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SECOND COMMITTEE  
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EXTERNAL DEBT CRISIS AND DEVELOPMENT

Tunisia\*: draft resolution

External debt crisis and development: Towards a durable  
solution of the debt problem

The General Assembly,

Reaffirming its resolutions 41/202 of 8 December 1986 on strengthened international economic co-operation aimed at resolving the external debt problem of developing countries and 42/198 of 11 December 1987 on furthering international co-operation regarding the external debt problem,

Recalling Trade and Development Board resolutions 165 (S-IX) of 11 March 1978, 1/ 222 (XVI) of 27 September 1980, 2/ and 358 (XXXV) of 5 October 1988 3/ and the relevant recommendations of the mid-term global review of

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

1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), vol. I, part two, annex I.

2/ Ibid., Thirty-fifth Session, Supplement No. 15 (A/35/15), vol. II, annex I.

3/ To be issued as Official Records of the General Assembly, Forty-third Session, Supplement No. 15 (A/43/15), vol. II, part one.

progress towards the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, 4/

Recalling the Final Act adopted by the United Nations Conference on Trade and Development at its seventh session, in particular chapter II, 5/

Recognizing that the increased debt burden and the deteriorating debt situation of developing countries continue to be the major obstacles to their economic growth and sustained development and a threat to their political stability,

Emphasizing the global impact and the political nature of the debt crisis,

Concerned at the grave social consequences of the debt problem and of the adjustment programmes in developing countries,

Deeply concerned that, despite the significant efforts and sacrifices undertaken by developing countries to deal with the debt crisis, the current international approach to solving this crisis has been neither comprehensive nor effective and has not led to the restoration of growth and development in debtor developing countries,

Recognizing that there is an urgent need to further broaden the scope and the implementation of debt reduction, including debt servicing,

Acknowledging therefore the continuing need for effective international co-operation, in particular through improvement in the international economic environment, in order to attain a durable, equitable and mutually agreed solution to the debt problem of developing countries,

Deeply concerned that the gap between debt service obligations and capacities is widening and thus that the prospect for reducing the debt burden on the development process in developing countries remains bleak,

Noting with concern that the overall loss and net transfer of real resources from developing countries especially exacerbated by the debt crisis deprives those countries of resources needed for financing their growth and development,

1. Expresses deep appreciation to the Secretary-General for his personal involvement in the search for a durable and lasting solution to the debt crisis, as well as for his opening statement on this issue;

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4/ Resolution 40/205, annex.

5/ TD/351, part one, sect. I.

2. Takes note with appreciation of the report of the Secretary-General entitled "Towards a durable solution of the debt problem", 6/ in particular the foreword to the report;
3. Stresses that the debt crisis of developing countries is global in its impact and political in its nature and consequences, with a bearing not only on relations between creditors and debtors, but also on prospects for the world community as a whole, thereby requiring concerted political action;
4. Expresses deep concern that the debt crisis remains unabated, that indebted developing countries are still unable to grow and develop and that their economic and social prospects remain bleak;
5. Also expresses deep concern that under the prevailing conditions, including the absence of a supportive international economic environment, the structural adjustment programmes, owing to their negative political, social and economic consequences, have resulted in increasing adjustment fatigue among the debtor developing countries, as well as an inability to restore economic growth and credit-worthiness;
6. Urges the international community to search for a durable, equitable and mutually agreed growth- and development-oriented solution to the debt problem of developing countries,
7. Urges the multilateral financial institutions to pursue their reassessment of conditionality, emphasizes the need for a more flexible approach, consistent with social objectives, growth and development priorities of developing countries, as well as with the conditions of the world economy, and stresses further the need to avoid cross-conditionality;
8. Reaffirms that the main priority of any debt strategy should be to ensure that debtor developing countries achieve an adequate level of growth sufficient to enable them to satisfy their social, economic and development needs, and urges all relevant parties to develop new ways and means to ensure the availability of required resources to attain such a level of growth;
9. Recognizes that a global solution to the debt problem involves, inter alia, a substantial improvement in the access of developing countries' products to developed countries' markets and in their terms of trade, as well as in their capability to increase their level of imports in accordance with their growth and development needs;
10. Welcomes the increasing acceptance of the necessity of debt reduction and calls upon developed creditor countries, relevant organs, organizations, bodies and specialized agencies of the United Nations system, as well as private banks, to broaden this concept and its implementation in order to include all types of debt

and debtor developing countries, and to translate it into policy actions with a view to reducing the stock and service of debt in accordance with the capacity of developing countries to pay and their need to grow and develop;

11. Requests the Secretary-General to continue his efforts and to engage in a broad process of high-level consultations with heads of State or Government of creditor developed countries and of concerned debtor developing countries, heads of relevant specialized agencies and chief executive offices of concerned private financing institutions, in order to contribute to a common understanding towards a solution to the debt problem of developing countries in the context of their growth and development;

12. Requests also the Secretary-General to take all other measures for the implementation of the present resolution;

13. Further requests the Secretary-General to report on the implementation of the present resolution to the General Assembly at its forty-fourth session.

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