



General Assembly

Distr.
LIMITED

A/C.2/46/L.38
8 November 1991

ORIGINAL: ENGLISH

Forty-sixth session
SECOND COMMITTEE
Agenda item 81

EXTERNAL DEBT CRISIS AND DEVELOPMENT

Ghana*: draf. resolution

International debt crisis and development: enhanced
international cooperation towards a durable solution
to the external debt problems of developing countries

The General Assembly,

Reaffirming its resolutions 41/202 of 8 December 1986, 42/198 of 11 December 1987, 43/198 of 20 December 1988, 44/205 of 22 December 1989 and 45/214 of 21 December 1990,

Reaffirming also the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, contained in the annex to its resolution S-18/3 of 1 May 1990, and the International Development Strategy for the Fourth United Nations Development Decade, contained in the annex to its resolution 45/199 of 21 December 1990,

Taking note of Trade and Development Board resolution 396 (XXXVIII) of 4 October 1991, 1/

* On behalf of the States Members of the United Nations that are members of the Group of 77.

1/ A/46/15 (vol. I), chap. II, sect. A.

Concerned that the debt problem continues to constitute one of the most serious constraints to the economic growth and development of the developing countries,

Noting the proposals made by developing countries and regional organizations, including the Organization of African Unity and the Latin American Economic System,

Noting that while the principle of debt and debt-service reduction has gained acceptance, only a few debtor countries have actually obtained the reductions necessary for their development and growth,

Welcoming the proposals calling for the reduction and/or cancellation of official bilateral debt owed by least developed countries and other low-income countries in support of their own adjustment efforts in stabilizing their economies,

Noting the substantive debt reduction agreed by the Paris Club in favour of two middle-income countries and recognizing the need to extend similar debt reduction to low-income and other middle-income countries,

Noting also the efforts undertaken by developing countries in formulating and implementing their own economic stabilization and structural adjustment programmes, despite their debt burden, in order to revitalize their economy and lay a firm foundation for the achievement of growth according to national development strategies,

Noting further the need for a social safety net for vulnerable groups most adversely affected by the implementation of economic reform programmes in the debtor countries, in order to ensure social and political stability,

Considering that recent initiatives and measures taken with a view to contributing to the solution of the problem of debt and debt service are restricted in scope and should be broadened to cover all indebted countries and all categories of debt,

Welcoming the new and additional initiatives for debt relief measures reached at the Summit of the seven major industrialized nations, held in London in July 1991, 2/ which aimed at going well beyond the Toronto terms,

Encouraging innovative and bold measures towards a sustained solution to the debt problem, such as those taken under the Netherlands initiative and the Trinidad and Tobago terms, as well as recommendations contained in the report of the Personal Representative of the Secretary-General on debt, 3/

2/ See A/46/309-S/22807 annex I.

3/ A/45/380 and Corr.1, annex.

Noting the various proposals aimed at reducing the commercial debt of developing countries through the use of substantial debt discounts, including proposals on the establishment of an international debt facility,

Stressing the need for a definite time-frame for the solution of the external debt problem of developing countries and, consequently, for the flow of adequate development resources to those countries,

Noting the initial implementation of the accumulation of rights approach and its different variants addressing the problem of arrears, with regard to multilateral debt,

Recognizing that increased cooperation between the International Monetary Fund, the World Bank and other multilateral financial institutions is welcome but should not lead to cross-conditionality,

Emphasizing the need to address the debt problem of developing countries with negative net transfer of resources to the multilateral financial institutions,

Recognizing the urgent need for a balanced and successful outcome of the Uruguay Round of multilateral trade negotiations in order to enhance, inter alia, the attainment of a durable solution to the debt problem,

Recognizing also the need for intensified efforts by the international community to resolve the debt crisis and to forestall its proliferation and prevent its aggravation,

1. Calls upon Member States and multilateral financial institutions to work towards an early, growth- and development-oriented solution to the external debt problem, and, in this connection, calls upon them to intensify their efforts for the full implementation of General Assembly resolution 45/214;

2. Expresses its appreciation to the Secretary-General for his continued efforts towards achieving a durable solution to the debt problem of the developing countries, and, in that regard, stresses the need for the continuation of his efforts;

3. Recognizes that payment capacities of debtor countries have continuously been diminished as a result, inter alia, of the unfavourable economic environment, deteriorating terms of trade, declining commodity prices, restricted market access and trade distorting practices;

4. Recognizes also that reduction of debt and debt-service burdens has to be supported by the provision of substantial new external financial resources needed by the developing debtor countries for the attainment of economic growth and development;

5. Stresses the urgent need for the cancellation or reduction of debt and debt service related to official development assistance loans, as well as other official bilateral debt and debt service;

6. Stresses also the need for more urgent action on commercial and official debt owed by all categories of debtor developing countries through improved access and expanded use of existing facilities and arrangements, as well as through other innovative schemes;

7. Encourages the continued consideration and wider application of innovative measures such as debt swaps for the protection of nature and for equity for development projects as a contribution towards addressing the external debt problems of developing countries;

8. Urges creditor countries, the Bretton Woods institutions and private banks to extend appropriate support, including substantial new financing and/or debt reduction, to low-income countries with substantial debt burdens that continue to service their debt and meet their international obligations at great cost;

9. Calls for additional measures to address all other types of debt, including that owed to the multilateral institutions;

10. Urges the multilateral financial institutions and creditor countries to extend adequate concessional financial assistance to support implementation of the reform programmes of debtor countries to enable those countries to extricate themselves from the debt overhang and to achieve economic growth and development;

11. Calls upon the creditor countries and multilateral financial institutions to assist indebted countries in enhancing their social safety net programmes by mobilizing international financial resources on concessional terms;

12. Stresses that any international debt strategy to be followed has to be agreed upon by both the creditor and the debtor countries;

13. Requests the Secretary-General to report to the General Assembly at its forty-seventh session on the implementation of the present resolution.
