



SECOND COMMITTEE
21st meeting
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at 11 a.m.
New York

SUMMARY RECORD OF THE 21st MEETING

Chairman: Mr. DIETZE (German Democratic Republic)

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The meeting was called to order at 12.10 p.m.

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued) (A/38/3 (Parts I and II), 57, 68, 106, 132 and Corr.1-2, 168, 186 and Corr.1, 209, 302, 303, 324, 325, 329, 425, 479, 494, 495; A/C.2/38/3, A/C.2/38/5)

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- (l) NEW AND RENEWABLE SOURCES OF ENERGY (continued) (A/38/44, 240)
- (n) NEW INTERNATIONAL HUMAN ORDER: MORAL ASPECTS OF DEVELOPMENT (continued) (A/38/360; E/1983/68 and Add.1-3; E/1983/89; A/C.2/38/L.6)

1. Mrs. SCHOO (Netherlands) said that the challenge for the period ahead was how to sustain, strengthen and extend, in a non-inflationary way, the economic recovery glimmerings of which could already be seen. For the industrialized countries, meeting that challenge would involve strengthening policies designed, inter alia, to reduce high interest rates and do away with protectionist tendencies. For the developing countries, it would require the determined pursuit of structural adjustment policies. However, developing countries could regain their development momentum only if their adjustment measures were accompanied by a more receptive environment for their exports and sufficient financing.

2. The continuing impasse affecting the global economic dialogue justified taking a critical look at existing negotiating machinery. Better identification of priority subjects and better preparation among regional groups, as well as the adoption of decisions geared towards practical solutions, would revitalize the negotiating process. At the global level, efforts should be focused on achieving a broad development policy aimed at structural improvement in the least developed and other low-income countries. Aid, trade, investment and capital-flow aspects would have to be incorporated into one framework. In the present difficult times, discussion of the possibility of changing the system was only to be expected. Her delegation would view suggestions regarding improvements with an open mind.

3. It was clear that the share of non-concessional capital would become more important for an increasing number of countries. Private direct investment was a particularly valuable source of capital, since it did not add to a country's external indebtedness. Accordingly, ways of generating and increasing new private flows should be explored, and in that respect there was a need for measures to restore and increase international confidence.

(Mrs. Schoo, Netherlands)

4. Her Government was committed to providing 1.5 per cent of its net national income for development co-operation. However, estimates of national income had proved to be over-optimistic, and the overall size of the co-operation programme had stabilized.

5. Prospects for the least developed and other low-income countries remained grim, and additional efforts would be required on their behalf. The donor community had a political and social responsibility to help those countries regain the momentum of their development process. While those countries would certainly have to take painful measures, they should also receive additional financial assistance so that they might strike a better balance between the objectives of short-term external stabilization and long-term economic growth. That could well be accomplished within the existing Bretton Woods structure through more co-operation between the International Monetary Fund and the World Bank in the area of structural adjustment financing. Given the likelihood of there being more emergencies in low-income countries, it would be extremely useful to have a contingency plan for co-ordinating multilateral and bilateral aid to individual countries experiencing acute financial problems.

6. Her delegation was increasingly impressed by the concept of round-table meetings, as initiated at the United Nations Conference on the Least Developed Countries. That concept took account of two important needs - the need for differentiation and the need for integration. Those two factors were major elements in the formulation of any future aid policy. In following up the results of the Conference, UNDP should play a leadership role in organizing round tables for countries for which no aid group existed and the Administrator should invite the World Bank to participate in such meetings, including their preparatory phase.

7. Much human and capital potential was under-utilized, partly because of lack of organization, and unused human capacity - particularly that of women - must be mobilized. The important role played by women in the economic development of their countries had yet to be sufficiently recognized, and activities designed to improve the position of women should be integrated into overall development efforts. So long as women's interests were not sufficiently integrated into overall development planning, specific women's projects would be needed, and in that connection, she paid tribute to the Voluntary Fund for the United Nations Decade for Women for its performance in improving the conditions of the poorest categories of women in the developing countries.

8. The importance of the operational activities of the United Nations system was often underestimated. Those activities should be reviewed not only from the policy level but also from the perspective of the resident co-ordinator on the spot. Accordingly, she suggested that, at the next session of the General Assembly, an in-depth discussion be held on the workings of the United Nations system in the field.

9. Mr. WILLIAMS (Executive Director of the World Food Council) drew attention to Economic and Social Council resolution 1983/71, which dealt with all the conclusions of the Council at its ninth session.

(Mr. Williams)

10. The structural imbalance in the world food economy continued to cause concern. The Council had discussed that imbalance and the risk it posed of unstable food supplies and prices in the latter part of the 1980s, and it had made specific proposals relating, inter alia, to the improvement of international co-operation regarding food, trade, production and stocking policies and the strengthening of the stocking policies of those developing countries which had expressed the desire to build up reserves.

11. Two lines of action had emerged from the Council's deliberations. First, existing instruments of international food security should be more fully supported and utilized - in other words, the agreed targets of the International Emergency Food Reserve, the Food Aid Convention and the World Food Programme should be attained. Second, increased food production and improved storage, stock building and distribution should be pursued by the developing countries within the framework of national food strategies. Accordingly, the Council had focused on progress made in the developing regions in implementing national food policies and strategies. The key to solving the food problem lay in national efforts to raise food production capacities in the developing regions. There was now a better understanding of the fact that a secure food supply was a prerequisite for development and that the path to industrialization lay through the development of food and agriculture.

12. The Council had focused on food trends and strategies in the developing regions. Asia had made tremendous progress, due in large measure to efforts in China and India. Agricultural production in the 65 low-income countries of the region had remained well ahead of population growth, and the basis for industrialization had been laid. The food strategy for Asia therefore called for the further intensification of existing efforts.

13. In Latin America, however, the economic crisis was pressing hard on the incomes of the poor. The considerable management and technical capacities of the Latin American countries must be redirected towards helping small farmers in rural areas in order to reduce dependence on food imports. In Africa, food production capacity of countries south of the Sahara had been declining for the past 20 years, and agricultural capacity as a whole had been falling for the past decade. There was therefore a need for both short-term relief and longer-term development assistance in order to reverse the long-term deterioration in production capacity. The World Food Council was deeply concerned at the situation of the African countries. Food strategies were being prepared in 30 African countries, and there were plans to hold the Council's next session in Addis Ababa in order to focus world attention on those countries. He planned to meet the heads of national and international aid agencies in order to review what could be done to support African food production strategies.

14. It was essential that the International Development Association and the International Fund for Agricultural Development should be replenished smoothly and at an adequate level. Similarly, it was essential that the target of \$1.35 billion in contributions set by the World Food Programme for the next biennium should be attained swiftly. The forthcoming tenth session of the World Food Council should be devoted to assessing the achievements of the past decade and determining what

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(Mr. Williams)

needed to be done in the future. In that connection, the Economic and Social Council had recently carried out a cross-sectoral review of the performance of international organizations in food and agriculture and had called for an assessment of the flow of resources through the United Nations system broken down by various subsectors in the food and agriculture sector.

15. Food was a sacred right and should be above national and political considerations. National efforts were the key to secure future, and food strategies must be placed in the context of the development process. The right context was one in which greater priority was given to food and less to arms. In order for food strategies to succeed in expanding the production capacity of the developing countries, resources must be provided at a level commensurate with the efforts of the countries themselves. The World Food Council was the body through which such support could be mobilized.

16. Ms. GOETSCH (Austria) said that her country took special interest in UNIDO because of the crucial importance of industrialization for development. Her delegation was concerned at the effect that the lack of available resources had on UNIDO activities and hoped that the situation would improve. She also hoped that the number of Senior Industrial Development Field Advisers could be maintained, since it would be illogical to curtail a successful programme. Austria would continue to support the operational activities of UNIDO through its voluntary contributions to the United Nations Industrial Development Fund.

17. Her delegation looked forward to the Fourth General Conference of UNIDO with interest and was actively participating in preparations in the hope that the Conference would contribute to North-South co-operation. With regard to the date and venue of the Conference, she confirmed that the Austrian Government was prepared to place the Hofburg Conference Centre at the disposal of the United Nations without charge if the General Assembly should decide to hold the Conference from 9 to 28 July 1984 at Vienna. Her country attached great importance to the conversion of UNIDO into a specialized agency and had ratified the new UNIDO Constitution.

18. The current food crisis demonstrated once again the importance of a strong agricultural sector for the survival of nations, as well as the need for effective national and international food strategies. Pending more effective international action, the World Food Council, FAO and the International Fund for Agricultural Development should co-operate as closely as possible to use limited resources as efficiently as possible.

19. Austria actively supported UNEP activities and took particular interest in the problem of air pollution and activities aimed at the development of an adequate international environment law. Methods for disposing of toxic substances and for combatting pollution across national borders should be investigated further, and the deployment and export of environmentally hazardous technologies must be controlled.

20. Preservation of the environment ultimately depended on the action of individual decision-makers; consequently, an understanding of vital environmental

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(Ms. Goetsch, Austria)

protection issues must be promoted through widespread objective public information and the inclusion of environmental protection in school curricula. In that connection, she welcomed the involvement of other United Nations agencies in the field of environmental protection with the system-wide medium-term environment programme.

21. With regard to new and renewable sources of energy, encouraging progress had been made in the implementation of the Nairobi Programme of Action. However, major investments in energy production were needed to alleviate balance-of-payments deficits and to ensure a greater equilibrium in the long term between energy supply and demand. Austria's bilateral technical assistance placed particular emphasis on non-oil energy production; Austria also supported measures designed to increase investments in energy exploration, including the establishment of an energy affiliate of the World Bank.

22. Mr. EXARCHOS (Greece), speaking on behalf of the States members of the European Economic Community, said that the Community attached great importance to the achievement of food security and supported the developing countries' efforts to achieve self-reliance in the food and agriculture sector. As a result, it allocated the largest share of its development aid to agricultural and rural development. The food situation in sub-Saharan Africa constituted a challenge to the entire international community, and EEC continue to stand ready to help alleviate that situation.

23. With regard to industrialization, he expressed support for the conversion of UNIDO into a specialized agency, although that would be possible only if the smooth functioning and financial viability of the new organization were assured. The States members of EEC attached great importance to the forthcoming Fourth General Conference of UNIDO.

24. Since industrial development was an important feature of the Lomé Convention, EEC member States wished to share their experience and enter into co-operation in that field; they were particularly interested in the industrial development of the ACP countries. However, the Community was also committed to providing assistance within the framework of the Industrial Development Decade for Africa by means of efforts to stimulate direct investment, create joint enterprises in African countries and keep European markets open to African manufactured exports. He commended UNIDO efforts to publicize the Decade in Africa and elsewhere.

25. With regard to the establishment of an international bank for industrial development, EEC felt that such an institution was not needed and would not attract additional resources.

26. The States members of EEC had always given strong support to the System of Consultations as a means of enabling developing countries to participate in exchanges of information on industrial development and maintaining the full co-operation of labour and industry. Co-ordination with other United Nations agencies and the avoidance of overlapping with those agencies in areas covered by the mandate of UNIDO were essential. Operational activities such as the Senior Industrial Development Field Adviser Programme should be financed by voluntary contributions.

(Mr. Exarchos, Greece)

27. The provision of adequate shelter was a prerequisite for sustained development and the sixth session of the Commission on Human Settlements had achieved significant results in identifying ways of providing the poor with better access to shelter. He welcomed the agreement reached by the Commission with regard to the allocation of a significant portion of the funds mobilized for the International Year of Shelter for the Homeless for demonstration projects. He expressed optimism with regard to the mobilization of voluntary contributions for the International Year and urged that efforts to that end should be encouraged.

28. The States members of the European Economic Community would continue to support all efforts to improve the social and economic development of the Palestinian people in the occupied territories. They would also co-operate in promoting environmental protection in the context of economic co-operation with developing countries.

29. He welcomed the conclusions of the first session of the Committee on the Development and Utilization of New and Renewable Sources of Energy. International co-operation in the field of energy should be strengthened, with particular emphasis placed on the needs of the least developed countries. Implementation of the Nairobi Programme of Action could help achieve those goals and in that connection he endorsed the holding of consultative meetings to promote the mobilization of additional resources.

30. Mr. JAYANAMA (Thailand) said that his Government accorded high priority to industrialization and contributed 530,000 baht to the United Nations Industrial Development Fund each year. His Government also attached high priority to the promotion of international co-operation in the peaceful uses of genetic engineering and biotechnology, especially for developing countries, and consequently believed that an international centre for genetic engineering and biotechnology should be established in a developing country.

31. His delegation regretted that the Industrial Development Board had been unable to reach a decision at its seventeenth session on the establishment of an international bank for industrial development; it nevertheless hoped that a consensus could be reached on the establishment of regional financial institutions for industrial development. He stressed the need to provide UNIDO priority activities with adequate resources for the period 1984-1985 and also the need to redevelop industry from North to South in accordance with the policies and priorities of developing countries. His delegation supported Economic and Social Council resolution 1983/70 regarding funding for the Industrial Development Decade for Africa and the maintenance of the Senior Industrial Development Field Advisers Programme. Financing for that Programme should come from voluntary contributions, while Junior Professional Officers should be appointed to posts in developing or least developed countries. The allocation of financial assistance for technical co-operation projects in developing countries should take several factors into account, not just the level of industrial development at the initial stages. Thailand had signed and ratified the new UNIDO Constitution and believed that the organization would be better equipped to meet the needs of developing countries as a specialized agency.

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(Mr. Jayanama, Thailand)

32. His delegation concurred with the conclusions and recommendations of the ninth session of the World Food Council, as well as with the FAO assessment of the current world situation with regard to food and agriculture. As a developing country that depended on export earnings from agricultural products and raw materials for the financing of its development programmes, Thailand was particularly concerned that commodity prices had recently plunged to their lowest level in more than 30 years. The adoption of protectionist measures by the industrialized countries worsened the economic plight of developing countries and hampered a global economic recovery. Furthermore, too little attention had been paid to the impact of trade barriers on the problems of hunger and malnutrition in the world at large. A mechanism should be established to make it easier for international agencies and developed countries with a food deficit to make purchases for food-aid purposes from developing nations registering a food surplus but unable to afford their own bilateral food aid programmes. In that connection, his delegation welcomed the recommendation of the World Food Council that greater flexibility should be exercised in the distribution of food aid to Africa.

33. While Thailand had received technical assistance from a number of United Nations agencies, it had also contributed for many years to various relief efforts. Humanitarian assistance, including food aid, had been provided to large numbers of Indochinese refugees in Thailand and displaced civilians along the Thai-Kampuchean border. He called upon the international community, and especially donor countries, to provide generous assistance to those African countries suffering from food shortages as a result of drought and poor harvests. However, since food aid was only a temporary relief to the perennial problems of starvation and food shortages, measures must be taken at the production, distribution and storage level.

34. The deterioration of the environment affected the social and economic development of all nations, and the activities of UNEP had been of great benefit to the developing countries. The Thai Government had therefore pledged \$10,000 per year to UNEP for the five-year period beginning in 1983. The Thai Government was also an active participant in regional and subregional environmental programmes; he therefore hoped that the international community and UNEP would extend their full co-operation to protect the environment in Asia and the Pacific.

35. Human settlements activities were important to the promotion of national economic and social development and to the enhancement of the quality of life of the poor, particularly in developing countries. His delegation had therefore endorsed the proclamation of the International Year of Shelter for the Homeless and had pledged \$1,000 for the Year. It had also endorsed the recommendations of the sixth session of the Commission on Human Settlements regarding activities at the national level and the submission of regular progress reports on those activities to the Commission. Emphasis had rightly been placed on the role of youth in human settlements, since young people in developing countries constituted the overwhelming majority of urban immigrants.

36. On the subject of energy, recent adjustments in oil prices did not diminish the need for lasting and stable solutions to energy problems. He called for the promotion of a dialogue between oil producers and consumers and the encouragement

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(Mr. Jayanama, Thailand)

of energy investment, exploration and development and the growth of indigenous energy production in developing countries. Sustained mobilization of international financial resources was required to assist developing countries in their efforts to harness domestic sources of energy. He supported the establishment of an energy affiliate of the World Bank and called for the prompt implementation of the Nairobi Programme of Action. His delegation endorsed the conclusions and recommendations of the Committee on the Development and Utilization of New and Renewable Sources of Energy on guidelines for action-oriented plans and programmes, which were largely consistent with Thailand's national energy development plan. He also supported the Committee's recommendations regarding the mobilization of financial resources and inter-agency co-ordination within the United Nations system. The regional commissions should be provided with additional financial resources to enable them to promote co-operation and pre-investment studies.

37. In conclusion, he drew attention to the proposal by the Philippine Government with regard to the declaration of a new international human order. He found that initiative to be of interest and had referred the matter to his Government for further consideration.

The meeting rose at 1.20 p.m.