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### DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

#### Report of the Second Committee (Part V)

Rapporteur: Mr. Boris GOUDIMA (Ukrainian Soviet Socialist Republic)

#### I. INTRODUCTION

1. The Second Committee held a substantive debate on item 79 (see A/41/857, para. 2). Action to be taken on the item was considered at the 19th, 23rd, 27th, 28th and 35th meetings, on 22 and 28 October, and 4, 12 and 28 November 1986. An account of the Committee's discussion is contained in the relevant summary records (A/C.2/41/SR.19, 23, 27, 28 and 35).

#### II. CONSIDERATION OF PROPOSALS

##### A. Draft decision A/C.2/41/L.13

2. At the 19th meeting, on 22 October, the representative of Yugoslavia, on behalf of the States Members of the United Nations that are members of the Group of 77 introduced a draft decision (A/C.2/41/L.13) entitled "Charter of Economic Rights and Duties of States".

3. At its 27th meeting, on 4 November, the Committee adopted the draft decision by 115 votes to 3, with 21 abstentions (see para. 23, draft decision I).

4. The representative of Israel made a statement before the vote.

5. Statements after the vote were made by the representatives of the United Kingdom of Great Britain and Northern Ireland (on behalf of the States members of the European Community), Sweden (also on behalf of Finland), Czechoslovakia (also

on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics) and New Zealand.

B. Draft resolution A/C.2/41/L.18

6. At the 23rd meeting, on 28 October, the representative of Yugoslavia, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced a draft resolution (A/C.2/41/L.18), entitled "Urgent measures for reactivation of growth and development in developing countries", which read as follows:

"The General Assembly,

"Recalling its resolutions 3201 (3-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

"Recalling also its resolution 35/56 of 5 December 1980, the annex to which contains the International Development Strategy for the Third United Nations Development Decade, and decision 40/438 of 17 December 1985 concerning the review and appraisal of the implementation of the International Development Strategy for the Third United Nations Development Decade,

"Bearing in mind Economic and Social Council decision 1986/172 of 22 July 1986,

"Gravely concerned at the present state of the world economy and its adverse impact on the development process of developing countries, resulting in a reverse transfer of financial resources from developing to developed countries, a serious inadequacy of growth in developing countries and a persistent decline in the standards of living of their peoples,

"Affirming the need for the macro-economic policies of the major industrial countries to be supportive of sustained and equitable growth in the world economy compatible with the goals and objectives of the development process of developing countries,

"Affirming also that the debt problem of the developing countries constitutes one of the most serious obstacles to the growth and development of developing countries and the attainment of the goals and objectives of the International Development Strategy for the Third United Nations Development Decade,

"Deeply concerned that the economic adjustment policies imposed through conditionality by the multilateral monetary and financial institutions have involved heavy economic and social costs, thus increasing the level of

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absolute poverty, and have not led to resumed growth and development or resolved the debt crisis,

"Emphasizing the need for a just and favourable international economic environment as a pre-condition for the attainment of the development objectives of developing countries,

"1. Emphasizes the urgency for the international community to take deliberate and concerted policy action to support sustained and equitable growth and development;

"2. Expresses concern at the continuing deflationary tendencies in the world economy which are aggravated by the policies pursued by the major developed countries and which need to be corrected in order to create an external environment more supportive of the development process of developing countries;

"3. Stresses that a substantial increase in financial flows is needed to meet the serious financing gap faced by developing countries and, in this regard, emphasizes in particular the need to increase development finance, inter alia, through providing multilateral development agencies with additional resources, and the need to increase concessional flows and to accelerate their disbursement, in particular to the least developed countries, towards urgently reaching internationally accepted targets for official development assistance;

"4. Reaffirms the need for a political and global approach to address the debt crisis in a spirit of shared responsibility between debtor developing countries, creditor developed countries, international multilateral financial institutions and commercial banks and in a manner that contributes to the sustained growth and development of developing countries, taking into account the capacity of the indebted countries to service their debt and consistent with their national development objectives and priorities;

"5. Emphasizes the urgency to improve the market access of exports of developing countries, inter alia, through immediate implementation of, and strict adherence to, the standstill and roll-back commitments agreed at Punta del Este and to take concrete measures for improving the terms of trade of developing countries;

"6. Urges immediate action to reverse the deteriorating trend in world trade in commodities, inter alia, by providing for stable and remunerative prices and market stability, promoting wider market opportunities for commodity exports of developing countries and stabilizing at a higher level their commodity export earnings as well as encouraging greater participation by developing countries in the processing, marketing and distribution, including transportation, of commodity exports;

"7. Reaffirms the need to provide stable and supportive monetary and financial conditions for the development process of developing countries and calls for priority action, particularly in the areas of liquidity creation and

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management, exchange rate stability, lowering of real interest rates, and greater symmetry in the adjustment process;

"8. Urges all Governments and the organizations of the United Nations system to take concrete and timely measures to ensure the speedy and full implementation of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990, as contained in the annex to General Assembly resolution S-13/2 of 1 June 1986;

"9. Calls upon developed countries and the United Nations system to intensify their efforts in all the above and interrelated areas in order to reactivate growth and development in developing countries;

"10. Invites the Economic and Social Council to review at its second regular session of 1987 the progress made in the areas included in the present resolution."

7. At the 35th meeting, on 28 November, the Vice-Chairman of the Committee, Mr. Oscar de Rojas (Venezuela), made a statement in which he informed the Committee of the outcome of informal consultations held on the draft resolution, and stated that it was his understanding that no action should be taken on it.

8. At the same meeting, the representative of Yugoslavia made a statement on behalf of the States Members of the United Nations that are members of the Group of 77.

9. At that meeting, the Committee decided to take no action on draft resolution A/C.2/41/L.18.

C. Draft resolutions A/C.2/41/L.5 and L.19

10. By its decision 40/474 of 20 June 1986, the General Assembly, on the recommendation of the Second Committee, decided to defer until its forty-first session consideration of and appropriate action on the draft resolution entitled "International Conference on Money and Finance for Development" (see A/C.2/41/L.5).

11. At the 23rd meeting, on 28 October, the representative of Yugoslavia, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced an updated version of the draft resolution contained in document A/C.2/41/L.5 entitled "International Conference on Money and Finance for Development" (A/C.2/41/L.19), which read as follows:

"The General Assembly,

"Recognizing the need for a suitable international monetary and financial system supportive of a balanced and equitable development of the world economy,

"Recognizing also the need for the international monetary and financial system to address the particular needs of development of the developing countries,

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**"Emphasizing that the structural deficiencies and shortcomings in the existing monetary and financial system call for its comprehensive review and reform so that it could respond to the needs of the 1980s and beyond,**

**"Noting the increasing recognition of the need for the convening of an International Conference on Money and Finance for Development,**

**"Bearing in mind the proposals of the Eighth Conference of Heads of State or Government of Non-Aligned Countries, held at Harare in August/September 1986 and the Fifth Ministerial Meeting of the Group of 77, held at Buenos Aires in March/April 1983, for the convening of an International Conference on Money and Finance for Development, and proposals made on this subject by other countries,**

**"1. Requests the Secretary-General to undertake consultations at an appropriately high level on the terms of reference, format and time-frame of an International Conference on Money and Finance for Development, with a view to the convening of an intergovernmental committee to commence the preparatory process by April 1987;**

**"2. Calls upon the Secretary-General to make available, in consultation with all relevant United Nations bodies, organs and international organizations, the necessary documentation for the preparatory body;**

**"3. Requests the Secretary-General to submit an initial report on the preparatory process to the Economic and Social Council at its second regular session of 1987, and to submit a subsequent report to the General Assembly at its forty-second session."**

12. At the 35th meeting, on 28 November, the Vice-Chairman of the Committee, Mr. de Rojas (Venezuela), made a statement in which he informed the Committee of the outcome of informal consultations held on the draft resolution, and stated that it was his understanding that it should be transmitted to the General Assembly at its forty-second session for consideration.

13. At the same meeting, the representative of Yugoslavia made a statement on behalf of the States Members of the United Nations that are members of the Group of 77.

14. At that meeting, on the proposal of the Chairman, the Committee decided to transmit draft resolution A/C.2/41/L.19 to its forty-second session for consideration (see para. 23, draft decision II).

#### **D. Draft decisions A/C.2/41/L.46 and Rev.1**

15. At the 20th meeting, on 12 November, the representative of Yugoslavia, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced a draft decision (A/C.2/41/L.46) entitled "International conference on money and finance", which read as follows:

"The General Assembly requests the Secretary-General to prepare a report on the current international monetary situation, taking into account recent discussions and developments on the matter, for submission to the Assembly at its forty-second session, and, in this regard, to compile and provide information on proposals for convening an international monetary conference or other measures that have been made in recent years by Governments, prominent persons and organizations."

16. At its 35th meeting, on 28 November, the Committee had before it a revised draft decision (A/C.2/41/L.46/Rev.1).

17. At the same meeting, the Vice-Chairman of the Committee, Mr. de Rojas (Venezuela), made a statement, in which he informed the Committee of the outcome of informal consultations held on the revised draft decision.

18. Also at the same meeting, the representative of Yugoslavia made a statement on behalf of the States Members of the United Nations that are members of the Group of 77 and requested that a roll-call vote be taken on the draft decision.

19. At that meeting, the Committee adopted draft decision A/C.2/41/L.46/Rev.1 by a roll-call vote of 104 to 17, with 6 abstentions (see para. 23, draft decision III). The voting was as follows: 1/

In favour: Afghanistan, Algeria, Angola, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Benin, Bhutan, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Byelorussian Soviet Socialist Republic, Cape Verde, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Czechoslovakia, Democratic Yemen, Djibouti, Egypt, Ethiopia, Fiji, Gabon, Gambia, German Democratic Republic, Ghana, Grenada, Guatemala, Guinea, Guyana, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Poland, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Suriname, Swaziland, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zambia.

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1/ Subsequently the representatives of Cameroon, Chad and Ecuador stated that, had their delegations been present at the time of the voting, they would have voted in favour of the revised draft decision.

Against: Australia, Belgium, Canada, Denmark, France, Germany, Federal Republic of, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Finland, Israel, New Zealand, Norway, Sweden.

20. After the adoption of the draft decision, the representative of the United Kingdom of Great Britain and Northern Ireland made a statement on behalf of the States Members of the United Nations that are members of the European Community.

#### E. Draft resolution A/C.2/41/L.6

21. By its decision 40/434 of 17 December 1985, the General Assembly decided to defer until its forty-first session consideration of the draft resolution entitled "Mobilization of financial resources for industrial development". 2/

22. At its 28th meeting, on 12 November, on the proposal of the Chairman, the Committee decided to recommend that the General Assembly should transmit to the United Nations Industrial Development Organization the draft resolution entitled "Mobilization of financial resources for industrial development" contained in document A/C.2/41/L.6 (see para. 23, draft decision IV).

### III. RECOMMENDATIONS OF THE SECOND COMMITTEE

23. The Second Committee recommends to the General Assembly the adoption of the following draft decisions:

#### DRAFT DECISION I

##### Charter of Economic Rights and Duties of States

The General Assembly requests the Secretary-General, in order to facilitate the elaboration of the comprehensive and analytical report requested in its resolution 40/182 of 17 December 1985 on the Charter of Economic Rights and Duties of States, 3/ to circulate to all States a questionnaire which should, inter alia, seek information regarding:

(a) Their assessment of the implementation of the provisions of the articles of the Charter;

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2/ Official Records of the General Assembly, Fortieth Session, Annexes, agenda item 12, document A/40/1009/Add.2, para. 5.

3/ See resolution 3281 (XXIX).

(b) Identification of all steps taken, and legal and economic regulations aimed at implementing the Charter;

(c) Identification of all national programmes and measures aimed at a broader implementation of the provisions of the Charter.

#### DRAFT DECISION II

##### International Conference on Money and Finance for Development

The General Assembly decides to transmit the draft resolution entitled "International Conference on Money and Finance for Development" to its forty-second session for consideration. 4/

#### DRAFT DECISION III

##### International conference on money and finance

The General Assembly requests the Secretary-General to prepare a report on the current international monetary situation, taking into account recent discussions and developments on the matter, for submission to the Assembly at its forty-second session, and, in this regard, to provide information on proposals for convening an international conference on monetary issues that have been made in recent years by Governments, prominent persons and organizations.

#### DRAFT DECISION IV

##### Mobilization of financial resources for industrial development

The General Assembly decides to transmit to the United Nations Industrial Development Organization the draft resolution entitled "Mobilization of financial resources for industrial development". 5/

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4/ A/C.2/41/L.19.

5/ A/C.2/41/L.6.