



SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. AL-ASHTAL (Democratic Yemen)

CONTENTS

- AGENDA ITEM 143: EXTERNAL DEBT CRISIS AND DEVELOPMENT (continued)
- AGENDA ITEM 79: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION
- (b) FOOD PROBLEMS
  - (c) NEW AND RENEWABLE SOURCES OF ENERGY
  - (d) DEVELOPMENT OF THE ENERGY RESOURCES OF DEVELOPING COUNTRIES

\*This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned within one week of the date of publication to the Chief of the Official Records Editing Section, room DC 2/350, United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session in a separate fascicle for each Committee.

Distr. GENERAL  
A/C.2/41/SR.12  
24 October 1986  
ENGLISH  
ORIGINAL: SPANISH

The meeting was called to order at 3 p.m.

AGENDA ITEM 143: EXTERNAL DEBT CRISIS AND DEVELOPMENT (continued) (A/41/643)

1. Mr. BUI XUAN NHAT (Viet Nam) said that the long-standing problem of the indebtedness of developing countries had been raised during those special sessions of the General Assembly which had produced the Declaration and Programme of Action on the Establishment of a New International Economic Order. If action had been taken in accordance with those and other subsequent decisions on economic questions, the consequences of the economic crisis, including the debt problem, would have been greatly alleviated. The debt crisis had not officially been brought to the attention of the international community until 1982, when it was already threatening the stability of the international financial system. However, it had been included on the agenda of the current session of the General Assembly only thanks to the efforts of the Group of 77. The crisis was a matter of serious concern for the international community. The various approaches undertaken in search of a solution had not produced any positive result. The situation had become so serious that it could not be resolved by purely technical, financial or economic expedients. Its political and social aspects must also be examined.
2. During the period 1982-1985, the average growth rate of developing countries had been less than 2 per cent, considerably less than the goal of 7 per cent established for the Third United Nations Development Decade. Many countries had reduced their imports and increased their exports for the purpose of debt-servicing and had been obliged to postpone or abandon their development plans. While the living standards of third world populations deteriorated, increasing amounts of hard-earned foreign currency were being remitted to the developed countries to service the debt. The economic adjustment imposed by the international financial institutions also caused delays in social development. Unemployment had increased at a rapid rate, from 37.8 per cent in 1981 to 152 per cent in 1985. The high cost of that change was reflected in the sufferings of women, children, old people, farmers and the urban poor. Certain developing countries had lost control of their sovereignty over their natural resources and economic activities. The form of development imposed upon them in the name of "adjustments" had deprived them of the right to choose their economic system freely, to regulate their economic activities and to decide for themselves the policies which they considered suitable for dealing with the crisis and promoting development.
3. The debt crisis was a symptom of another deep-rooted crisis - that of development - which had been brought about by injustice in international economic relations. The developed countries had proceeded with complete freedom to implement economic and financial policies which affected the entire world economy and had done so with the aim of furthering their own interests at the expense of others. As a result, the world economy had swung back and forth between periods of inflation and deflation since 1971. The consequences being borne by the developing countries were due in part to such measures and in part to an economic system now become obsolete established immediately following the Second World War. A solution to the debt crisis required an integrated approach comprising an examination of the

(Mr. Bui Xuan Nhat, Viet Nam)

structure of the international economic system and interrelated issues, as well as of the economic policies of the major developed countries and the economic development of developing countries. Simultaneously, effective measures should be implemented in order to avoid disruption during the transition period. A lasting solution could be found in the establishment of a new international economic order based on equality and democracy. Programmes, resolutions and decisions had already been adopted in that connection. What was needed was a convergence of views on the part of the developed countries, which should not be understood simply as a co-ordination of the policies of some of the most important countries; the developed countries must recognize that the developing countries were equal partners both in the adoption and in the implementation of decisions. His delegation fully supported the proposals of the non-aligned countries for a solution of the debt crisis based on the interdependence of questions relating to money, finance, trade and development. The achievement of solid results required co-operation on the part of the developed countries, which must revise the economic policies that had done such great harm to the developing countries, such as those relating to high interest rates, protectionism, unilateral adjustment imposed on developing countries, economic and technological discrimination and discrimination against countries having different socio-economic systems. It should not be forgotten that the ultimate objective was to stimulate the economic development of the developing countries. Consequently, the measures taken must be in keeping with socio-economic priorities, sovereignty over natural resources and freedom for the developing countries to choose their own economic system.

4. Mr. ANDREEN (Sweden), also speaking on behalf of Denmark, Finland, Iceland and Norway, praised the report of the Secretary-General under consideration. In view of the strain placed on the countries most affected, as well as on the world economic system, the increasing debt of the third world was one of the most crucial current economic and political issues. The challenge it presented must be met through concerted action on both the national and international levels by all the parties concerned, united by a shared commitment to realize long-term benefits for all. In its magnitude and complexity, the crisis also provided an opportunity to test the problem-solving capacity of multilateral co-operation. On the other hand, it was appropriate that the issue should be discussed in the General Assembly, without discounting the role of the competent international forums and established mechanisms in that field.

5. The nature of the debt problem varied, depending on the particular country affected. Remedial measures which were appropriate in one instance might not be suitable in another. At the same time, certain common guiding principles of the required adjustment policy had been recognized. The Nordic countries reiterated their belief that the debt problem must be addressed in the context of a coherent long-term growth strategy in which all the parties concerned must participate. Shared responsibility was basic for any plan towards a solution. The debtor countries had made courageous efforts in restructuring their economies. The related adjustment measures had demanded sacrifices from their populations. The Nordic countries, which were particularly concerned by their effects on the poorest sectors of the population, requested that the World Bank should carry out a study on that issue.

(Mr. Andréén, Sweden)

6. If a common strategy was to be successful, the industrialized countries would have to pursue economic and trade policies which were conducive to development and improved access to their markets. The capacity to service the debt and to generate resources for long-term development was crucially dependent on the growth and openness of markets in the industrialized economies. Diversified and increased production and trade must serve as a basis for development. There was a close link between a non-protectionist system of trade and the ability of debtor countries to service their debt and to generate resources for their own development. A strengthening of the international trade system would make it easier for those countries to escape from the debt trap into which they had fallen, characterized as it was by lower levels of investment, decreased production capacity and reduced export earnings. Accordingly, the Nordic countries strongly supported the new round of negotiations recently launched at Punta del Este.

7. A solution to the debt problem required appropriate adjustments and a smoother transfer of financial resources on concessional terms, particularly to the less developed countries. The Nordic countries had repeatedly underscored the central role of the multilateral financial institutions in that context. They had worked towards the achievement of an eighth replenishment of IDA in excess of \$12 billion, and it was encouraging to note that that target was within reach. However, they regretted the hardening of IDA credit terms, which implied a reduction in the concessional value of such assistance. The Nordic countries attached great importance to the co-operation of IMF and the World Bank in helping indebted countries to develop and implement growth-oriented adjustment policies. They were therefore pleased to note the increased contributions of the World Bank. Nevertheless, it was essential to avoid a situation whereby the Bank, as an institution dedicated to development, should become a net recipient of resources. Such a situation would not be in keeping with common efforts to resolve the current crisis in a constructive manner. Negotiations for a general capital increase leading to an expansion of the Bank's lending capacity must therefore be initiated without delay. The Nordic countries would support and fully participate in that process. The multilateral financial institutions could provide only part of the resources needed for growth and adjustment in the debtor countries. Efforts to mobilize domestic resources were also necessary.

8. The poorest countries needed substantially increased flows of bilateral and multilateral assistance. That need was of particular relevance to the problems of the sub-Saharan countries and to the implementation of recommendations adopted at the special session of the General Assembly on the critical economic situation in Africa. Some of the Nordic countries were considering the possibility of making additional ODA contributions with the specific intention of helping the poorest debtor countries to reduce their debt burden.

9. Commercial banks must play an important role in any growth-oriented strategy which, in view of the adjustments which had to be made, would require extensive financing. However, the participation of commercial banks was lagging behind. While a certain measure of cautiousness was understandable, it would also be in the self-interest of commercial banks to participate actively in the common endeavour to overcome the debt problem. Recent developments had demonstrated the flexibility

(Mr. Andréén, Sweden)

of the financial and monetary system, and the Nordic countries were both confident that such flexibility would make it possible to develop comprehensive initiatives with a view to solving the urgent problems of third world debt and ready to participate in a dialogue to that effect.

10. Mr. BULBULIA (Barbados) said that many statistics had been quoted regarding the external debt of the developing countries, the human dimension of the problem being perhaps overlooked. He therefore suggested that the situation should be viewed also in terms of the thousands of people forced into unemployment, the declining capacity of Governments to maintain accustomed services and infrastructure, deteriorating standards of living and, in general, retarded development. The debt problem had reached global proportions and, for many developing countries, entailed the unacceptable prospect of having to abandon growth and development objectives. Barbados considered that a solution to the international debt problem could only be found through co-operation between debtor and creditor countries and international banking and financial institutions. Interdependence pointed to such an approach. That interdependence was illustrated by the fact that, notwithstanding efforts at structural adjustment, developing countries had not been able to escape the grip of debt and recession. While some measure of recovery in the developed countries was essential, those countries were beginning to feel the effects of the austerity measures introduced by developing countries in the form of falling demand for their manufactures. The effects of structural adjustment measures were not restricted to the realm of the economy, but also had political implications. When a Government lost the capacity to satisfy the basic aspirations of their people, the process of instability and disintegration began.

11. The alarming projection contained in document A/41/643 as to the amount of the external debt of the developing countries at the end of 1986 highlighted the declining ability of those countries to meet their debt obligations in the face of the contraction of traditional markets and unfavourable terms of trade for their exports.

12. His delegation was convinced that a long-term solution to the developing countries' external debt problem lay in the reactivation of international trade. Such measures as debt rescheduling, new loans and a reduction of interest rates served only to relieve the pressure on debtor nations and to put off the day when the real question of ability to pay must be addressed. His delegation welcomed the decision reached at Punta del Este on the start of a new round of GATT negotiations. It was encouraging that the agenda adopted would cover all outstanding issues, such as standstill and roll-back measures, as well as other more recent concerns relating to services and intellectual property. It would, however, be some time before the effects of the Uruguay round of GATT negotiations were felt. In the mean time, it was to be expected that there would be a decline in earnings from the principal exports of developing countries as a result of the development of new synthetic products, growing protectionism in the developed countries, the slump in the production of electronic components and, in general, the gradual erosion of some of the innovative measures for stimulating and

(Mr. Bulbulia, Barbados)

facilitating exports by developing countries. His delegation considered the agreements reached at Punta del Este to be positive. However, the freeing of trade and an increase in the prices paid for developing countries' products were not sufficient. Their production capacity must also be enhanced, and that would require increased long-term financing and investment in infrastructure.

13. The recent rescheduling arrangement concluded by Mexico with the International Monetary Fund was also promising and represented the first practical example of the implementation of the Baker Plan. He hoped that it would not be an isolated example but would mark the emergence of a new strategy on the part of international creditors towards the debtor developing countries. His delegation did not believe that the case-by-case negotiations and global negotiation were mutually exclusive. Global negotiations should be accompanied by a specific analysis of the actual situation of each debtor. In any event, the process of development in the debtor countries could be revitalized only through co-operation between creditor and debtor countries, which were equally threatened by the consequences of indebtedness, just as the re-establishment of the creditworthiness of debtor nations could only redound to the benefit of the international creditors. Furthermore, there was no doubt about the competence of the United Nations, the International Monetary Fund and the World Bank to serve as a forum for the collective demands of nearly all of mankind.

14. Mr. WANG Baoliu (China) said that the debt problem had reached a critical phase. During the four years since the problem had first erupted, the creditor countries, the debtor countries, multilateral financial institutions and commercial banks had adopted measures to alleviate the crisis. However, those measures, namely, austerity and adjustment policies for the debtor countries, expansion of their exports, combined with the reduction of their imports and investments, servicing the debt with most or even all of their export earnings and rescheduling the debt through negotiations, had failed to improve the international situation. Since 1985, the economic growth of the developed countries had slowed down, the growth of world trade had sharply declined, protectionism had intensified, commodity prices had continued to fall, transfer of resources to developing countries had been drastically reduced, and, as a result of all those factors, the debt burden of the developing countries had been aggravated. Those countries had seen how the little they had gained from lower interest rates had been offset by the drop in commodity prices, worsening trade terms and reduced export earnings.

15. The total external debt of the developing countries had reached \$950 billion, equivalent to 200 per cent of the aggregate total of their export earnings. When the crisis had first begun in 1982, the total debt had been \$632 billion, i.e., 174 per cent of their total export earnings. What was even more alarming was the reverse flow of financial resources resulting from a net transfer of resources from the developing countries to the developed countries since 1984. Robbing the poor to subsidize the rich indicated serious deficiencies in international economic relations. If that situation continued, it would not only jeopardize the efforts at recovery made by the developing countries but might have incalculable consequences for the world economy as a whole. The debt problem was closely

(Mr. Wang Baoliu, China)

related to the questions of money, finance and other resources, trade, commodity prices and economic growth. In the final analysis, it was an issue of development. Therefore, the measures so far adopted by the international community, which had tackled the symptom and not the causes of the problem, could not produce positive results in the long term. Since Mr. Baker, the United States Secretary of the Treasury, had launched his initiative calling for a growth-oriented approach to the debt problem, a year had elapsed and little progress had been achieved. His delegation called once again upon the creditor countries, the debtor countries, the multilateral financial institutions and commercial banks to assume their responsibility and to intensify their common efforts to formulate a comprehensive set of effective measures that would constitute a fundamental solution to the debt problems.

16. That solution would have to be based on the following criteria. The annual payments to be made by a debtor country should be linked with its economic growth and export earnings; new credits should be provided to them; the transfer of resources to them should be increased; loan conditions should be relaxed; and interest rates should be reduced and stabilized. The international community should adopt practical measures to stabilize commodity prices and improve the developing countries' terms of trade. It was essential that the developed countries should curb protectionism and increase their imports from the developing countries. The debtor countries should be allowed the possibility of adopting flexible adjustment policies in accordance with their specific national conditions. Such adjustment policies should be long-term and growth-oriented. He hoped that all the parties concerned, within and outside the United Nations, would unite their efforts to that end in order to produce a fundamental solution to the debt problem.

17. Mr. AHMED (Algeria) said that the global character of the debt problem was evidence of the crisis that was shaking the very foundations of the current system and of its clear inability to cope with its many manifestations of functional disorder. The external debt of developing countries could not be reduced simply to its financial dimension. Nor could a solution be limited to simple reschedulings, necessary as they might be. Such solutions as had so far been put forward had demonstrated their limitations, because they were based on a narrow, short-term concept oriented towards the creation of sufficient trade surpluses to cover debt-servicing. Similar palliatives had served momentarily, at great cost, to mitigate the effects of the external debt. However, they gave grounds for predicting a sudden recrudescence of the problem, resulting from the chain of deflationist effects produced by the measures currently applied. Trade surpluses had been created at the expense of the growth of the developing countries and their import and investment needs and, consequently, to the detriment of world economic activity. Accordingly, the process initiated by the developing countries, at the cost of great sacrifices, in order to grow and to create wealth and capital at the domestic level was being gravely threatened by the constant deterioration of the international economic climate.

(Mr. Ahmed, Algeria)

18. The developing countries, confronted with a steady decline in per capita income, deteriorating trade relations, reduced foreign financing and strict control over market access for their products, were compelled to use more and more of their export income to service their external debt. As a result, they became net exporters of resources to the developed countries. Many developing countries found themselves trapped in a downward spiral of new international loans just to be able to meet the financial obligations they had contracted earlier.

19. The commercial, financial and monetary disarray in North-South relations not only steadily increased the debt-to-export ratio of the developing countries, but also eroded the capacity of many to keep to the original terms of their loans. That situation, and the fact that one half of the medium-term and long-term debts of developing countries would fall due in the next five years, made it extremely urgent to find a solution.

20. Such a solution must involve a medium-term and long-term global strategy, taking into account the main factors which had precipitated the crisis. That strategy must be based on a responsible political dialogue and a joint search for ways to reform the present monetary and financial system. Such a dialogue could be achieved by convening an international conference on monetary and financial resources for development. Further delay in restructuring international economic relations, which was essential for the creation of a just international order, would lead to uncontrollable chaos in the future.

21. Mr. WALTER (Czechoslovakia) said that the current state of international monetary and financial relations was undoubtedly one of the main destabilizing factors in the economic relations between States. The flow of resources out of developing countries to service their external debts led to a paradoxical situation where those countries, whose own economies were in urgent need of resources for growth, had become exporters of capital to the developed countries and were helping to finance the economies of the latter, including their military budgets.

22. In the period 1982-1985, annual interest payments had been higher than the annual total of new loans. The World Economic Survey 1986 showed, inter alia, that even if developing countries were to devote their entire export income to paying off their debts, they would have to double their exports, and Latin American countries would have to triple their exports.

23. It was especially urgent to solve the debt problem because 60 per cent of those debts would fall due in the next five years. However, the Secretary-General's report on the international debt situation in mid-1986 (A/41/643) said that the international debt crisis was no closer to resolution than it had been four years before. Up to now, the various attempts and "initiatives" put forward in international financial forums had not adequately reflected the seriousness of the crisis or the scale of the economic and social problems facing developing countries. The capitalist creditor countries had proposed only partial measures, such as the "rescheduling" of debts, which gave debtor countries only a slight, temporary respite.



(Mr. Walter, Czechoslovakia)

24. The Czechoslovak delegation called for countries to work together to find a just solution to the debt problem, based on the principle of international economic security. It endorsed the opinions expressed at the eighth Conference of the Movement of Non-Aligned Countries, held in Harare, and the Ministerial Meeting of the Group of 77, held in New York. Any solution of external debt problems must be based on the realization that debtor countries could not meet their commitments because they exceeded their economic and political capabilities. It was therefore entirely logical that some debtor countries had limited external debt repayments to a fixed proportion of their export income.

25. If the debt problem was to be solved, it was essential to reduce interest rates, stabilize exchange rates and dismantle protectionist barriers. The Czechoslovak delegation condemned the use of external indebtedness as a means of exerting political pressure on debtor countries, and supported the call by developing countries for an international monetary and financial conference. His delegation also called for the democratization of international financial institutions and for the restructuring of the international monetary and financial system to take into account the interests of all States.

26. Mr. AFOLABI (Nigeria) said that the problem under consideration was an unprecedented challenge to the conscience of mankind. The enormous efforts made by developing countries to conquer underdevelopment and achieve greater economic self-sufficiency by making use of foreign credit had had a most unexpected result - a confrontation between the parties concerned and serious set-backs in development. In such a situation, the creditors were relentlessly insisting that the debtors should meet the commitments they had undertaken. At the same time, uncertainty about the economic future of all States, and particularly that of the developing countries, was increasing. For their part, the developing countries had been taking constructive steps to tackle the debt problem, most of them in line with the dictates of their creditors.

27. Unfortunately, those programmes had not always had satisfactory results. They had been hampered by the fall in raw material prices, the decline in trade between developed and developing countries, the reduction in official development assistance (ODA) and the growing external debt burden. International trade and payments trends had also been unfavourable. Non-fuel raw material prices had fallen sharply and were now at their lowest level in 30 years. Although the developing countries had increased their exports, the income they had earned had been entirely inadequate and imports had therefore declined.

28. It was to be hoped that the devaluation of the dollar and a substantial reduction in interest rates would increase the rate of growth in developed market economies and allow those countries to take a more constructive approach to the problems he had described.

29. The Committee had before it a wealth of information on the debt and development crisis. The time had come to begin work on a strategy which would help developing countries to face a problem which clearly threatened their economic

(Mr. Afolabi, Nigeria)

survival. The Nigerian delegation was aware that the debt problem varied from region to region and even from country to country. However, that should not prevent all the parties concerned from adopting a joint approach leading to an effective solution which would benefit them all. Since the problem was political as well as technical, the only forum suitable for such a dialogue was the General Assembly.

30. He considered that a major step towards the solution of the problem would be the implementation of a minimum programme of action based on the following approaches. ODA should be increased until the targets of the International Development Strategy were achieved; the resources of the World Bank and the International Monetary Fund should be increased; the funds of the International Development Association should be replenished in the near future; the developed countries should adopt a constructive policy towards developing countries' structural readjustment programmes in accordance with the concept of shared responsibility; and relations between debtor and creditor countries should be modified to reflect the trend towards stabilization of exchange and interest rates. There should be greater trade opportunities for developing countries, an upward adjustment of raw material prices and measures to facilitate access for their products to markets in the industrialized countries. Commercial banks and other institutions should provide the developing countries with credit information to help them to reschedule their debts. A world conference on financial and monetary resources, trade and development should be convened to discuss, inter alia, the possibility of writing off the debts of the least developed countries.

31. Mr. SUAZO TOME (Honduras) said that the developing countries were faced by a crisis characterized by stagnation and the contraction of economic activity, deterioration of social conditions and dependence on external markets which increased their vulnerability and impeded their development. The increase in foreign indebtedness had created new problems and intensified existing ones, particularly in Central America where the situation was critical. The region suffered from serious political, economic and social problems and, since 1972, the majority of the Central American countries had suffered a variety of natural disasters, the most recent of which, the earthquake in El Salvador, had struck only a few days earlier.

32. The Central American countries were relatively small debtors and their problems had had limited repercussions on capital markets. As a region, Central America could be compared with a medium-sized Latin American country. In 1982 its gross domestic product had been greater than that of Chile and Peru and, at the end of 1984, the balance of its public external debt had reached a sum inferior only to that of the largest countries of the region, thus emphasizing the economic importance of Central America in the Latin American context.

33. His delegation had followed with great interest the discussion on the item under consideration and had taken note of the relevant report of the Secretary-General according to which, four years after the eruption of the external

(Mr. Suazo Tome, Honduras)

debt crisis in 1982, the international debt problem continued to cast a dark shadow of uncertainties over the future of far too many countries. Although the developing countries had implemented restrictive policies designed to stimulate economic activity, their efforts had not been rewarded, particularly in the less developed countries, such as Honduras, where there were many indicators of acute economic crisis.

34. The Central American economies were especially sensitive to external events which were the root cause of the main problems confronting their economies, including the exchange crisis of recent years and the consequent need to have greater recourse to external financing. Until 1980, Central America had had easy access to international financing. External funds which, in 1977, had accounted for 11 per cent of the subregion's needs, had, by 1981, escalated to 40 per cent. By that time the external public debt of the subregion had risen to \$7.7 billion. As a consequence of that development and of high interest rates, foreign debt service began to absorb a rising proportion of export earnings. Those developments, in combination with a restricted flow of new resources, created serious difficulties in net financing as from 1981. Already in 1982, foreign borrowings, far from offsetting the fall in national savings, had accentuated the decline. Faced by the deterioration in economic activity, the countries of the subregion had no choice other than to use their international monetary reserves. Already in the first half of 1982, the five Central American countries showed negative balances.

35. Such a picture indicated clearly that, by themselves, the Central American countries could not solve the problems which were impeding their development. In existing trade and financial circumstances, the debtor countries were encountering great difficulty in coping with debt service or stimulating development. It was not possible to handle the debt problem on a purely technical or accounting basis. A solution must take into account that the real cost of the external debt was not equal for creditors and debtors. While the creditor took into account the financial markets in his own country in order to evaluate alternative uses for his resources, the debtor had to consider the real resources which his country would need in order to be able to generate foreign exchange and pay the debt. It must also be remembered that exchange relationships had a substantial impact on debt-servicing costs.

36. His delegation was aware that both creditors and debtors had contributed to the increased external indebtedness of Latin America. Accordingly, it felt that the external debt crisis called for a just and equitable solution which would not upset financial markets and which would make it possible to reconcile the objectives of economic growth and resource transfer. In that connection, he associated himself with the emergency proposals contained in the Cartagena Consensus.

37. Mr. GROZDANOV (Bulgaria), after commenting on some of the more important issues covered by the Secretary-General's report (A/41/643), emphasized that the external debt of the developing countries was the direct result of the neo-colonial policies of the imperialist States and of the unjust international economic relations engendered by capitalism. The enslaving conditions of external indebtedness had become an important instrument for the exploitation of developing countries. The growing external debt of developing countries was also a consequence of the arms race. Certain countries financed their military programmes by plundering the financial resources of the developing countries. Not only was that a threat to peace but it was also an impediment to economic and social progress.

38. The developed capitalist countries were mainly responsible for the current state of affairs as they were upsetting the world economy, world trade and the international monetary and financial system by manipulating interest and currency exchange rates, by using an unfair system of price formulation and by various trade restrictions of a purely political nature. By taking control of a growing share of the financial and material resources of other countries, the developed capitalist States were placing them in the service of their own interests. Through such manoeuvres they shielded the activities of the transnational corporations which accounted for about 60 per cent of the debt of developing countries and controlled about 40 per cent of the industrial production and nearly one half of the foreign trade of developing countries.

39. As might be expected, the models and theories which had emerged in the Western world as solutions to the debt problem offered only a partial solution or a solution which was in the interest of the Western countries. New credits or the deferral of interest payments were clearly linked to a host of conditions relating to the restructuring of the economies of developing countries and the free movement of capital, including the restriction of State participation in the economy, the imposition of conditions on price formation and the reduction of subsidies, all of which constituted direct interference in the internal affairs of developing countries.

40. The radical solution of the debt problem would be impossible outside the context of national liberation struggles, the right of every nation to choose its own economic system, the elimination of relations of exploitation and the establishment of a system of economic security. Bulgaria accordingly supported the implementation of the United Nations resolution on the restructuring of international economic relations, particularly the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order. Important requisites would be the reduction of interest rates, the restructuring of the monetary and financial system, the elimination of protectionism and discrimination, ending the flight of capital from developing countries and the establishment of effective controls over the activities of transnational corporations. Also of particular importance would be the cessation of the arms race, the achievement of disarmament and the use of the resources devoted to military spending for resolving the debt problem.

(Mr. Grozdanov, Bulgaria)

41. Bulgaria was continuing to concentrate its relations with the developing countries on exports under Government-to-Government credit agreements. Such credits were basically aimed at key branches of the economy of the developing countries and it was intended that the projects which were financed should generate the resources to pay them off.

42. Mr. BURKIN (Libyan Arab Jamahiriya), referring to the information contained in the report of the Secretary-General (A/41/643), said that debt constituted one of the major obstacles to development, promoted instability and contributed to the drain on resources suffered by developing countries. Since financial institutions were reluctant to grant new loans, developing countries were obliged to reduce their imports and implement draconian economic measures which imposed a serious financial burden on the population and jeopardized political stability. However, the fact that the developing countries could not repay their debt or finance imports from the developed countries also affected the economies of the latter, and testified to increasing world interdependence and the need for co-operation in the search for solutions to the crisis.

43. The restrictions imposed by developed countries on transfers of technology to developing countries had jeopardized the latter's industrial projects, which represented their only hope of meeting the needs of their population and of repaying their debt. The serious deterioration in the terms of trade had further aggravated the situation.

44. In the knowledge that the lending policies of the developed countries had been misguided and that those countries were incapable of finding solutions to the problems of international economic relations, his country had decided to pursue a different policy, based on joint enterprises. Priority was given in such enterprises to agriculture and food and no attempt was made to establish monopolies or to make a profit at the expense of other countries. Rather, the aim was to co-operate without imposing additional conditions, as the developed countries did. In the current world economic situation, it was increasingly obvious that there was a need to strengthen multilateral financial institutions, to allow the developing countries to acquire technology at reasonable prices, and to attempt to establish a more just and equitable international economic order, while stressing development projects which offered long-term benefits.

**AGENDA ITEM 79: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION**

- (b) **FOOD PROBLEMS (A/41/3, A/41/19)**
- (c) **NEW AND RENEWABLE SOURCES OF ENERGY (A/41/3, A/41/44)**
- (d) **DEVELOPMENT OF THE ENERGY RESOURCES OF DEVELOPING COUNTRIES (A/41/3, A/41/383)**

Statement by the Executive Director of the World Food Council

45. Mr. TRANT (Executive Director of the World Food Council) said that the twelfth ministerial session of the World Food Council had focused on the following issues: urgent measures to promote Africa's agricultural and economic recovery; the food, economic and financial difficulties of Latin America and the Caribbean countries; the prospects for increased South-South co-operation to meet food policy and trade objectives; instability in international agricultural trade and the resulting tensions; and the measures taken by the Council to strengthen its role as the political forum of the United Nations for food issues.

46. The World Food Council had welcomed the adoption by the General Assembly of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (resolution S-13/2), which was closely linked to the adoption of national food strategies and policies, a concept originally advocated by the Council. The Programme constituted a framework for co-operation between the international community and Africa, and the Council hoped that start-up measures would be rapidly identified in order to allow implementation of the Programme within its five-year time-frame. As had been emphasized at the Assembly of Heads of State and Government of the Organization of African Unity, held at Addis Ababa, although the food situation in Africa had improved somewhat, a solution to the continent's problems, which were linked to both external and internal causes, would require more time.

47. With regard to regional and interregional co-operation, the Ministers and Plenipotentiaries had endorsed the recommendations of the Council's regional consultations held during the first half of 1986 at Dakar, New Delhi, Guangzhou and Buenos Aires. As had been highlighted at Dakar, the Council had recommended that activities to promote trade and economic co-operation should focus initially on two issues: (a) the harmonization of food and agricultural policies, particularly price policies and the protection of regional markets; and (b) the creation of preferential mechanisms in order to increase trade in agricultural commodities and related inputs within Africa.

48. At the Buenos Aires consultation, Ministers had stressed regional co-operation in agricultural trade and food security, and had emphasized the priority which their countries and the Council attached to efforts to protect the food and nutrition levels of low-income groups during the difficult period of economic adjustment. In that connection, the initiative of the Presidents of Argentina and Uruguay for a regional treaty for assistance in emergency food situations merited international support. The Latin American and Caribbean countries had requested the Council to draw the attention of industrialized countries and international financial and credit institutions to the critical problems facing the agricultural economies of the countries of the region, and to the destructive effects of the industrialized countries' policies of agricultural protectionism, which impeded international trade and agricultural development.

49. The New Delhi and Guangzhou workshops had demonstrated the considerable potential for South-South co-operation in support of food and development objectives. Specific action areas, which had also been incorporated in the United

(Mr. Trant)

Nations Programme of Action for African Economic Recovery and Development 1986-1990, included agricultural policies and strategies, the transfer of technology - especially irrigation technology - and other issues relating to food production. The Council had requested the international community to facilitate such co-operation between Africa and other developing regions, and follow-up action was now being pursued with the co-operation of the agencies and Governments concerned.

50. With respect to international food trade, the Council had reviewed the problems affecting international agricultural commodity markets. It had expressed its concern that the current state of agricultural trade was characterized by structural surpluses stemming from increasing protectionism and subsidies.

51. Practical measures to strengthen the role of the Council had been considered on the basis of the recommendations of an advisory group appointed by the Secretary-General in consultation with the President of the Council. It had been concluded that the Council could play a unique political role at the ministerial level, within the framework of its mandate, and continue to act as a political catalyst and forum for the review of ideas and recommendations. Every effort should be made to strengthen the role of the Council and to improve its organization, programmes and methods of work in co-operation with other United Nations organs and institutions.

52. With reference to world food and hunger issues, the Council had set itself the objective of arresting the increase and spread of hunger and malnutrition and of beginning to eradicate them. At the World Food Conference, held in 1974, it had been concluded that an increase in food production would go a very long way towards resolving the problem of hunger. However, although the planet supported a population of 5 billion people, according to FAO and World Bank estimates some 500 million were severely undernourished and one out of every five persons suffered from some form of malnutrition. Cruellest of all was the fact that some 15 million children would die during the year of diseases induced by malnutrition, diseases which could be prevented with simple remedies. Solutions to the problems of hunger and malnutrition could not wait until the globe had put its economic house in order.

53. Another of the priority objectives of food policy must be to arrest and reverse the increase in measures restricting trade in agricultural commodities. At the GATT meeting at Punta del Este and in the preparations for the next session of UNCTAD, international attention had focused on the harmful effects of the increase in domestic subsidies, which, by engendering overproduction, increased pressures on countries to restrict imports or subsidize exports. While domestic problems in every country had their own imperatives, they were often at odds with international concerns. It was therefore important to support the Council in its endeavours to promote freer and more open international trade, which would imply significant modifications in the domestic policies of both developed and developing countries. The Council's success in that endeavour would depend on the political and financial support of member countries.

54. Mr. ABDALLAH (Special Co-ordinator for New and Renewable Sources of Energy), introducing the report of the Committee on the Development and Utilization of New and Renewable Sources of Energy on the work of its third session (A/41/44), which had been held at Headquarters from 9 to 13 June 1986, said that the work had been carried out at a time of administrative retrenchment, which had affected the approach to some agenda items. The Committee had been fully aware of the turbulence in the oil markets and, above all, the sudden drop in oil prices. The uncertainty surrounding price per barrel trends in the short and long term inhibited tax revenue forecasts, budgetary projections and investment plans.

55. The current situation was seriously disrupting the development of the world economy and, in particular, activities connected with alternative sources of energy, which were often affected by oil prices. Price per barrel served as a benchmark and therefore was used for determining the competitiveness of nuclear energy, coal and renewable sources of energy. It was also a guide to current and projected levels of hydrocarbon supply.

56. Although it served as a benchmark, the price per barrel provided little indication of the viability or usefulness of other energy sources. No economic or social development was possible without a regular supply of easily accessible energy. Hence the convening of the Nairobi Conference. The appeal launched in 1981 had been heeded and results - sometimes spectacular - had been achieved in both North and South. All the same, the situation was still fundamentally precarious and was vulnerable to influences of all kinds. Leaving aside the long-term perspectives, which were uncertain to say the least, the current energy situation was still prey to wild fluctuations that were capable of contradicting the most careful predictions.

57. In many areas of the world the price per barrel did not serve as a benchmark, since oil played a less than vital role in local activities and in the lives of thousands of people; in those areas the energy situation had changed very little since 1981. For technical, social and other reasons, the price of oil would always be too high to have an effect on local conditions. However, photovoltaic, solar and wind energy, biogas and local hydraulic energy could be developed to advantage in those areas, boosting their productivity, generating income and improving living conditions. To ignore such areas and the rural dwellers, linking their fate with the hydrocarbon economy, not only was economically, and politically dangerous, but was also a social mistake.

58. In the past few years, millions of dollars had been sent in the form of food products in order to help feed the hungry. If part of that money had been spent on projects to improve the situation of the rural sector, that sector would have been able to achieve food self-sufficiency and even help feed the inhabitants of the major urban areas. Energy and electricity helped to keep human settlements geographically stable and boosted their agricultural production. They improved the welfare of the poorest social groups, which frequently subsisted on the margins of the modern economy. Without sufficient and accessible energy, it was unrealistic to expect sustained agricultural development or to try to prevent the massive migrations from the countryside to the towns. Moreover, it was difficult to launch



(Mr. Abdallah)

an effective campaign against desertification and drought and their corollaries, hunger and rural migration, which, in turn, led to further desertification and drought, in a relentless cycle that must be ended.

59. He was convinced that, if well applied, renewable energies could terminate that relentless cycle, which was jeopardizing many rural areas in the world, particularly in Africa, Central America and Asia. The problems should be tackled before they reached crisis proportions, it being more prudent and responsible to seek far-reaching solutions. The many tensions which could affect the supply of hydrocarbons should not be forgotten during the current period of abundance. Countries had to remain vigilant and try to minimize the real risks of a third disruption of the oil supply. Accordingly, measures to conserve energy and diversify energy sources should be maintained. There should also be further study of the feasibility of utilizing renewable energy sources, which were by nature non-polluting and by definition inexhaustible.

60. The Committee on the Development and Utilization of New and Renewable Sources of Energy had made a number of suggestions which would be taken into account in the next biennium. Among them were suggestions relating to the evaluation of the Nairobi Programme of Action, the Programme's implications for rural areas, and improved follow-up at the United Nations. That work would be continued, through inter-agency co-ordination, at the level of the Office of the Director-General. In connection with the critical economic situation in Africa, a meeting of African organizations and donor countries would be held in Addis Ababa from 25 to 27 November 1986, with the co-operation of the Economic Commission for Africa. The topic would be development projects with a large energy component. At a meeting scheduled for 1987, approximately 10 specialists in renewable sources of energy would give advice and suggestions regarding the implementation of future measures.

61. He expressed his gratitude to those countries that were providing support for the implementation of the Nairobi Programme of Action. In particular, the Italian Government had made substantial contributions to a trust fund for new and renewable sources of energy.

62. Mr. FIELD (United Kingdom), speaking on behalf of the European Economic Community, stated that fluctuations in oil prices were of scant significance for the 2,000 or 3,000 million people who depended on fuelwood and other traditional fuels for cooking and other requirements. In his statement to the Committee on the Development and Utilization of New and Renewable Sources of Energy, at its third session in June, the Under-Secretary-General for Economic and Social Affairs had mentioned that new and renewable sources of energy accounted for 13 per cent of the total world energy supply. It should be added that for the developing countries as a whole, new and renewable sources of energy were as important as oil or coal, while for the African developing countries as a whole the percentage was over 50 per cent of the total energy supply.

63. The situation showed no signs of improving. The rise in demand for woodfuels, not only amongst the rural population but also amongst the poor urban population,

(Mr. Field, United Kingdom)

combined with land clearance for agricultural use, had depleted resources and contributed to environmental degradation, including desertification. Fuel shortages, in turn, exacerbated rural population drift to the cities, and thus a relentless cycle was created.

64. New and renewable sources of energy could help to remedy the situation in two ways: to supplement or substitute for conventional fuels and, through the small-scale application of new technologies, to cater to development needs which, while important, required relatively small energy inputs, as in the case of water supply, communications, refrigeration, agriculture, basic food-processing and small-scale industry.

65. To bring about such applications, it was necessary to give priority to energy planning as an integral part of development programmes, adopting a long-term perspective and taking into account cost-benefit ratios, without, however, being mesmerized by recent oil price changes. In addition to considerations of commercial and economic viability, such environmental factors as deforestation should be weighed. Attention should be given to the most promising new and renewable energy sources and the applications which had already demonstrated their technical viability. The next step was to deliver the appropriate technologies to the potential users. To that end, developed and developing countries must work together in the areas of planning, infrastructural development, donor co-ordination, information dissemination and institutional reinforcement.

66. The Community and its member States were active in the research for, and promotion of, new and renewable sources of energy in a range of areas. They had also participated in the Silva Conference and the World Energy Conference, both held in 1986. The Community was always ready to share its experience with other countries and organizations and believed that, within the United Nations context, consultative meetings held under the Nairobi Programme of Action were useful and took due account of the energy assessments of the World Bank and UNDP. One fine example of the application of an appropriate technology was the introduction by those bodies of a class of fuel-efficient woodburning stoves. On the other hand, inter-agency co-ordination for delivering assistance to policy makers in developing countries was not as effective as it might be.

67. The third session of the Committee on the Development and Utilization of New and Renewable Sources of Energy had been disappointing. Practical development problems confronting developing country policy makers had not been addressed, and the absence of sufficient expert participants had been keenly felt. Focusing discussion on selected themes at future sessions might help; otherwise the possibility of consolidating the Committee with a revitalized Committee on Natural Resources might be considered.

68. He had referred to the need to mobilize human and information resources, as also the need to mobilize financial resources for activities relating to new and renewable sources of energy. The Community carried on substantial co-operative activities in the various sectors defined by the Nairobi Programme of Action,

(Mr. Field, United Kingdom)

within the context of Lomé III and of bilateral agreements with different countries and groups of countries. The Community was second only to the World Bank as a source of financing energy projects in developing countries. Official assistance, however, was not enough by itself. Innovative approaches to the financing of projects on new and renewable sources of energy should be introduced; they might include the stimulation of development, demonstration, commercialization and investment to harness the energies of the private sector in the application of new and renewable sources of energy to viable projects.

69. Mr. ANDREEN (Sweden), speaking on behalf of Denmark, Finland, Iceland, Norway and Sweden, said that in recent years global agricultural production had increased at about the same pace as world population. Yet, hundreds of millions of people were suffering from chronic hunger and malnutrition, because, in many developing countries, economic policies had favoured urban development at the expense of the rural sector. Many of those countries, however, had a potential for food self-sufficiency and, in several of them, efforts were being made to change the prevailing structural situation, emphasizing the importance of agriculture and rural development. In order to increase food production, policies more favourable to the farmers and based on the creation of incentives and realistic pricing of agricultural products, were necessary.

70. The role of women as agricultural producers had been seriously neglected. It was essential to ensure women's access to, and control over, productive resources such as land and capital, including credit. A case in point was Africa, where 60 to 80 per cent of those cultivating the land were women.

71. At the last special session of the General Assembly, particular attention had been given to the food situation, and a Programme of Action had been adopted which constituted a step towards helping the agricultural sector to recover. The Nordic countries were ready to support the African countries in those efforts, bearing in mind that Africa's current food production per capita was lower than in the 1960s and that Africa was likely to remain a net importer of cereals for a long time to come. If food security in the developing world was to improve, more equitable growth had to be achieved, the agricultural sector had to be strengthened and rural development policies focusing on poverty alleviation had to be pursued, all of which required rising production which, in turn, led to greater food availability and higher income levels of the segments of the population suffering from food insecurity.

72. There was a close relationship between food deficits, population growth and environmental degradation. Increased agricultural output had to be ecologically sustainable. In some parts of the world, population growth led to larger food deficits and heavier pressure on vulnerable land. The food security problem involved complex tasks. Many developing countries were adjusting their policies in order to increase food production, and it was therefore important that the donor community should stand ready to support those efforts.

(Mr. Andréén, Sweden)

73. The World Food Council had been established during the chaotic world agricultural situation of the early 1970s. Although the proposals for its mandate, which included the promotion and co-ordination of the political action necessary to carry out the General Assembly's resolutions concerning food, had been well-conceived, ambiguity had been built into the Council's structure and mandate from the outset. As a result, the Council had had difficulties in achieving its objectives. Nevertheless, as had been pointed out at the twelfth ministerial session of the Council, meeting at the ministerial level enabled it to play a unique role. The Council should thus be a political catalyst and a forum for discussing policies while monitoring world food problems.

74. Among the recommendations made at the twelfth session of the Council, the Nordic countries endorsed the President's intention to participate more actively in the ongoing work between annual meetings. They also supported the initiatives taken by the Council to arrange meetings and seminars, including meetings of representatives from different countries for the purpose of exchanging experience. Of particular interest were the initiatives for enhancing food security at the regional level. Those types of activities should be integrated into the Council's work programme. Important as those recommendations were, however, it was crucial for the Council to continue to improve and systematize its working methods. It was also important that the Council, together with Governments and relevant United Nations bodies, should initiate and support monitoring of the effects of national economic adjustment policies on food and nutrition levels. The adoption of national and regional food strategies and efforts to mobilize political and financial support for food and agricultural development should be promoted.

75. Mr. BAMBA (Côte d'Ivoire) said that the Executive Director of the World Food Council had finally described the tragic food situation prevailing in the third world countries, particularly in Africa, where the concept of underdevelopment tended to be synonymous with food problems and where, although some fabulous reserves of natural resources existed, the lack of food nevertheless from day to day placed the most fundamental of rights in jeopardy, namely the right to life.

76. The international community had responded generously and efficiently to the needs arising from the hunger catastrophe from 1983 to 1984 in Africa, although it would have been difficult for the action taken, owing to its emergency nature, to address the continent's basic structural problems. Those problems had been taken up more recently at the special session of the General Assembly on the critical economic situation in Africa where it had been acknowledged that the development of Africa made it necessary to give top priority to agriculture in general and to solving food problems in particular.

77. In order to place oneself clearly in that perspective, reference should be made to the fourteenth FAO Regional Conference for Africa, held recently in Côte d'Ivoire, which had been devoted, in general, to consideration of a FAO study centring on a programme of action for African agriculture for the next 25 years. His delegation endorsed the general lines of that study, which was structured along four main axes. Firstly, the study recognized the need for the high priority

(Mr. Bamba, Côte d'Ivoire)

assigned to agriculture in Africa to be translated into concrete measures designed to correct the anomalous situation prevailing in the majority of the countries of the region, where less than 10 per cent of the national budget was devoted to agriculture, even though the agricultural sector generated more than 50 per cent of GDP. In brief, it was a question of attaining the objective set in Africa's Priority Programme for Economic Recovery 1986-1990, namely, raising the percentage of public investment in agriculture to 20 or 25 per cent.

78. Secondly, the study stated that it was necessary to seek to ensure that the agricultural sector, with those new dimensions, generated a significant increase in food production. That required the introduction of improvements in the areas of incentives, inputs, institutions and infrastructure.

79. Thirdly it dealt with conservation, an area to which special importance must be attributed in the adoption of a strategy that would make it possible to mitigate the effects of demographic pressure on natural resources and the environment. Fourthly, the FAO study dealt with the question of international co-operation in support of African Governments and farmers.

80. His delegation felt it necessary to emphasize once again the risks involved in the mass importation of low-price products. Such imports generated new consumer habits and depressed domestic agricultural prices. It promoted the rural exodus and deprived peasants of any incentive to increase production. Agricultural employment was thus reduced, the need to import food products was increased, and the revival of agriculture was impeded.

81. In spite of the paradox that Africa was currently the continent of hunger, with its vast potential in resources, it could be transformed and attain full self-reliance.

82. Mr. LABERGE (Canada) said that the World Food Council was playing a unique and extremely useful role as a ministerial forum for informal discussion of major agricultural issues, where ministers could gain insight into the workings and effects of their domestic and international policies. It also had a catalytic role with regard to policy and promoted discussion and the adoption of measures on such issues as food development strategies, agricultural development in Africa, agricultural trade and the consequences of adjustment measures for food for low-income groups. The Council's recommendations and conclusions had also served as a framework for the Committee's resolutions and debates on food and agriculture. For all those reasons, Canada firmly supported the strengthening of the work of the Council and the recommendation that its President should report directly to the General Assembly in plenary session. Canada also supported unreservedly the multilateral food agencies and was prepared to serve again on the Committee on Food Aid Policies and Programmes. It also considered that the effectiveness of FAO should be increased, and, with regard to the International Fund for Agricultural Development, which was concerned with the poorest of the poor, Canada had contributed to its second replenishment, and it urged other countries to do so as soon as possible.

(Mr. Laberge, Canada)

83. With regard to the World Food Programme, of which Canada was the second largest donor, attention should be drawn to the competent leadership of its Executive Director in implementing the recommendations of the United Nations/FAO Task Force, although those recommendations were not ambitious enough.

84. With regard to world trade in cereals and food, policies for the subsidization of domestic produce, which seriously distorted long-term comparative advantages, had proved devastating for countries that relied heavily on agricultural exports and had inhibited attempts for the restructuring of the agricultural sectors of developing countries. His delegation believed that the structural features of the generation of surpluses, at a time when demand was being artificially reduced through trade barriers, agricultural support programmes and slow growth of the world economy, raised problems that, if left unresolved, would lead to anarchy in international agricultural trade. Many developing countries placed emphasis on their structural adjustment policies in the agricultural sector, because, as was pointed out in the most recent World Bank report, international discipline in trade subsidies and trade restrictions could be highly beneficial for them.

85. Canada supported the objective set at Punta del Este for the new round of multilateral trade negotiations: the reduction of structural surpluses and agricultural trade barriers and the use of subsidies, which were a test of good faith in the longer-term GATT negotiations. However, as had been stated at the recent Ministerial Meeting in Cairns, Australia, it was urgently necessary to hold multilateral trade negotiations on agriculture for the adoption of short-term measures. Food and agricultural issues remained priorities for the international community, as had been demonstrated by the thirteenth special session of the United Nations, the Tokyo Economic Summit, the Eighth Summit of the Non-Aligned Movement and the Punta del Este meetings. Accordingly, he hoped that the traditional consensus in the Committee on those items would make it possible to adopt a substantive and comprehensive resolution on food and agricultural problems.

86. Mr. LIEBCHEN (German Democratic Republic) said that all States should provide assistance, to the extent of their possibilities, to those States that had not yet attained food self-reliance. Although such assistance might take the form of food, the only real solution to the problem in the long term lay in the promotion of the agricultural production of the developing countries. The development of agriculture in the developing countries involved external and domestic factors that were closely linked to international trade and the debt situation of each country. The reprogramming of International Monetary Fund and private bank debts had reduced the standard of living in the developing countries. The development of agriculture was also dependent on material support investment policies and the development of human resources.

87. He noted with satisfaction the work of the World Food Council and supported the report on the work of its twelfth session. The regional seminars instituted by the Council in 1986 had been most useful, and that type of exchange of experience between developing countries should be continued, in spite of budgetary restrictions. It was commendable that the Council had decided to give the African States all possible assistance in the implementation of the United Nations Programme of Action for African Economic Recovery and Development.

/...

(Mr. Liebchen, German Democratic Republic)

88. With regard to the external factors influencing economic development, the question should be asked how States such as those of southern Africa or Central America, which were exposed to constant acts of aggression, could increase their agricultural production. He appreciated the clear-cut position taken by the World Food Council in that regard. The German Democratic Republic supported the proposal made a few days earlier by the Soviet Union in the Committee for the establishment of an international fund with a part of the money that would be saved through the adoption of disarmament measures.

89. The World Food Council should give prominence to the development of human resources. Man was the most important of the factors of production, and his country attached great importance to assistance to the developing countries in that area. Document A/41/667 contained information on the scope of the training opportunities provided by his country for nationals of developing countries.

90. An important objective of food strategies was to guarantee a degree of stability in agricultural production. Medium- and long-term planning of agricultural production was the appropriate means to that end, and the World Food Council should pay more attention to that subject.

91. Documents A/41/44 and A/41/383, and the statement by the Special Co-ordinator on New and Renewable Sources of Energy, highlighted the progress which had been made in the field of energy in recent years, particularly following the sharp decrease in oil prices. Although the current situation was very different from that existing at the time of the Nairobi Conference in 1981, there was no ground for questioning the basic provisions and objectives of the Nairobi Programme of Action or for modifying them. His delegation was pleased that the Committee on the Development and Utilization of New and Renewable Sources of Energy had taken decisions at its third session which were directed towards the further implementation of the Programme of Action.

92. The resolutions adopted at that session provided a basis for continuing and expanding United Nations activities in the field of energy and for co-ordinating and maintaining information activities relating to natural resources; they highlighted the Committee's effectiveness and underscored the willingness of Member States to strengthen the role of the United Nations system as a framework for constructive dialogue and joint efforts to solve international economic, scientific, technological and social problems, in accordance with General Assembly resolution 40/178. His delegation supported the Committee's programme of work and the emphasis on the preparation of national plans by the developing countries for the development of their energy resources in accordance with the principle of the sovereignty of every country over its own natural resources, which extended to strengthening the role of the public sector in all activities in the field of energy. The provisions of the International Development Strategy for the Third United Nations Development Decade on the subject remained fully valid.

93. Mr. ULLERUP-PETERSON (Denmark), speaking on behalf of the Nordic countries, reaffirmed those countries' commitment to the objectives of the Nairobi Conference on New and Renewable Sources of Energy. Although the Nordic countries had supported the work of the United Nations Committee on the Development and Utilization of New and Renewable Sources of Energy, they were disappointed at the outcome of its third session. Resources should be co-ordinated in line with a system of priorities, and the World Bank's experience with new and renewable sources of energy should be taken into account. More than 20 United Nations bodies dealt with new and renewable sources of energy, and they often overlapped or dealt with the same issues. Consequently, the Committee should take more seriously the question of co-ordination, the division of labour and supervision.

94. Greater attention should be given to energy planning in the developing countries, with the aim of integrating energy planning into national economic and social development plans and ensuring that energy supply met development requirements. Supply and distribution should be seen in a long-term cost-benefit perspective. Environmental factors must be taken duly into account. There was a need to concentrate on the most promising areas for the development of new and renewable sources of energy, with special emphasis on the application of technologies that had already proven their viability. The Nordic countries noted the efforts made by UNDP and the World Bank to provide assistance to developing countries in that respect.

95. Another area which was closely linked to energy planning was the conservation and effective utilization of energy. Many industrialized countries, including the Nordic countries, used effective methods of energy conservation, even in energy-intensive industries, and their experience could be applied in the developing countries.

96. For environmental reasons, rural energy must be the focus of attention, especially in view of the fuelwood crisis and the need to fight deforestation in many developing countries. In addition to such general objectives, specific issues such as the use of technologies capable of producing supplements or even substitutes for conventional fuels should receive special attention. The application of newer technologies on a smaller scale could help to meet a variety of developmental needs which, while of great importance, required relatively small energy inputs. While there was, of course, a need to mobilize financial resources for activities in the field of new and renewable sources of energy, the Committee had devoted too much attention to the matter at its third session, at the expense of other factors.

97. Mr. MAIGA (Mali) noted with satisfaction the adoption by the General Assembly of the United Nations Programme of Action for African Economic Recovery and Development and emphasized the importance of acting quickly so that it could be implemented within a five-year period.

98. The agricultural situation of the developing countries had deteriorated owing to their indebtedness, the reverse flow of financial resources and declining commodity prices. Those factors had limited investment opportunities and had led



(Mr. Maiga, Mali)

to a worsening of the food situation in many developing countries. External assistance to the agricultural sector was inadequate to meet existing needs. In order to achieve the food self-sufficiency deemed necessary by the World Food Council, FAO and many Governments, the financial resources of the International Development Association, the Special Fund for Africa, the African Development Fund (AFDF) and the International Fund for Agricultural Development (IFAD) had to be replenished.

99. In addition to the disastrous effects of drought in Africa, especially in its sub-Saharan part, locusts had destroyed much of the harvests between 1984 and 1986. The international community must respond to the appeal of FAO for assistance to countries threatened by that plague.

100. On the subject of new and renewable sources of energy, his country, which had taken part in the 1981 Nairobi Conference, considered the implementation of the Nairobi Plan of Action to be of great importance for all of Africa, especially the countries affected by drought and desertification.

101. He expressed gratitude for the assistance provided to Mali by various countries and agencies, particularly UNDP, UNEP and the United Nations Sudano-Sahelian Office in pursuing its strategy of food self-sufficiency and in the utilization of new and renewable sources of energy.

102. Mr. MLADENOVIC (Yugoslavia) said that, although the overall food situation in the world seemed to be improving, there was still cause for concern, especially in Africa, and in particular in those countries where locusts posed a serious threat. The food situation of the developing countries could not improve until they achieved self-sufficiency. Consequently, food and agriculture should have priority in the national development plans of food-deficit developing countries. Raising food production would require investments far in excess of the meagre resources of the developing countries themselves. The international community must therefore provide financial support for the agricultural sector in those countries. In 1985, multilateral assistance for agriculture in developing countries had declined by 5 per cent. That trend must be reversed by increasing contributions to multilateral development agencies.

103. It was important to ensure that IFAD had a sound financial basis. His delegation welcomed the fact that a special programme had been established for African countries affected by drought and desertification. The United Nations Programme of Action for African Economic Recovery and Development 1986-1990 placed emphasis on food and agriculture. The international community and regional and interregional financial and monetary institutions must, as a matter of urgency, mobilize the funds required for the Programme's implementation.

104. The development of food and agriculture depended to a great extent on the state of trade. Demand for food was weak, and the surpluses accumulated by the developed countries were being dumped on the international market with no regard for the long-term economic and food-security implications. Market access must be

(Mr. Mladenovic, Yugoslavia)

improved in order to meet the needs of the food-producing developing countries and to develop the food and agriculture sector. It was to be hoped that the Punta del Este agreement would facilitate productive negotiations with a view to solving the problem.

105. New and renewable sources of energy were important, but only as a supplementary source to alleviate the energy problems of many developing countries. The sources of energy in question, which were steadily increasing in volume, now represented 13 per cent of the total world energy supply. However, new and renewable sources of energy could not serve as a basis for the developing countries' industrialization and they would not be sufficient for the development of their agriculture.

106. The overall energy situation was completely different from that of 1981, when the Nairobi Conference had been held. The price of oil had fallen by more than 50 per cent, which had affected the development and use of new and renewable sources of energy. The Nairobi Programme of Action continued to be valid, and the International Community must co-operate in its implementation, which called for the supplementation of national efforts by means of international support, including the mobilization of resources from developed countries, international financing institutions and other relevant international organizations. The implementation of the Nairobi Programme of Action had been unsatisfactory so far, particularly in terms of projects in priority areas focused on the developing countries' specific needs. The Committee on the Development and Utilization of New and Renewable Sources of Energy must reflect the new situation in its programme of work and change the focus of its activities. In that connection, the report on the third session of that committee gave more space to the representatives of various international organizations than to the representatives of Governments, whereas the opposite should apply.

107. With regard to the development of energy resources in the developing countries, the slackening of the pace of exploration for and the development of energy resources in developing countries referred to in document A/41/383 had serious implications for the developing countries' economic development. Resources were required for the development of energy; if the developing countries' energy sector was to be stimulated, their problems, such as commodity prices, indebtedness and inadequate export opportunities, must be solved. The relationships between all those problems, which could not be dealt with by means of isolated solutions, were evident. There was also a need for co-ordination of international action with a view to strengthening the developing countries' technical and institutional capabilities in the areas of energy planning, administration, research and assessment and in the field of the training of specialists in various technologies.

108. Mr. FRANCINI (Observer, Commission of the European Communities) said that, although the global availability of food was now satisfactory owing to record production in many regions, food deficits still existed as a result of uneven production and the gap between local food availability and many developing countries' needs had become even wider. Although the elimination of those deficits

(Mr. Francini)

still called for the continuation of short-term measures - and food aid was of a short-term nature - it must not be forgotten that the appropriate answer to the problem was to tackle the root causes. That meant planned medium- and long-term operations to build up a strong and self-reliant food production system. It was gratifying to note that the United Nations Programme of Action for African Economic Recovery and Development recently adopted by the General Assembly was focused on the development of a healthy food and agriculture sector. That was in keeping with the EEC approach of giving priority to agricultural development, which was reflected in its programmes of co-operation with the developing countries.

109. Food aid was a temporary measure, which while alleviating human suffering should help to ensure a smooth transition from the crises of today to the self-reliance of tomorrow. As such, it must be used as an instrument for development and only when special circumstances required it. Moreover, attention must be paid to its potential harmful effects, since it could constitute a disincentive to producers or contribute to an increase in external dependence.

110. It was clear that in 1986 the food problem in Africa was very different from the problems that had arisen there in the famine years of 1984 and 1985. However, it must not be forgotten that some countries, such as Ethiopia, Angola and Mozambique, had severe deficits and that in other countries there were imbalances in the availability of food from one region to another.

111. The current year of relative surplus in Africa would test the adequacy and flexibility of food aid, just as the past years of dramatic deficits had. What was required were mechanisms to help the developing countries with surpluses to dispose of their available stocks. The European Community had two instruments that could contribute to that aim: triangular operations and substitution actions. In the former case, since early 1986 the European Community had been financing purchases of food products in Africa, about half of which were cereals, in a total amount of \$15 million. In the latter case, food aid had been replaced by financial aid in a total amount of approximately \$10 million.

112. The remaining problems called for drastic measures, and major efforts had been made in that connection. The comments made by the European Community on the efforts in question were reproduced in the World Food Council's report (A/41/19, paras. 53-55). He merely wished to add that measures relating to distribution mechanisms must complement and support measures promoting food production.

113. The European Community's guidelines for co-operation were laid down in the Third Lomé Convention, which linked the Community to 66 countries in Africa, the Caribbean and the Pacific. The Convention had been negotiated at a time when drought and the economic crisis had been hitting Africa hardest, and that was reflected in the Convention's objectives: co-operation focused on problems relating to rural development and food security and on desertification control. The first phase of the implementation of the Convention was now nearing completion and had called for the allocation of approximately 80 per cent of the funds for national and regional programmes, or approximately \$3.5 billion, to the

(Mr. Francini)

agricultural sector in Africa over the following five years; that did not take account of the bilateral activities of States members of the Community. African developing countries receiving assistance from the Community were now more interested than they had been earlier in grass-roots initiatives and protection of the rural environment. Outside the Convention, the European Community had implemented a \$100 million rehabilitation programme in the countries most affected by drought, to which individual contributions from States members must be added.

114. With regard to agricultural trade, the Community recognized that in the case of most agricultural products there was a global structural surplus, which was the result of rapid technological changes, the state of the world market, long-standing subsidization policies and measures to protect agriculture in the great majority of the developed countries. Policies must be redirected and the structure of agricultural production must be adjusted in the light of world demand. It was clear that the current GATT rules on trade and agriculture were inadequate for dealing with existing trade conflicts, partly because they did not cover all the aspects of agricultural production and trade. In order to fill that lacuna the Community had fully endorsed the decision to include agricultural production and trade in the negotiations in the forthcoming GATT round. The Declaration of Punta del Este provided a sound starting-point for those negotiations and would ensure that the less-developed contracting parties' development needs were taken into account. The Community shared the other contracting parties' view that it was urgent to make world agricultural trade more disciplined and predictable through the elimination of restrictions and distortions, including those resulting from structural surpluses, in order to reduce the uncertainty, imbalances and instability in world agricultural markets.

115. He wished to emphasize the recommendations put forward by the World Food Council in its report relating to the need to strengthen the Council's mandate and functions and to improve its organization, programmes and methods of work, within the framework of its terms of reference and taking account of the current budgetary constraints. Co-operation with FAO and WFP must also be improved. He noted with satisfaction the consultations held by the Council at Dakar, New Delhi, Guangzhou and Buenos Aires in the first half of 1986. As a regional entity itself, the European Community was ready to share its experience with co-operation in the field of food and agriculture with all other countries.

The meeting rose at 6.45 p.m.