

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

SECOND COMMITTEE
24th meeting
held on
Tuesday, 7 November 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. PETRESKI (The former Yugoslav Republic of Macedonia)

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Distr. GENERAL
A/C.2/50/SR.24
15 December 1995
ENGLISH
ORIGINAL: FRENCH

The meeting was called to order at 10.40 a.m.

TRIBUTE TO THE MEMORY OF YITZHAK RABIN, PRIME MINISTER OF ISRAEL

1. At the invitation of the Chairman, the members of the Committee observed a minute of silence in tribute to the memory of Mr. Yitzhak Rabin, Prime Minister of Israel.

AGENDA ITEM 96: ENVIRONMENT AND SUSTAINABLE DEVELOPMENT (continued)

(a) IMPLEMENTATION OF DECISIONS AND RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (continued)

2. Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development) said, in response to comments relating to the organization of the special session of the General Assembly in 1997, that, in the scope of its preparations, the scale of participation by non-governmental organizations, the role played by the entire United Nations system and the range and significance of the instruments adopted, the Rio Conference had been particularly path-breaking. The 1997 review would also be a first, since the Rio Conference was the first of the recent conferences to reach its five-year review and thus, when determining the modalities for that review, it must be borne in mind that similar reviews would also be organized for the subsequent conferences.

3. It had been planned to devote the fifth session of the Commission on Sustainable Development, in 1997, to preparations for the special session. A number of representatives had expressed the wish, however, that preparations should begin immediately after the end of the fourth session. In view of the amount of work involved, the Secretariat was in favour of that idea and had already begun preparations for the special session, including through the Inter-Agency Committee on Sustainable Development.

4. While follow-up to the Rio Conference was primarily the Commission's responsibility, other agencies had also incorporated Agenda 21 in their activities. It was therefore essential to determine how the inputs of those other bodies and arrangements, in particular the United Nations Environment Programme (UNEP) and the conferences of the parties to the various conventions opened for signature at Rio, would be incorporated in the Agenda 21 review and appraisal process.

5. In addition, since the Rio Conference, several conferences had been held on issues closely linked to Agenda 21. The Committee should therefore consider how the 1997 review should be incorporated into the broader context of coordinated follow-up to those conferences, in the Economic and Social Council and in the General Assembly.

6. Non-governmental organizations had a vital contribution to make to the Agenda 21 review process. It was therefore essential to consider ways of facilitating their participation in preparations for the special session and in the session itself. In addition, it was also important to enlist the involvement in the entire Agenda 21 review and appraisal process of the

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mechanisms set up by Governments, often in collaboration with non-governmental organizations, in the form of national programmes, and also the local authorities involved in the implementation of Agenda 21.

AGENDA ITEM 97: OPERATIONAL ACTIVITIES FOR DEVELOPMENT

(b) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES
(A/50/39, A/50/340 and Add.1 and A/50/421)

7. Mr. BENN (Director, Special Unit for Technical Cooperation among Developing Countries, United Nations Development Programme), introducing the documents submitted for consideration by the Committee under agenda item 97 (b), said that the far-reaching changes on the international scene - the globalization of trade and the liberalization of the economy - created an opportunity to galvanize both technical cooperation among developing countries (TCDC) and economic cooperation among developing countries (ECDC). To that end, the General Assembly, in its resolution 48/164, had decided that at the current session it would consider the possible need for further reports on the matter. The Group of 77, for its part, planned to request the convening of a United Nations conference on South-South cooperation.

8. The Secretary-General's report on the state of South-South cooperation (A/50/340 and Add.1) showed that TCDC, which was relevant to all sectors, should form an integral part of overall development strategies. In addition, TCDC made possible the effective participation of all developing countries in the new international trading system. Finally, with its regional and subregional dimension, it was no longer merely a development option but a real necessity for economic, political, social and cultural development and for long-term peace, security and solidarity. TCDC had always been one of the priorities of the United Nations system, which worked closely in that area with Governments and relevant intergovernmental organizations. While developing countries had the primary responsibility for promoting South-South cooperation, the United Nations agencies should support the planned activities, playing a catalytic role and developing new concepts for the expansion of such cooperation. Through their financial and technical support, the developed countries were also contributing significantly to the implementation of TCDC activities.

9. In its report on its ninth session (A/50/39), the High-level Committee on Technical Cooperation among Developing Countries reviewed progress in the implementation of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries and endorsed the main recommendations contained in the report on new directions for TCDC (TCDC/9/3), which, inter alia, called for a more strategic focus for TCDC, closer integration between TCDC and ECDC, the identification of "pivotal" countries and the expansion of the TCDC information referral system (TCDC-INRES) into a multidimensional database.

10. Mr. CABACTULIAN (Philippines), speaking on behalf of the Group of 77 and China, said that TCDC was a powerful instrument which helped ensure the equitable integration, in a spirit of solidarity, of the developing countries in the world economy. It was important to recognize that the world could no longer be viewed exclusively through a North-South prism. Because of their similar

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geographical, environmental, economic and social conditions, the developing countries had increasingly valuable development experience to share. At the same time, South-South cooperation was intended not to replace, but to complement North-South cooperation.

11. While primary responsibility for linking TCDC and ECDC rested with the developing countries, it was important for the international community to commit itself to supporting those modalities and to providing adequate resources for the implementation of the activities concerned. It should be recognized that any promotion of development in the South would also benefit the North: the more developed the South, the stronger its capacity to buy goods and services and to attract foreign capital. The Group of 77 and China therefore welcomed the proposal by the Japanese Government to set up a TCDC support fund to be administered by the United Nations Development Programme (UNDP) and hoped that other donors would support it. They also hoped that the Perez Guerrero Trust Fund would receive more contributions, enabling it to pursue implementation of the Caracas Programme of Action.

12. The Secretary-General's report on the state of South-South cooperation (A/50/340 and Add.1) and the report of the High-level Committee on Technical Cooperation among Developing Countries on the work of its ninth session (A/50/39) laid the basis for broadening South-South cooperation along the general lines laid out in document TCDC/9/3. Action should be taken on two fronts: first, to raise awareness among both Governments and international organizations through information and training campaigns that they would have to adapt to new conditions; and secondly to take specific and innovative action in such fields as trade and investment, debt, poverty eradication and macroeconomic coordination and management.

13. At its eighteenth ministerial meeting the Group of 77 had called on the General Assembly to convene a United Nations conference on South-South cooperation. That appeal had been reiterated at its nineteenth meeting and, quite recently, at the Summit of the Non-Aligned Movement in Cartagena. The developing countries believed that such a conference was a key means to reinvigorate the support of the international community and to chart courses of action for cooperation that could only be beneficial to every country in the world. The member countries of the Group of 77 therefore intended to submit a resolution on the matter at the appropriate time.

14. Mr. RØNNEBERG (Marshall Islands) associated himself with the views expressed by the representative of the Philippines on behalf of the Group of 77 and China and recalled that his country was involved, with its neighbours in the South Pacific, in TCDC activities to try to implement parts of the Barbados Programme of Action. The leaders of the South Pacific Forum had noted the measures adopted to benefit TCDC, but expressed concern that raising capital for equipment purchases would be a crucial problem, since the initial funding was beyond the capabilities of the national resources of the countries of the region. With help from sponsors the countries of the region, which were strongly committed to TCDC, could then ensure that there would be greater access to markets for the agricultural and fisheries products of the region and could become less dependent on developed countries for essential products.

15. His country intended to participate in the expansion of South-South cooperation in the region and had read the reports produced by the South Centre with great interest. It also welcomed the activities of the United Nations Volunteer programme, from which it had benefited tremendously and which was a good example of how the United Nations could facilitate the use of developing country experts in other developing countries. It therefore hoped that the programme would be expanded.

16. Mr. Horiguchi (Japan) expressed his satisfaction with the Secretary-General's report on the state of South-South cooperation (A/50/340 and Add.1) and supported his view that developing countries themselves were the prime movers behind ECDC/TCDC and that the United Nations system should be supportive, while developing new conceptual approaches when necessary. At the same time, the activities of many United Nations agencies for such purposes were financed by the developed countries and that aspect of the question should therefore not be overlooked.

17. Japan attached more importance than ever to South-South cooperation and funded activities for that purpose undertaken by such agencies as the United Nations Conference on Trade and Development (UNCTAD), UNDP and various Asian bodies. It had provided substantial support for the recent meeting of experts and welcomed the conclusions reached by them, namely that South-South cooperation was a viable mode of cooperation and that regional and interregional cooperation constituted essential components of it. The levels of development of some developing countries suggested possibilities for more innovative forms of ECDC/TCDC, such as triangular forms of cooperation, a modality in which Japan had already participated. Inadequate funds on the part of developing countries and a lack of cooperation on the part of traditional donors, however, prevented the expansion of South-South cooperation. To invigorate it Japan was considering expanding the Japan-UNDP Human Resources Development Fund. It would also be helpful if a facility for promoting South-South cooperation were established within UNDP, such as an open trust fund supported by interested parties.

18. Lastly, his delegation believed that the creative implementation of projects and activities was a far more effective means of promoting South-South cooperation than holding a United Nations conference on the subject.

19. Mr. SHRESTHA (Nepal) said that cooperation and dialogue were more than ever necessary in a world where liberalization and globalization of economic and social problems had increased and social and economic stability could not be achieved by any country's ignoring the problems of its more disadvantaged neighbours.

20. South-South cooperation was an integral element of international cooperation for development and an essential basis for economic growth. It was not, however, a substitute for North-South cooperation, but complementary to it, and it was therefore in the interests of developed countries to provide technical and financial support, since their economies were closely intertwined with those of developing countries.

21. The ever-increasing economic disparities among the developing countries themselves were a matter of concern, the worst hit being the least developed, land-locked countries. In that context the recommendations of the High-level Intergovernmental Meeting on the Mid-term Global Review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s should be implemented. Nepal, for example, with a rate of economic growth no higher than 3 to 4 per cent and with poor natural resources and a small industrial base, had to develop its human resources through education and technical training.

22. The report on new directions for TCDC should also be implemented, particularly with regard to the adoption of a more strategic focus in relation to trade and investment, debt, poverty alleviation, production and employment, macroeconomic policy coordination and aid management. Governments of developing countries should be encouraged to adopt a national TCDC policy, to strengthen national focal points and to promote triangular technical cooperation arrangements, particularly through the participation of the private sector.

23. Also with regard to trade, developing countries could strengthen their economic cooperation by implementing more effectively programmes such as the Global System of Trade Preferences among Developing Countries and the Action Programme for Economic Cooperation of the Non-Aligned Movement. Following the establishment of the World Trade Organization on the conclusion of the Uruguay Round, the least developed countries risked marginalization in the process of liberalization of the world economy. To prevent that happening the international community should implement as soon as possible the decisions of the Marrakesh Ministerial Meeting. International forums could also play a role in creating an atmosphere conducive to the growth of trade among developing countries. Nepal had ratified the Preferential Trading Arrangement of the South Asian Association for Regional Cooperation.

24. His delegation considered that the idea of convening an international conference on South-South cooperation deserved to receive increasing consensus. It welcomed the new opportunities offered by the eleventh Summit of Heads of State or Government of the Non-Aligned Movement. It also appreciated the efforts made by the Administrator of UNDP to increase the allocation of resources to TCDC in the next programming cycle.

25. Mr. YAO Wenlong (China) said that at a time when national economies were increasingly interdependent as a result of economic integration and the liberalization of international trade and investment, economic and technical cooperation were more important than ever for the developing countries.

26. Technical cooperation among developing countries (TCDC), a new type of international multilateral technical cooperation initiated by a large number of developing countries in the 1970s to mobilize their national resources for their mutual development, encouraged self-reliance, could only help to promote the establishment of a new international economic order and should therefore be strengthened. Experience also suggested that technical cooperation among developing countries should be closely linked with economic cooperation among developing countries (ECDC), with a view to facilitating the integration of the developing countries into the new world economic environment.

27. South-South cooperation, which was one of the primary objectives of the United Nations, was an important component of international development cooperation and was a catalyst for international economic growth and development. However, owing to insufficient resources, the scale of such cooperation had never reached the expected level. Although it was primarily up to the developing countries to fill those resource and technological gaps, the developed countries had an instrumental role to play. Reference should be made in that regard to the "trilateral" arrangements which some developing countries had begun to establish to finance South-South cooperation activities within the framework of their bilateral assistance projects. Although it could not replace North-South cooperation, South-South cooperation could greatly benefit the international community by strengthening the role of the developing countries in international economic activities, and his Government was prepared to join with other developing countries, with the support of the developed countries and United Nations organizations, in exploring innovative forms of cooperation on the basis of equality and mutual interest.

28. Mr. PHANIT (Thailand) said that his delegation was pleased to note that South-South cooperation had been incorporated as a priority theme in the work programme of the United Nations system, as was indicated in the report of the Secretary-General on the state of South-South cooperation (A/50/340 and Add.1).

29. His country had been an active participant in TCDC and ECDC for many years and was no longer solely a recipient, since it also provided developing countries in the Asia-Pacific region with varied types of assistance in a number of sectors: human resources development, equipment, transfers of technology, agriculture, health, education, trade and investment. Within the framework of the partnerships it had forged with its neighbours in Asia and the Pacific, his Government had opted for the modality of trilateral arrangements whereby a third country or agency supplied funding support for projects and, since such arrangements had proved cost-effective and successful, it appealed for increased participation by donor countries and international agencies.

30. With regard to ECDC, his Government had helped to establish various subregional economic cooperation zones to promote the growth of the developing countries concerned, in particular land-locked countries, by invigorating their export sector and attracting investment. With regard to financing, his Government had established an international economic development fund through which it provided soft loans to its neighbours, as well as a disaster emergency fund.

31. Moreover, South-South cooperation should not be confined to the public sector: the private sector, which was already providing such cooperation, should be encouraged to participate even further. Lastly, the objective of South-South cooperation was to help the developing countries help themselves. Accordingly, partnerships among Member States, in particular the donor countries, international organizations and the private sector, should be further strengthened and they should follow the example of Japan, whose contribution to cooperation efforts was most commendable.

32. Mr. POERNOMO (Indonesia) associated his delegation with the statement made by the representative of the Philippines on behalf of the Group of 77 and said

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that at a time of expanding globalization, deepening interdependence among countries and increasing regional integration, South-South cooperation was a key component of international cooperation for development. That explained why the High-level Committee on the Review of Technical Cooperation among Developing Countries, at its session in May and June 1995, had adopted a new strategic approach focusing on a number of high-priority areas such as trade, investment and poverty alleviation and requiring closer links between TCDC and ECDC, the expansion of the information system for technical cooperation among developing countries and the strengthening of relevant institutions.

33. Various strategic initiatives augured well for the future, in particular the Small Island Developing States Technical Assistance Programme, the Tokyo International Conference on African Development (TICAD) and the Asia-Africa Forum (Bandung) which should stimulate the more effective implementation of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. However, two requirements must be met in order to achieve that goal: adequate financing and effective institutions. There was no doubt that the new TCDC approach could be implemented only if adequate financial resources were made available. A special trust fund should be established to strengthen TCDC and ECDC. Furthermore, it was essential to strengthen the institutional capacities of the relevant United Nations bodies; in particular, the Special Unit for Technical Cooperation among Developing Countries should be given the autonomy it required in order more fully to implement the new directions and various programmes of action. At the country level, national and regional centres for the promotion of TCDC should be consolidated. To that end, his Government had established a South-South technical cooperation centre within the framework of the Non-Aligned Movement.

34. The importance of South-South cooperation had been highlighted by the convening of the Intergovernmental Meeting of Experts on South-South Cooperation among Developing Countries in May 1995 and by the many agreements, conventions and joint policies on South-South cooperation. Technical cooperation among developing countries offered substantial opportunities for exchanges among the developing countries, whose rates of growth were very diverse. However, that vast potential was far from having been fulfilled.

35. In order to move the TCDC process forward, it would be necessary to intensify regional cooperation and economic integration. The developing countries bore the primary responsibility for their own development and for expanding technical cooperation, and the South Centre played a pivotal role in that regard, as did exchanges between regional integration secretariats. Assistance from third parties such as the Special Unit of UNDP and the Division for Economic Cooperation among Developing Countries of UNCTAD should be strengthened, as should the triangular or trilateral modalities for cooperation established by a number of developed countries.

AGENDA ITEM 94: MACROECONOMIC POLICY QUESTIONS (continued)

(a) FINANCING OF DEVELOPMENT (continued) (A/C.2/50/L.6)

36. Mr. CABACTULAN (Philippines), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.2/50/L.6, entitled "Global financial

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integration: challenges and opportunities", on behalf of the Group of 77 and China. The draft resolution had been prepared as a companion resolution to the draft resolution on enhancing international cooperation towards a durable solution to the external debt problem of developing countries (A/C.2/50/L.7) and addressed private financial flows, in particular portfolio investments, which could wipe out the economic progress painstakingly achieved by the developing countries.

The meeting rose at 12.10 p.m.