



## United Nations Conference on Trade and Development

Distr.  
LIMITED

TD/B/41(1)/SC.2/L.1  
14 September 1994

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD  
Forty-first session  
First part  
Geneva, 19 September 1994

Item 8(c) of the provisional agenda

DRAFT TERMS OF REFERENCE OF THE AD HOC WORKING GROUP  
TO EXPLORE THE ISSUE OF STRUCTURAL ADJUSTMENT  
FOR THE TRANSITION TO DISARMAMENT

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX), as amended,

Recalling also paragraph 24 of A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, which recognizes that "The relaxation of international tensions, including the easing of global strains, provides an incentive as well as opportunities for all countries to reduce military expenditures, as much as is compatible with legitimate security needs, and to divert resources from expenditures on armaments towards socially productive uses and generation of additional development finance. National initiatives in this regard could produce cumulative effects by encouraging other countries to follow suit. The conversion of military capacities and technologies to civilian uses would also provide opportunities to adjust production structures to development priority needs and facilitate new trade, technological and financial flows.",

Recalling further paragraph 98 of A New Partnership for Development: the Cartagena Commitment which recognizes that "All countries should consider the possibilities that exist in their specific and individual situation for the reduction of military expenditures and for channelling the savings towards socially productive uses. The Conference welcomes reductions already under way or planned by developed countries and urges them to continue these efforts, in

view of the importance which a decrease of military expenditures can have for the reduction of external and fiscal imbalances and for increased availability of development finance. The Conference urges developing countries to reduce military spending to the extent that it is excessive in their specific and individual situation, recognizing the positive effects that such a reduction can have on budgetary policies aimed at the acceleration of their growth and development.",

Referring to Trade and Development Board decision 399 (XXXIX),

Decides to establish the following terms of reference for the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament:

1. In accordance with paragraph 99 of A New Partnership for Development: the Cartagena Commitment, the Ad Hoc Working Group, with the appropriate support from the secretariat, should explore the issue of structural adjustment for the transition to disarmament and the implications for world economic growth and development.
2. The work of the Working Group should be coordinated with that of other Committees and Working Groups.
3. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.
4. The Working Group shall complete its work in one session. It shall submit a final report on the results of its work to the Trade and Development Board.
5. The timing of the session of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the session should be of five days or less.