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**CRITICAL ECONOMIC SITUATION IN AFRICA; UNITED NATIONS
PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND
DEVELOPMENT 1986-1990**

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Letter dated 30 September 1987 from the Permanent Representative
of Czechoslovakia to the United Nations addressed to the
Secretary-General

I have the honour to forward to you a paper entitled "Economic assistance provided by Czechoslovakia to the developing countries and national liberation movements in 1986" (see annex).

I would be most grateful if you could have this letter and its annex circulated as an official document of the General Assembly under agenda items 21, 82, 83 and 86.

(Signed) Evžen ZÁPOTOCKÝ
Ambassador
Permanent Representative

ANNEX

Economic assistance provided by Czechoslovakia to developing countries and national liberation movements in 1986

1. In its external economic relations, the Czechoslovak Socialist Republic attaches great importance to co-operation with developing countries. Mutually advantageous economic co-operation is considered by Czechoslovakia to be an important factor in the development of the national economies and one of the key elements of international détente and of strengthening peaceful coexistence.

2. Like other socialist countries, it understands the problems and difficulties encountered by the developing countries in their efforts to secure an appropriate economic growth of their economies, which is one of the basic prerequisites of attaining independence.

3. The year 1986 showed the further deepening polarization of the difference in the world market economy between developed capitalist States, on the one hand, and developing countries, on the other. The solution of the world economic problems, especially problems of the economic and social development of the developing countries, is in the current circumstances blocked by the unequal arrangement of international economic relations, by the stepped-up international tension and the arms race, by the violation of the fundamental norms of State-to-State relations and basic rules of international trade and by the erosion of confidence in international economic relations.

4. Czechoslovakia approaches with great understanding the efforts of the developing countries to improve their status in international economic relations, to put an end to the one-sided orientation of their external economic contacts, which is a remnant of the colonial past, and to secure their sovereign rights in all fields of economic relations.

5. In our economic, scientific and technological contacts with the developing countries, Czechoslovakia consistently observes the principles of respect for national sovereignty, independence and national interests, non-interference in internal affairs, full equality and mutual advantage.

6. Czechoslovakia supports the demands of the developing countries for a fundamental restructuring of the present system of international economic relations, the character of which, having been created under a totally different distribution of forces in the world, has got into conflict with the urgent interests of most countries. This outdated system is also the main obstacle in the way of the solution of such grave problems of the present time as indebtedness and inflation, growing protectionism and discrimination in international trade and the disruption of the international monetary and financial system.

7. Czechoslovakia agrees with all the progressive ideas of the Charter of Economic Rights and Duties of States, the Programme of Action and the Declaration on the Establishment of a New International Economic Order, as well as a number of

other progressive documents and resolutions of the United Nations. It holds the view that the United Nations, as a universal forum, provides suitable conditions for negotiations and, in particular, for the solution of world economic problems. Czechoslovakia can see real possibilities for the improvement of international economic relations in global negotiations within the framework of the United Nations, particularly in international economic security which forms a part of the comprehensive system of international peace and security.

8. True to the principles of its foreign policy, Czechoslovakia has therefore provided and continues to provide all-round assistance, within its possibilities, to the developing countries in the creation of conditions for economic and social progress and for the solution of the problems of decolonization and underdevelopment. In that context, Czechoslovak assistance is focused on the areas that are of key importance for the further development of the economies of the developing countries. Above all, Czechoslovakia strives to strengthen the economic independence and the independent development of the national economies of the developing countries and to secure their equal participation in the international division of labour and in world trade.

9. In the four-year period since 1982 till 1985, when Czechoslovakia began to publish the extent of its official assistance in the United Nations, the total sum amounted to 17.471 billion Czechoslovak crowns. At the same time, the fact must be pointed out that this assistance has followed a constantly upward trend as illustrated by the following published figures:

1982: 3.642 billion Czechoslovak koruny, i.e., 0.74 per cent of the national income created in Czechoslovakia in that year;

1983: 3.924 billion Czechoslovak koruny, i.e., 0.78 per cent of the national income created in Czechoslovakia in that year;

1984: 4.818 billion Czechoslovak koruny, i.e., 0.90 per cent of the national income created in Czechoslovakia in that year;

1985: 5.087 billion Czechoslovak koruny, i.e., 0.91 per cent of the national income created in Czechoslovakia in that year.

10. The year 1985 was a particularly difficult year for the countries of Africa. In the course of the special session of the General Assembly on the critical situation in Africa, Czechoslovakia published information documenting the extent of its assistance extended to the countries of the African continent in 1985. The total economic assistance provided then by Czechoslovakia amounted to 1.226 billion Czechoslovak koruny, i.e., 0.22 per cent of the national income created in Czechoslovakia in that year.

11. In the course of 1986, Czechoslovakia continued to extend and expand its economic assistance. The national scheme of preferences has been further expanded, so that now it applies to 114 developing countries and, since the year mentioned, all the least developed countries are included. Extensive government as well as company credits constituted, also in that year, an important form of assistance to

the developing countries. These credits finance a number of investment projects and deliveries of engineering and non-engineering goods to speed up the industrialization of these countries and to enrich the internal market with consumer goods. The terms of the purpose-oriented credits, particularly the governmental ones, are so advantageous, providing low interest rates, long periods of repayment, etc., that they in fact do not represent any contribution to the Czechoslovak balance of payments and, in many cases, this credit assistance with its advantageous terms is de facto tantamount to a donation.

12. Czechoslovakia, furthermore, provides considerable assistance in the construction of investment projects in the fields of industry, agriculture, education, culture and public health. By the end of 1986, Czechoslovakia had participated in the construction of a total of 599 larger investment projects in developing countries and, of that number, 55 were in the least developed countries. In 1986, another 7 investment units were put into operation, 3 of which were in the least developed countries.

13. As at 31 December 1986, another 69 investment projects were under construction, 15 of which were in the least developed countries. From the number of investment projects mentioned above, 327 were built in Asia, 197 in Africa and 75 in Latin America. As far as the sectoral structure is concerned, Czechoslovakia has been participating especially in investments in the fields of energy, food processing, engineering and building industries.

14. Free studies and professional training of national cadres from developing countries are in their scope and importance among the very significant forms of assistance. As at 31 December 1986, there were a total of 5,637 students from those countries studying at Czechoslovak universities and secondary schools, and, of that number, 5,053 were engaged in regular university and secondary-level studies, 476 in scientific research studies, 93 in post-graduate studies and 10 in training residence, preparing for a scientific degree.

15. In addition to that, in 1986, almost 20,500 citizens of developing countries were increasing their professional skills in workers' occupations.

16. A traditional and significant form of Czechoslovak economic assistance to developing countries continues to be the sending of Czechoslovak specialists, of whom, as at 31 December 1986, there were 2,158 working abroad, without being tied to material exports (of that number 153 were in the least developed countries), in more than 60 developing countries, among them, 13 of the least developed countries.

17. In 1986, the total volume of Czechoslovak assistance to developing countries and national liberation movements reached the amount of 6.130 billion Czechoslovak koruny, i.e., 1.08 per cent of the national income created in Czechoslovakia in that year. This sum includes both material and financial assistance granted by the Government of Czechoslovakia, as well as by social and economic organizations.

18. In view of its limited natural resources and the structure of its economy, Czechoslovakia is, to a considerable degree, dependent on the international division of labour and is therefore exceptionally interested in the development of economic relations with all States.

19. It is prepared to give active encouragement to the development of equal and mutually advantageous co-operation among all countries regardless of their socio-economic systems, to assist the speedy development of the developing countries and to participate in international negotiations on these questions within the United Nations.

20. It continues to believe that the crucial task of the present time is to resolve the current world economic problems, to preserve peace, stability and international confidence, so that the resources so drastically drawn from the national income of States for armaments purposes could be utilized for the benefit of the whole of mankind and its peaceful economic development.
