration in the terms of trade of agricultural exports was expected in 1990 and possibly in 1991, because of weakening prices and higher energy prices and production costs resulting from events in the Near East. In 1990/91, growth in world trade in cereals would also fall. Those forecasts were

(Mr. Camara, FAO)

tentative, however, in view of the uncertainties in the current world economic environment resulting from fluctuating oil prices.

61. Food aid in cereals was expected to amount to 9.8 million tons in 1990/91, 1.7 million tons lower than the previous year, when exceptionally large shipments had been made to Eastern European countries. No further shipments to those countries were expected in 1990/91.

62. On the subject of the Uruguay Round negotiations, it was the first time that agriculture had had a central role in multilateral trade negotiations and FAO was participating actively in the negotiations, not only as observer in the negotiations on agriculture, tropical products and natural resource-based products, but also by providing technical inputs, in particular in respect of sanitary and phytosanitary measures in view of the Organization's responsibility in connection with the Codex Alimentarius Commission and the International Plant Protection Convention. FAO had also helped many groups of countries in preparing their positions at GATT and looked forward to the successful outcome of the ministerial session to be held in Brussels in December to conclude the Uruguay Round.

63. Mr. REVA (Ukrainian Soviet Socialist Republic) referred to the recent political and economic changes in his country which, by fostering its more active participation in the world economic system and in international economic co-operation, would enable it to make a constructive contribution to the work of the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade. The Strategy should provide a framework for improved co-ordination of joint action by States in the economic and social fields, with a view to promoting co-operation motivated by a spirit of universality that would enable ideological differences to be overcome. In that connection, he expressed approval of the text contained in document A/AC.232/L.14/Rev.1, which recognized the importance of the changes that had occurred in international relations with the consequent reduction in military spending, which would make further resources available to combat poverty in the world. After referring to the new world economic consensus reached at the eighteenth special session of the General Assembly, he stressed the importance of the integration of the countries of Eastern Europe in international economic co-operation activities.

64. In the Ukrainian SSR, where the nuclear catastrophe of Chernobyl had occurred, there was a keen interest in environmental protection issues, and his Government therefore strongly supported the holding of the United Nations Conference on Environment and Development.

65. Another important question was that of promoting agricultural production to meet the needs of a steadily growing world population. In that regard, he stressed the essential role of the organizations of the United Nations system and the importance of science and technology for the attainment of a more rational food supply. However, because of the effects of economic and social problems, over 500 million human beings still suffered from hunger. The Report of the World Food

(Mr. Reva, Ukrainian SSR)

Council (WFC) in document A/45/19 examined the impact of various external factors, such as the debt problem, the fall in commodity prices and the introduction of protectionist measures, on the world food situation. In that context, the establishment by WFC, FAO and IFAD of an inter-secretariat consultative mechanism for improved co-ordination of their activities had been a useful initiative.

66. The development and utilization of new and renewable sources of energy would be eminently conducive to solving world energy problems. The instability of the oil market, the growing concern of the international community about the ecological consequences of the use of conventional energy sources and the development of atomic energy underlined the importance of alternative sources of energy. In the view of the Ukrainian SSR, events since the adoption of the Nairobi Programme of Action had confirmed the soundness of its main provisions. His delegation supported the work of the Committee on the Development and Utilization of New and Renewable Sources of Energy, which was responsible for co-ordinating the execution of energy programmes within the framework of the implementation of the Nairobi Programme of Action. It was also gratified to note the provision concerning the need to co-ordinate the Committee's activities with the preparatory work for the United Nations Conference on Environment and Development to be held in 1992, since new and renewable sources of energy could make a unique contribution to the introduction and development of environmentally benign technologies.

67. As a result of the events at Chernobyl, a new approach to energy development was being evolved in his country, with provision for a moratorium on the construction of nuclear power stations, the adoption of energy conservation policies, restrictions on the volume of energy-intensive production, mitigation of the environmentally harmful effects of thermal energy and greater recourse to new and renewable sources of energy.

68. Finding a solution to energy problems was of particular importance for the developing countries, since population growth, industrialization and the development of their economies inevitably brought with them a demand for energy resources. That had been recognized by the international community with the adoption of General Assembly resolution 43/193 on development of the energy resources of developing countries. His delegation was pleased to note that the Committee was giving increasing attention to natural resources in connection with energy issues. It believed the long-term projections on trends in the exploitation and consumption of energy resources being prepared by the Centre for Natural Resources, Energy and Transport to be of a high professional standard and potentially useful for the formulation of energy policies in all countries, especially the developing countries.

69. The Ukrainian SSR considered that national efforts and increased international co-operation relating to the development of natural resources in the developing countries must go hand in hand with the preparation of programmes for the utilization of new capital-saving technologies for the exploitation of those resources and with the formulation of a strict energy-conservation policy.

70. Mr. BOECK (Austria) said that the world energy situation was marked by an ever greater demand for energy, which would continue to increase in coming decades, especially in the developing countries. The world relied heavily on conventional forms of energy which, like fossil fuels and nuclear energy, carried with them a high risk of environmental degradation and possibly immeasurable damage to the global ecological balance.

71. The discussion on alternative forms of energy had acquired greater relevance with the the Gulf crisis. Austria was pleased to note that, along with the political consensus, a consensus had also been reached on its economic implications, which affected not only the countries that were leading consumers of energy but also the developing countries and those that had embarked on a radical transformation of their economies. Those countries could ill afford an additional economic burden such as exclusive reliance on a form of energy whose price and supply stability could be overthrown by a single aggressor.

72. The 1981 Nairobi Conference had underlined the growing global awareness of the need for improved international co-operation in the field of energy, but that had not proved sufficient to set in motion a process of global action in the development and application of new and renewable sources of energy.

73. The current international situation proved that an ad hoc approach to energy consumption which re-emerged only at times of crisis was not tenable. It was therefore imperative that efforts should be concentrated on building up a system of energy provision that would be less subject to price fluctuations and environmental hazards and less vulnerable to political crises.

74. The time had come to look for ways in which Governments could jointly review their energy policies. The global aspect of energy problems required close international co-operation in order to adjust national policies to the new economic, political and ecological challenges that the members of the international community were all facing. Austria thus welcomed the establishment of an expert group to assess the process of the implementation of the Nairobi Plan of Action, hoping that the group would give the relevant debate new life and strengthen the efficiency of the existing framework. That initiative was a significant contribution to the United Nations Conference on Environment and Development to be held in 1992.

75. His delegation had prepared a memorandum detailing the areas in which a strengthening of United Nations activities would be desirable, as well as possible spheres of co-operation at the national, regional and global levels.

76. Mr. NYAMIKEH (Ghana) said that the current oil crisis brought into sharp focus the need to maintain the spirit that had spurred the international community to adopt the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. Ghana noted with concern that, despite the international awareness that had developed in connection with the development of such sources of energy at the time of the oil-price increases in the 1970s, when oil prices had collapsed in the 1980s the interest in seeking such new sources of energy had declined.

(Mr. Nyamikeh, Ghana)

77. It was generally held that the energy requirements of the developing countries, particularly in Africa, were low in comparison with those of the developed countries. But there was no doubt that the absence of energy-efficient technology made adjustments extremely difficult for the developing countries and rendered them very vulnerable to the least shock triggered by any international crisis. According to the World Economic Survey, the increase in the developing countries' oil consumption had been far greater than the increase in consumption in the developed-market economies, a trend that would continue in the 1990s. Moreover, the developing countries had to use a high proportion of their foreign-exchange earnings in order to meet just part of their energy needs. For example, in the energy crisis in the 1970s Ghana had had to spend from 60 to 75 per cent of its foreign-exchange earnings on the importation of crude oil. It therefore welcomed the Nairobi Programme of Action, which complemented its own efforts to develop new and renewable sources of energy.

78. By virtue of its geographical location, Ghana had the potential for the development of solar energy. Pilot projects had been established to provide photovoltaic energy for refrigerators for the preservation of drugs and other chemicals that were vital if the country's rural health-care programme and health for all by the year 2000 were not to remain a pipe-dream. Ghana's research institutions were seriously involved in research in the field of solar energy and biomass as alternative sources of energy for heating and cooking.

79. Ghana continued to depend on traditional fuels, such as wood which accounted for about 80 per cent of its total domestic energy consumption. In view of the serious threat posed by deforestation, desertification and the consequent drought, the Ghanaian Government had introduced liquid gas and promoted public awareness of its use. It was envisaged that by the end of the current decade, at least 50 per cent of Ghana's domestic fuel consumption for cooking would be met from the gas resources revealed by recent explorations. Already a national gas-for-cooking programme had been launched throughout the country, which had met with a favourable reception in both rural and urban areas.

80. Ghana had done everything within its power to promote the development and use of new and renewable sources of energy. Owing to lack of financial resources, however, it might seem to be making slow progress. The Ghanaian delegation wished to appeal to the United Nations system and to the developed countries of the North to make available additional financial resources to provide assistance for developing countries in the field in question.

81. Technology in the field of new and renewable sources of energy was not so complex as to pose great difficulties for developing countries. It would be very advantageous if the developing countries had access to such technologies at concessional rates. His delegation hoped to see much greater efforts and co-operation by the international community in that field.

82. Mr. SILALAH (Indonesia) said that his country welcomed the fact that the Ad Hoc Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade had adopted a proposed text for the strategy (A/45/41) by consensus. Both the strategy's goals and objectives and the policies and measures laid down in the strategy were sufficiently flexible to meet major challenges in a constantly changing world. The strategy should considerably facilitate implementation of the agreements reached and commitments entered into at the eighteenth special session of the General Assembly. Indonesia hoped that the Assembly would adopt the strategy at its current session.

83. It was recognized that the ultimate goal of development was to improve the human condition, to realize the full potential of all members of society and to eradicate poverty and hunger; yet the traditional approaches to development had not reflected that emphasis but had, rather, focused on increasing gross national product, and thus could not raise the living standards of the majority of mankind.

84. Indonesia welcomed the report of the Joint Inspection Unit (JIU) on human resource development through technical co-operation (A/45/113), which, while recognizing the undeniable contribution of the United Nations in that connection, questioned the effectiveness of the use of hundreds of thousands of dollars channelled into human resources development. Indonesia therefore fully endorsed the JIU recommendation that a central inter-agency focal point should be established to monitor and assess the co-ordination of programme preparation and implementation by Member States and United Nations agencies, to advise Member States and the agencies on progress made and on difficulties encountered, and to report annually to the General Assembly, with a view to increasing co-ordination and effectiveness. Of equal importance was the recommendation that human resources development activities should be oriented towards the promotion of human fulfilment at the grass-roots level in order to promote sustainable development and self-reliance.

85. With regard to the report of the Secretary-General on developing human resources for development (A/45/451), Indonesia agreed that it was necessary to use such social indicators as literacy rates, life expectancy, health and nutritional levels for evaluating development progress. The Jakarta Plan of Action adopted by the Economic and Social Commission for Asia and the Pacific over two years earlier had provided a blueprint for enhancing the quality of life of the peoples of the region and had now, in its operational phase, demonstrated its great significance for the development process. Indonesia therefore hoped that the two reports in question would be discussed at the second regular session of the Economic and Social Council, and that the Council would make relevant recommendations to the General Assembly.

86. The report of the World Food Council (A/45/19) stressed that the alleviation and elimination of hunger, malnutrition and nutritional-deficiency diseases remained the Council's major goals and that their attainment would be facilitated by the new political situation in the world. However, the attainment of those goals was impeded by considerable obstacles, such as the population explosion,

(Mr. Silalahi, Indonesia)

especially in food-deficit countries, the imperatives of environmental protection, and the existence of widespread poverty. In order to try to overcome such obstacles, it was necessary to solve the problem of dwindling financial resources, especially where official development assistance was concerned.

87. His country was convinced that the improvement of the international trading system was central to the alleviation of global food problems, as the Secretary-General indicated in his report on trends in the international market for agricultural and tropical products and the liberalization of international agricultural trade (A/45/583). Indonesia also thought it essential that the current Uruguay Round of multilateral trade negotiations should achieve a positive result for agriculture which would bring benefits to both developed and developing countries.

88. Mr. LOHIA (Papua New Guinea) said that it was predicted that the 1990s would be not much better than the 1980s, which had been a lost decade in terms of economic and social growth, and that the gap would widen between the rich nations and the poor nations, particularly the least developed ones. Poverty, environmental degradation and the international debt crisis remained the most difficult problems. It was to be hoped that the changes taking place in the world would facilitate their solution.

89. His delegation welcomed the reports of the Secretary-General on developing human resources for development (A/45/451) and on the net transfer of resources from developing countries (A/45/487) and the report of the Economic and Social Council (A/45/3), for they reflected both the determination and commitment of the United Nations system to the efforts to solve world economic problems and the consensus among Governments to work together for a revitalization of economic growth in the world, especially in the developing countries.

90. If the international development strategy was to bear fruit, the world community must continue its efforts to bring the Uruguay Round to a satisfactory conclusion, to find a solution to the Gulf crisis, to prevent the destruction of the environment, to introduce the necessary health and sanitation measures to benefit all peoples, to provide food to the needy, to relieve the debt burden of debtor countries, and to guarantee peace and security to countries torn apart by war. The strategy proposed praiseworthy goals, but in order to achieve them and reactivate world economic growth, especially in the developing countries and the least developed among them, every Government must shoulder the responsibility for the economic restructuring and policy reforms needed in its country.

91. Papua New Guinea had itself embarked on a structural adjustment programme which included measures such as the privatization of certain public enterprises, the devaluation of the national currency by 10 per cent, and the relaxation of investment criteria in order to allow for increased direct foreign investment. The World Bank and IMF had applauded the measures taken by his Government to combat the country's economic problems.

(Mr. Lohia, Papua New Guinea)

92. But there were some worrying factors which might adversely affect the developing countries. Firstly, there was the alarming rise of regional trading blocs which might jeopardize the success of the Uruguay Round. Nevertheless, the satisfactory conclusion of those negotiations for the benefit of both industrialized and developing countries would enhance the market access of the products of the developing countries. If that did not occur, there would be a fragmentation of the international trading system, the existing trade tensions would be aggravated, and the developing countries, in particular the least developed ones, would be marginalized.

93. A second worrying factor was the prospect that the participation of the Soviet Union and Eastern Europe in the international trading system and European integration in 1992 would have an adverse effect on the provision of multilateral and bilateral assistance to the developing countries.

94. Lastly, there was the worrying debt crisis. Papua New Guinea applauded the efforts of the United Nations and supported the idea that debtor and creditor countries and multilateral financial institutions should adopt an integrated approach in order to solve that serious problem.

95. International economic issues must be considered in conjunction with the problems of environmental protection. His delegation hoped that economic development efforts would be harmonized with the efforts to protect, preserve and manage the environment, for otherwise the 1990s would be another lost decade for the economic development and social progress of peoples.

96. Mr. SHOOGUFAN (Afghanistan) said that for most of the developing countries the 1980s had been a cruel disappointment. Despite the great advances in science and technology, little progress had been made in eradicating hunger and malnutrition. There were more than 550 million undernourished people in the world, and many regions with food problems had until recently been self-sufficient in food or even food exporters. That situation was due to the deterioration in the economic situation of most of the developing countries during the 1980s.

97. His delegation had studied with interest the report of the World Food Council and agreed with the conclusion that every country must take responsibility for solving its food problems. However, the worsening of the economic situation in the developing countries had aggravated their food shortages, and only a great international co-operation effort would enable the developing countries to solve their problems in that area satisfactorily. The initiatives of the World Bank and FAO were welcome in that respect.

98. Afghanistan had serious food problems. The war, the destruction of roads and public transport, the destruction of food supplies by extremist groups, and the destruction of villages and irrigation systems had contributed to a food crisis for the country. Obviously, the first step towards a solution of the problem was to put an end to the war. Furthermore, his Government regarded the implementation of food strategies and the promotion of the agricultural sector as an essential

(Mr. Shoogufan, Afghanistan)

element in the country's economic development. The measures adopted included the establishment of mechanized agricultural stations, the distribution of improved seeds and chemical fertilizers, the provision of veterinary services, and the granting of loans on easy terms to farmers and livestock-raisers. With the financial and technical assistance of the developed countries, United Nations agencies and the international financial institutions, Afghanistan would not only become self-sufficient in food but would also be able to export its surpluses to other countries.

99. His country fully supported the recommendation of the World Food Council concerning the safe passage of emergency food aid. His Government would do everything possible to ensure that food was delivered to the most seriously affected parts of the country, and his delegation hoped that all the countries concerned and the international organizations would help the people and Government of Afghanistan in that task.

The meeting rose at 6.15 p.m.