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ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1989
Agenda item 7 (f)

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: ENVIRONMENT

Progress made towards sustainable and environmentally sound development

Addendum

Report submitted by the United Nations Conference
on Trade and Development

* A/44/150.

SUSTAINABLE DEVELOPMENT

Contribution of the United Nations Conference on Trade and Development

1. Pursuant to the relevant provisions of General Assembly resolutions 42/186 and 42/187, an item entitled "UNCTAD's contribution, within its mandate, to sustainable development in accordance with General Assembly resolution 42/187 and to the follow-up of General Assembly resolution 42/186 and ECOSOC resolution 1988/69" was inscribed on the agenda for the second part of the thirty-fifth session of the Trade and Development Board.
2. For its consideration of this item, the Board had before it a note giving a brief description of past work undertaken by UNCTAD in environment-related fields, together with an outline of proposed future activities. The content of that note is annexed hereto (Annex I).
3. At its 751st meeting on 22 March 1989, the Board adopted the following decision:

Decision 370 (XXXV)

"UNCTAD's contribution, within its mandate, to sustainable development in accordance with General Assembly resolution 42/187 and to the follow-up of General Assembly resolution 42/186 and ECOSOC resolution 1988/69"

The Trade and Development Board,

1. Decides to transmit to the General Assembly at its forty-fourth session, through the Economic and Social Council, in response to paragraph 18 of General Assembly resolution 42/187, the annexed agreed conclusions, together with the relevant section of its report on the second part of its thirty-fifth session;
2. Requests the Secretary-General of UNCTAD to convey them also to the Executive Director of the United Nations Environment Programme, for submission to the Governing Council of UNEP at its next regular session.

751st meeting
22 March 1989

ANNEX

Agreed conclusions

1. Requests the Secretary-General of UNCTAD to make an analysis for the first part of the thirty-seventh session of the Trade and Development Board, on the interface between sustainable development and the main lines of UNCTAD activities within its mandate;

2. Agrees to consider, in the light of the analysis referred to above, such follow-up action by the Board as may be required on the relevant provisions of General Assembly resolutions 42/186, 42/187 and WCOSOC resolution 1988/69;

3. Also requests the Secretary-General of UNCTAD, in his preparations for the Second United Nations Conference on the Least Developed Countries in 1990, to give appropriate attention to sustainable development;

4. Further requests the Secretary-General of UNCTAD to develop proposals for technical assistance, in co-operation with the United Nations Development Programme (UNDP) and other relevant agencies, for financing by donors, and invites them to provide additional financing for this purpose;

5. Underlines that all activities referred to above should be carried out within the mandates and programmes of the organization and its subsidiary bodies, and that the general direction and priorities as set down by intergovernmental bodies in UNCTAD should be maintained."

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In compliance with paragraph 1 of the above Decision, the relevant part of the Board's report on the second part of its thirty-fifth session is also annexed hereto (Annex II).



**United Nations Conference
on Trade and Development**

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TRADE AND DEVELOPMENT BOARD
Thirty-fifth session
Second part
Geneva, 6 March 1988

**ENVIRONMENT AND DEVELOPMENT: UNCTAD'S CONTRIBUTION TO THE
FOLLOW-UP OF GENERAL ASSEMBLY RESOLUTIONS 42/186 and 42/187**

Note by the UNCTAD secretariat

1. The General Assembly at its forty-second session adopted two resolutions on environment and development, both of which require an active response by the organs, organizations and programmes of the United Nations, including UNCTAD. Resolution 42/186 presents the *Environmental Perspective to the Year 2000 and Beyond*; resolution 42/187 expresses the response of the General Assembly to the report of the World Commission on Environment and Development, *Our Common Future*. The report and the *Environmental Perspective to the Year 2000 and Beyond* have given a better focus and new vigour to environmental concerns.

2. The adoption of resolutions 42/186 and 42/187 concerning these major documents has enshrined sustainable development as an aspiration of the international community. UNCTAD VII had foreshadowed these General Assembly resolutions. The Final Act states, in paragraph 21:

Close interlinkages have also become apparent between the economy, population and the natural environment. The degradation of this environment associated with persistent poverty is being further worsened by the financial pressures on developing countries, which have led to the over-exploitation of natural resources and reductions in environmental programmes. Recognition is, however, growing that such degradation can be halted and reversed only by ecologically sustainable growth and by integrating environmental factors in development programmes.

3. Thus, "in the light of the foregoing considerations, the Conference reached a broad understanding on the need for all countries to implement national and international policy measures to improve the environment for accelerated and sustainable development".¹

¹ Final Act of UNCTAD VII, para. 30.

4. Both *Our Common Future*² and the *Environmental Perspective*³ rest on the concept of sustainable development; General Assembly resolution 42/187 states that it is imperative to provide for sustainable development.⁴ *Our Common Future* defines this as follows:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.⁵

5. *Our Common Future* further states that "meeting essential needs depends in part on achieving full growth potential, and sustainable development clearly requires economic growth in places where such needs are not being met. Elsewhere, it can be consistent with economic growth, provided the content of growth reflects the broad principles of sustainability and non-exploitation of others".⁶

6. The sustainable development approach has the great merit of placing sound environmental management squarely in the context of growth and development lucidly perceived. Indeed, it stresses that mass poverty is often at the root of environmental degradation; its elimination is essential for sustained environmental improvement.⁷ It is precisely by designing strategies for economic growth to meet the needs of the poor that environmental degradation, so largely caused by poverty, can best be reversed. In other words, the protection of the environment should not be used as a pretext to place further obstacles in the way of developing countries striving to improve the conditions of life of their people. Environmental regulations can constitute obstacles to trade. The environmental justification for such measures needs in some cases to be carefully checked to ensure that they relate to an actual danger. More fundamentally, environmentalists in developed countries may project their local concern onto developing countries, e.g., their desire to preserve scenic beauty. The result may be to deny a livelihood to the poorest and weakest sections of the community concerned. The cases in which indigenous communities have expressed their opposition to the transformation of the land on which they have traditionally lived into national parks illustrate this problem. Environmental considerations should not be the source of a new conditionality which, by aggravating poverty, may well worsen the environment.

7. Especially in response to Conference resolution 47 (III), UNCTAD has made substantial contributions to the work of the United Nations on the relationship between environment and development. These contributions have explored the issues in economic theory raised by including environmental considerations in the social evaluation and pricing of natural resources, and the design of evaluation techniques needed in consequence; the actual process of price formation for natural resources, with particular attention to the means of reflecting environmental considerations in actual prices or extraction policies; and the impact of environmental issues on the foreign trade strategies of developing countries. This work has proved seminal in its field. A final report, summarizing the results of this series of research projects, was issued in 1982.⁸

8. Since then, resource constraints have limited the work on environment and development in UNCTAD. Nonetheless, environmental considerations have continued to be present, explicitly and implicitly, in its research work and its reports and documents. The secretariat's work on technology takes appropriate account of the environmental aspects.⁹ Reference can also be made to work on risk management.

9. The Substantial New Programme of Action for the 1980s for the Least Developed Countries¹⁰ calls for action on a number of environmental issues. The UNCTAD secretariat, as part of its responsibility for global monitoring of the implementation of the SNPA, has regularly

² A/42/427, annex.

³ General Assembly resolution 42/186, annex.

⁴ Para. 3.

⁵ *Our Common Future*, 2.1.

⁶ *Our Common Future*, 2.6.

⁷ *Environmental Perspective*, 3(c).

⁸ *Resources, environment and foreign trade, UNCTAD/LDC/43*.

⁹ See, for instance, *Technology issues in the energy sector of developing countries: the performance of the power sector in developing countries* (UNCTAD TT/87, November 1987).

¹⁰ Adopted by the United Nations Conference on the Least Developed Countries, Paris, September 1981.

referred to environmental issues in its annual reports on the least developed countries. Environmental issues affecting island developing countries have been discussed in particular in the report (UNCTAD/LDC/Misc.17) prepared by the Special Programme for the meeting of the Group of Experts on Island Developing Countries, held in Malta on 24-25 May 1983. In response to Conference resolution 151 (VI), the UNCTAD secretariat prepared a report on "*The drought and the external trade of the countries members of the Permanent Inter-State Committee on Drought Control in the Sahael*" (CILSS),¹¹ seven out of nine being LDCs. Similarly, in response to Board decision 328(XXXII), the secretariat prepared a report on "*The drought and the external trade of the countries members of the Intergovernmental Authority on Drought and Development*" (IGADD),¹² five out of six being LDCs. This latter report was also a contribution to the implementation of General Assembly resolutions 42/188 and 42/189 ("Countries stricken by desertification and drought in Africa" and "Plan of action to combat desertification").

10. The General Assembly has called on international institutions to integrate the objectives of sustainable development into their policies, budgets and staffing strategies.¹³ As the foregoing shows, with respect to UNCTAD this has not just been a matter of establishing separate programmes on environmental issues; it involves absorbing the objectives of sustainable development into its basic attitudes towards development. The UNCTAD secretariat intends in the future too not to isolate these issues, but to promote work on sustainable development wherever relevant within the secretariat's mainstream activities. A representative of UNCTAD participates in the meetings of Designated Officials on Environmental Matters, convened by UNEP, as well as a variety of inter-agency groups concerning environmental issues.

11. Beyond this general orientation, General Assembly resolution 42/186 calls for work on some specific issues within UNCTAD's mandate. Furthermore, para. 16.16(i) of the UNCTAD section of the United Nations Medium-Term plan for 1984-1989 as revised in 1988 states as an intergovernmental objective of the sub-programme on the interrelationships among trade, development, money and finance contribution to the implementation of the international development strategy "to review, within the mandate of UNCTAD, its contribution to sustainable development in accordance with General Assembly resolution 42/187".

12. General Assembly resolution 42/186 refers in particular to the environmental implications of equitable commodity prices and underlines the importance of proper environmental management where commodity trade is involved.¹⁴ The resolution also points out that the debt burden, with its pressures to earn foreign exchange quickly and the particular forms of adjustment imposed on the national economies of debtor countries, endangers sustainable development.¹⁵ *The Environmental Perspective* further invites UNCTAD to pay specific attention to non-tariff measures which purport to respond to environmental considerations, so as to avert the risk that such measures be used for protectionist purposes.

13. In the context described in the foregoing paragraphs, UNCTAD proposes to undertake activities in the following fields in particular within available regular budget resources and with extra-budgetary financial support as appropriate.

Commodities

14. General Assembly resolution 42/186 states that:

68(a)... correcting the deteriorating terms of trade and stabilizing international commodity prices at equitable levels, through international commodity agreements (for example, the Integrated Programme for Commodities), in conjunction with appropriate environmental management practices in the producing countries, should play an important role in this regard.

15. This paragraph recognizes that there is a link between international action to bring about stable and equitable commodity prices and appropriate national environmental management

¹¹ TD/B/i.082, 19 December 1985.

¹² TD/B/1180, 8 July 1988.

¹³ *Environmental Perspective*, para.113.

¹⁴ *Environmental Perspective*, paras. 25(e), 63, 68(a), (g).

¹⁵ *Environmental Perspective*, para.65.

practices in producing countries. The above paragraph needs to be read in conjunction with paragraphs 63 and 25(e) and (w), which raise other issues falling within UNCTAD's competence.

63. Long-term declines in commodity prices, coupled with their inequity and instability, have adversely affected environmental management of natural resources. Neither do these prices fully reflect the environmental costs of depletion of the resource base. Good quality land, fish and other natural resources are being overworked and tropical forests are being encroached upon in order to achieve additional income. Substitution of export crops in place of subsistence crops has displaced small farmers and pastoralists from good quality land and has led to excessive pressures on marginal land and natural resources.

25(e) Governments should ascertain direct and indirect environmental impacts of alternative crop, forestry and land use patterns ... trade policies should be based on such environmental assessments.

25(w) International agreements should be concluded in respect of agricultural price policies with a view to minimizing waste and mismanagement of food and natural resources in agriculture. Such agreements should aim at bringing about an international division of labour in agriculture in conformity with the long-term capabilities of countries in agricultural production.

16. Taking into account the above paragraphs of the General Assembly resolution 42/186, it would seem desirable that UNCTAD should identify the precise environmental considerations associated with trade in commodities, including the implications of resource exploitation and depletion and examine the conceptual issues involved in reflecting them in commodity prices or otherwise incorporating them among policy variables, in order to propose means of addressing them through improved international co-operation, including through appropriate provisions in international commodity agreements or arrangements.

17. In this context, priority consideration should be given to tropical timber. The conceptual issues can be identified relatively easily with respect to timber, with its long life cycle; indeed important parts of economic theory have in the past been built on the study of timber. The externalities and who bears their costs, in short the conflicts of interest, are well-documented with respect to tropical forests. The issues are not only of local concern (forest-dwellers vs. forest clearers), but also national (the priority given to foreign exchange receipts in national economic policy affects the role of deforestation), regional (deforestation upstream leads to flooding and silting downstream) and global (given the role of the tropical forests in global climate and the contribution of forest-burning to the "greenhouse effect"). The International Tropical Timber Agreement (ITTA), negotiated under UNCTAD auspices, takes explicit account of the environmental implications of the exploitation of tropical timber.

18. UNCTAD could undertake an analysis of the possible charges on tropical timber imports/exports to provide finance for the effective implementation of environmental programmes, in the light of the existing mandate of the International Tropical Timber Organization (ITTO) to deal with environmental aspects and proposals currently being made in the context of the operation of the International Tropical Timber Agreement (ITTA) and its eventual renegotiation under UNCTAD auspices and the increasing concern of the international community about the environmental effects of the diminishing size of the tropical rain forests.

Environment-related trade issues

19. Environmental standards and regulations governing imports may sometimes constitute non-tariff barriers to trade. *The Environment's Perspective* states in this regard:

68 (b) Environmentally related regulations and standards should not be used for protectionist purposes... UNCTAD should make available information on such regulations and standards as they apply to commodities and manufactured products.

The extent to which environment-related trade measures hinder market access for exports, in particular of developing countries, and the possible action by the affected countries to offset the negative effects on trade of these measures, could be the subject of a study to be carried out by the secretariat. This study would involve the examination of the environment-related policies, legislation and regulations in the main markets for developing country exports so that specific products and sectors to which the relevant measures apply could be identified. In this connection the Trade Control Measures Information System of UNCTAD has provided for separate codes for entering

the appropriate measures at the product-specific level in its inventory of non-tariff measures. Although in most cases these measures may be taken on the basis of legitimate environmental protection considerations, a close examination of the regulations, together with other parameters regarding the product situation (e.g. trade, production, consumption), may give some insight into the inhibiting effects of these measures to trade. Systematic collection and compilation of information on environment-related trade regulations would help to monitor actions in this field, including introduction or removal of the measures or changes in their application.

Environment and disasters in the Least Developed Countries

20. UNCTAD's annual reports on the least developed countries usually contain a short section on recent developments in, and policies pursued by, these countries with respect to environment and natural disasters. The question of environmental deterioration in LDCs, and of remedial and preventive measures in this regards, is likely to loom large in the preparatory work for the second United Nations Conference on the LDCs, to be held in 1990, and in the Conference itself.

21. In September 1988 the Trade and Development Board adopted decision 362 (XXXV) on floods and cyclones on the development and growth of developing countries. That decision, *inter alia*, requests the UNCTAD secretariat, upon request and within its area of competence, to examine and study the impact of floods and cyclones on the growth and development of affected countries, in particular the LDCs, and to identify requirements for the resumption and maintenance of sustained growth and development therein. Work by UNCTAD in this regard would be undertaken in co-ordination with other relevant organizations, including UNDRO.

22. Moreover, UNCTAD could also contribute to the gathering of information and the formulation of relevant policy measures able to limit the extent of damages resulting from unavoidable natural disasters.

ANNEX II

Extract from the report of the Trade and Development Board on
the second part of its thirty-fifth session

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Chapter II

OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

UNCTAD's contribution, within its mandate, to sustainable development
in accordance with General Assembly resolution 42/187 and to the
follow-up of General Assembly resolution 42/186 and ECOSOC
resolution 1988/69
(agenda item 7 (a))

The Director, Co-ordinator of the Resources for Development Programme, stated that document TD/B/1199 was a first attempt to integrate objectives on sustainable development in the secretariat's work programme in response to the two resolutions on environment and development adopted by the General Assembly at its forty-second session. It identified three areas in which the secretariat felt it could contribute to international understanding of the concept of sustainable development: commodities; environment-related trade issues and environmental problems; and disasters in the least developed countries. The secretariat's proposals concerned specific topics clearly falling within UNCTAD's mandate and responded to specific references in the General Assembly resolutions. They also reflected the secretariat's severe resource constraints.

The spokesman for Group B (Denmark) stated that environmental problems, neglected in the past, were still not adequately dealt with. International concern about a deteriorating environment had increased in the past few years and led to the inclusion of environmental problems in the political agenda of the international community.

The objectives for environment and development policies should include securing growth and alleviating poverty on a sustainable basis and responsibility for achieving them rested with developed and developing countries alike. Group B acknowledged the increasing efforts of the United Nations organs and organizations, in particular the UNEP towards finding solutions to environmental problems and agreed with the Secretary-General of UNCTAD that the contribution of UNCTAD should be seen essentially as a work programme matter. The objectives of sustainable development should be incorporated in UNCTAD's basic approach towards trade and development issues.

The States members of Group B believed that the Secretary-General of UNCTAD should: (a) analyse how sustainable development affected trade and development issues and how the objectives of sustainable development could be integrated into the structural reform process in developed and in developing countries; (b) initiate preparations for UNCTAD's contribution to the preparatory process for the 1992 conference as envisaged in General Assembly resolution 43/196; (c) in the preparations for the Second Conference on the Least Developed Countries give appropriate attention to sustainable development and prepare a study on sustainable and environmentally sound development in the least developed countries with a view to identifying factors that could strengthen their medium- and long-term economic planning and risk-management capabilities; and (d) development proposals for technical assistance in co-operation with UNDP and other relevant agencies for financing by UNDP and other donors.

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Furthermore, the Board and main Committees should review and examine the follow-up in UNCTAD to these questions. The Committee on Commodities should, within its mandate, analyse the objective of sustainable development in relation to commodities and trade therein, and take into consideration the need to implement measures to safeguard the environment, and the Committee on the Transfer of Technology should, within its mandate, examine the question of transfer of environment technology and the need for technical assistance in order to promote the development of technology conducive to long-term sustainable development.

Finally, Group B hoped that discussions at the current session would contribute to establishing practical and explicit guidelines for UNCTAD's future work on sustainable development.

The representative of Poland stated that the idea of ecodevelopment, launched by the United Nations Environment Programme in the aftermath of the United Nations Conference on the Human Environment, which had initially had negative connotations had since become widely accepted. Recalling General Assembly resolution 42/186, he strongly supported the environment-oriented approaches to the problem of indebtedness of developing and of other heavily indebted countries. UNCTAD, at an early stage, had elaborated a research programme on the interrelated problems of trade and development in an environmental perspective. This work should be pursued further.

He agreed that UNCTAD's contribution to the implementation of General Assembly resolutions 42/186 and 42/187 should focus on commodities, environment-related trade issues, environment and disasters in the least developed countries. Work by the secretariat on environmental standards and regulations governing imports as potential non-tariff barriers to trade would involve greater use of the Trade Control Measures Information System of UNCTAD. It should be carried out in co-operation with GATT. Moreover, in view of the challenge of profound transformation in the productive structure and in the patterns of development, UNCTAD should include in its future work research on interrelated ecostructural problems.

He emphasized that the new Polish Government was particularly concerned with the problems of international transfer of environmental technology and environmental protection within the broader context of ecological security and recalled the proposal by his Government at the fourteenth session of the UNEP Governing Council on the "Environmental Protection Decade 1991-2000" as well as the proposal made by Wojciech Jaruzelski during the fortieth session of the General Assembly on unhindered international environmental technology transfer.

The representative of China stated that his Government had always attached great importance to environmental problems especially when drawing up its economic development plans. A sound natural environment was the common heritage of mankind and its protection was incumbent upon each and every State. Poverty was the most important cause of environmental deterioration and its aggravation could generate further environmental deterioration.

UNCTAD had done useful work on environment and development in the past, but it should do more. Within its mandate, it should pay attention to environmental issues with respect to commodities, debt and the least developed countries. It should pay special attention to non-tariff measures used as pretexts for protectionist purposes and attempt to collect information systematically on environment-related trade issues.

In the common interest and to secure the sustainable development of all countries, especially that of the developing countries, the international community should pay full attention to the interrelationship of factors such as industrial production, population, resource flows, debt, the gap between the rich and the poor, with environmental issues and sustainable development. The developed countries should provide assistance to the developing countries and alleviate the difficulties they had in finding solutions to their already heavy environmental problems. In doing so, the developed countries should take into account the effects of their investment operations on the natural environment of developing countries. In this regard, the practice of "debt for nature swaps" was emerging in Latin America. Furthermore, it was reported that a new item on debt and environmental issues would be included for the first time in the agenda of the summit of seven leading industrial countries this year. In view of the latest positive developments, China hoped that the issue of environment and sustainable development would gather momentum.

The representative of Spain, speaking on behalf of the European Economic Community and its member States, fully supported the comments by the spokesman for Group B and the Secretary-General of UNCTAD on sustainable development. The Community agreed that UNCTAD's future work on aspects of sustainable development should be so elaborated as to contribute to achieving the objectives of existing UNCTAD programmes and be integrated within those programmes.

The Community and its member States attached great importance to environmental questions on not only a European but also a global basis. Part 3 of the Treaty constituting the Community had been expanded, pursuant to the European Single Act, by the introduction of a Title VII, "Environment". This specified that the action of the Community concerning the environment should preserve, protect and improve the quality of the environment; contribute to the protection of human health and ensure the prudent and rational utilization of natural resources. The requirement of environmental protection must be a component of the other policies of the Community.

On 2 March 1989 the European Council of Ministers of the Environment had decided to eliminate the production and consumption of CFCs by the end of the century. This should take place in two stages, the first being elimination of at least 85 per cent in the shortest possible time. The Community was, in this respect, in favour of the revision of the Montreal Protocol on Substances that Deplete the Ozone Layer (the 12 member States of the Community and the European Commission were among the 34 Parties which ratified this Protocol), which stipulated a reduction of only 50 per cent of production of CFCs by the year 2000. On 7 March last the "Saving the Ozone Layer" Conference agreed that the Montreal Protocol should be revised and that ways of helping developing countries to eliminate the production and consumption of chlorofluorocarbons should be a major feature of this revision. The Chairman of the Conference had noted that constructive ideas had been put forward for helping developing countries in the aforementioned task in a way that would not jeopardize their economic growth. Reference was also made to the Declaration on the Environment made at the European Council of Rhodes (2-3 December 1988).

Since the coming into force of the European Single Act, environment had been considered as an integral part of all Community policies and, during the ongoing Lomé negotiations, the wish had been expressed by all Parties to see environmental concerns figure more largely in Lomé IV.

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The Community, being well aware of the connection between natural disasters, bad environmental practices and lack of development in the least developed countries, had set up the Programme against Desertification and the Emergency Aid Funds. A study on that subject carried out by UNCTAD, in co-operation with other United Nations lead agencies, could be most useful. UNCTAD could also make a contribution to the attainment of the objective and goals of General Assembly resolution 42/169 designating the 1990s as the international decade for natural disaster reduction.

The representative of the United Republic of Tanzania found it disconcerting that agenda item 7 (a) had been excised from item 2 (b) and taken up as a separate item when the two items were so closely related.

His Government fully shared the concerns of the international community about environmental pollution and degradation and was determined to do everything it could to preserve and improve the natural environment, within the limited resources available to a country with a per capita income of 80 US cents per day.

He asked whether any assessment had been made of the additional resources needed to redress environmental pollution and to ensure that environmental conservation became a sustained element in all modes of production of goods and services. More important, his delegation was really apprehensive as to how these additional resources were to be secured. Presumably in the industrialized countries the market would provide them through a corresponding adjustment in prices. As commodity dependent countries would remain at the mercy of market fluctuations and exposed to deteriorating terms of trade, the burden of safeguarding the environment globally would inevitably fall on them.

As regards their domestic economy, they would be obliged to contend with the cruel dilemma of having to secure energy for immediate survival and strive simultaneously to secure a life-supporting system for the future through the preservation of trees and forests. In the meantime, their coastlines became increasingly polluted as a consequence of indiscriminate discharging of garbage by ships plying their waters. When they clamoured for redress, the shipping companies threatened to withdraw or raise freight rates. What followed inevitably was a rise in import prices and a fall in export earnings. Whether in respect of trade in goods or services, transferring the burden to the poor remained possible through a wide range of products and services.

The spokesman for Group D (USSR) stated that recent years had witnessed an unprecedented increase of interdependence of countries, the appearance of new technology, a break-up of traditional structures of the world economy and the occurrence of a new stage of internationalization. The world had now to adjust to the idea of increasing ecological interdependence. Awareness of the fact that industrialization carried out in traditional ways could lead to ecological disasters and that environmental problems could have a serious impact on international security, strongly contributed to the concern for the future of humanity. The world was now facing the problem of so-called "ecological refugees": desertification and deforestation processes had generated massive populations movements.

The Group D countries were aware of the existence of a real threat to development. The international community should co-ordinate its efforts to preserve the planet's basic resources. Combating ecological problems required a change in the traditional ways of thinking and modes of operation. A new political thinking should materialize. In this context, one had to consider General Assembly resolutions 42/186, 42/187 and ECOSOC resolution 1988/69 as well as the document of the States Parties to the Warsaw Treaty, "The impact of the arms race on the natural environment and other aspects of ecological security". President M. Gorbachev, addressing the forty-third session of the General Assembly, had advocated increasing the role of the United Nations in organizing a collective defence against ecological threats and elaborating international machinery to solve environmental problems. UNCTAD, within its mandate, should contribute to the examination of the relationship between environment and development. Group D broadly agreed with the conclusions in document TD/B/1199, and welcomed UNCTAD's contribution to environmental issues in particular as it concerned preparations for the 1990 LDC Conference. It should contribute actively to the preparation of the forthcoming 1992 Conference on environmental problems. Additional resources for the promotion of the environment could be drawn from resources released as a consequence of the disarmament process.

The representative of Canada fully shared the views of the spokesman for Group B and stressed that the ongoing limitations of the development process, coupled with the increasing level of environmental degradation could not be allowed to continue. Canada had long been particularly concerned with the relationship between environment and economic development. As it occupied the second largest national land mass of the globe and had the longest coast, bordering on three oceans, his country was one of the primary supporters of the upcoming 1992 Conference on Environment and Development, which would be a landmark for the international community on environmental issues.

Canada was active on a number of other fronts namely, the Toronto Conference on the Changing Atmosphere, the Montreal Protocol on Ozone and the very recent Ottawa meeting of Legal and Policy Experts on Atmospheric Issues, which all further advanced international deliberations on sustainable development. In this connection, Canada fully supported the Brundtland Commission Report. The notion of sustainable development could no longer be considered simply as a concept but must be integrated into the priorities of all nations and must become an essential factor in their decision-making process, whatever their level of development. In order to accomplish this objective, every attempt should be made in the present session to guide UNCTAD in its future work in this area.

The representative of Norway speaking on behalf of the Nordic countries, (Denmark, Finland, Sweden and Norway), endorsed the views expressed by Group B and stated that the Nordic countries expected UNCTAD to do its utmost to contribute to sustainable development. This objective should be seen by all countries, and not least the developing ones, as a vehicle for obtaining economic growth and alleviating poverty on a sustained basis.

The UNCTAD contribution to the follow-up of the General Assembly resolutions on environment and development should be wider than the one presented in document TD/B/1199. UNCTAD should endeavour to clarify how sustainable development could be incorporated into its basic approach towards development issues, and identify possible constraints and corrective measures to be carried out at the national, regional and international levels. Consequently, as stated by the Secretary-General of UNCTAD, a work programme for, and an intergovernmental direction to, the future work of UNCTAD in this area would need to be elaborated at the current Board.

The Nordic countries were of the view that the intergovernmental machinery of UNCTAD should not fail to make its contribution in addressing specific items in the area of sustainable development where the competence of UNCTAD was internationally recognized and appreciated. If this opportunity was missed, UNCTAD might not get another chance to become involved in what will be a priority on the agenda of future international deliberations.

The representative of Austria stated that, while agreeing with the Secretary-General's evaluation of the superior merits of the concept of sustainable development, two essential aspects should not be overlooked: the unpredictability of development and the avoidable costs of development.

Development and its environmental consequences were not foreseeable. Nobody was able to predict phenomena like acid rain or the depletion of the ozone layer and their causes and consequences were still unknown. This meant that instruments of prediction, while important, should be accompanied by instruments which permitted rapid and efficient measures to remedy damaging environmental effects before they reach greater proportions. The second point led to the consideration that since not all countries were progressing at the same pace, but rather entering phases of their development at different times, those lagging behind should try to avoid the negative effects which have been seen to be connected with certain technologies. They should spare their populations the impact of such mistakes rather than yield to the temptation of merely imitating more advanced countries. Somebody entering a particular area of development would have to choose among the available technologies. This choice therefore should be made in full consideration of the known risks and dangers involved.

These remarks, of a speculative nature, could certainly be questioned in various ways. However, the delegation of Austria hoped they would provide additional food for thought in a discussion considered inevitable given the common needs and concerns of mankind.

At the 746th meeting, the spokesman for Group B (Denmark) introduced draft resolution TD/B/L.854 entitled "UNCTAD's contribution to sustainable development".

The representative of Austria, replying to the representative of Nicaragua, who had asked him to elaborate on the concept of "avoidable development", stated that countries which entered stages of development later than others were able to choose among various technologies and were therefore in an advantageous position.

"Avoidable development" could be defined as all development that lead in a direction contrary to a society's system of values. The concept of "sustainable development" could not be limited to ecological considerations but should include factors such as the form of social organization, cultural traditions, religious and philosophical beliefs and even simple habits of eating, dressing and dwelling. Thus, pushing development in a direction which neglected these factors could entail the collapse of the entire social order or, at least, its unsatisfactory performance. While mankind had shown a remarkable ability to adjust to changes in its natural environment, it had at the same time been extremely resistant to imposed systems of social organization. Hence, development required one basic ingredient, namely freedom. Development, in order to be sustainable over a long period of time, has to be widely accepted by people.

The spokesman for the Group of 77 (Guatemala) stated that, although the concept of "sustainable development" was enshrined as an aspiration of the international community in its entirety by the resolutions of the General Assembly and the Economic and Social Council, the specialized body within the United Nations system which was entrusted with the primary responsibility of dealing with environmental issues was the United Nations Environment Programme. Therefore, while respecting the call of General Assembly resolutions 42/186 and 42/187, UNCTAD should not undertake activities in the field of environment which would duplicate or dilute the focus of various bodies, or dissipate the limited resources of the United Nations. The primary role of UNCTAD was its central mandate in the areas of trade and overall economic development which was of paramount concern to the Group of 77.

Developing countries were equally concerned and conscious of the need to protect, improve, and preserve the national environments. Efforts were being made, notwithstanding the adverse economic environment. The primary responsibility for environmental degradation should be placed in the developed countries, which had generated the bulk of world environmental problems. He recalled that the Prime Minister of the United Kingdom had said at the International Conference on the Ozone Layer that "it would be intolerable for the countries that had already industrialized and have caused the greater part of the problems to expect others to pay the price in terms of their people's hopes and well-being".

The principal factors hampering the efforts of developing countries to protect their natural resources and environment were the unprecedented problems of debt overhang, negative transfer of resources, falling export earnings, scarcity of resources and constraints in acquiring and expanding technological capabilities. The developing countries were already in a tight-bind of conditionalities and cross-conditionalities from multilateral agencies and creditor countries. They had accepted rigorous structural and policy adjustments at great social and economic cost. Any new, overriding conditionality in the name of environment would cripple their already stretched capacities to secure much needed development resources. International co-operation therefore should not lead to a new conditionality that established linkages between development resources on one side and environmental measures on the other but should support developing countries' efforts to protect their environment according to their own national priorities and programmes.

The Group of 77 firmly believed that it was only by improving the overall situation of the world economy in a way conducive to development and growth of developing countries that the protection of the world environment would become effective. Special emphasis should be accorded to improvement of co-operation and support at international and regional levels to mitigate the impact of natural disasters, with particular attention to the problems faced by the least developed, island and land-locked developing countries.

The contribution of UNCTAD in the field of environment and development should address the following, within its mandate:

- (i) Specific issues of environmentally related policies, legislation and regulations adopted in developed countries;
- (ii) In the context of its work programme on the Least Developed Countries, the secretariat should continue its ongoing activities in relation to environment and development, specially in preparations for the Paris Conference of 1990;

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- (iii) The Secretary-General might be requested to suggest specific actions on the part of the developed countries and UNCTAD to strengthen technical co-operation with the developing countries to enable them to develop and enhance their capacity for identifying, analysing, monitoring, preventing and managing environmental problems in accordance with their national development plans, priorities and objectives, as mentioned in paragraph 15 of General Assembly resolution 42/187.
- (iv) The Secretary-General might be requested to convene a meeting annually during the Board's Sessions for specific pledges and financial commitments by industrialized countries for additional financial resources to assist developing countries with their task, as called for in paragraph 14 of General Assembly resolution 42/187;
- (v) The Secretary-General in his report to the General Assembly, in pursuance of the two resolutions, might be requested to enumerate various activities undertaken by the secretariat and which were reflected in paragraphs 7, 8 and 9 of TD/B/1199.

The representative of Lebanon stated that her country was faced with serious environmental difficulties linked to the traffic in toxic and dangerous products and wastes. Part of the international movement of toxic and dangerous products and waste was being carried out in contravention of existing national legislation and relevant international legal instruments to the detriment of the environment and public health of all countries, particularly of developing countries.

Her delegation believed that serious environmental problems arising in both developed and developing countries could not be resolved without adequate co-operation among members of the international community and that measures should be adopted in this regard. Moreover, sustainable development should not lead to any new form of "conditionality" but should be complementary to national and regional efforts in assisting developing countries to protect and preserve their environment. In this connection, duplication and overlapping of activities of United Nations bodies should be avoided.

The representative of Bangladesh stated that sustainable development embraced many interrelated issues such as indigenous resource endowments, conservation and judicious exploitation of natural resources, linkage of poverty with environmental degradation, the green revolution, use of chemical fertilizers, pesticides, herbicides, etc., export of domestically prohibited goods and dumping of hazardous wastes, impact of structural adjustment programmes, external resource flows, access to needed technologies and markets. Recurring natural disasters such as floods, cyclones, tidal bores, etc., particularly affecting the least developed countries, should be among the major concerns of the international community. Such countries had the least capacity to absorb the shock of recurring natural disasters.

The world was faced with recovering losses caused by natural disasters while continuing with an acceptable pace of development. Neither the international community nor Bangladesh could afford to see billions of dollars washed away in a matter of days, frustrating their development efforts. His delegation strongly believed that man had contributed to the perilous changes leading to ecological disasters. Scientists had predicted potential destruction of the world's entire ecological balance. If the climatological and environmental changes continued unabated, many low-lying coastal countries would go under the sea.

For Bangladesh, the floods of 1988 had been the fiercest and most frightful in living memory. Eminent experts had warned that Bangladesh might be visited by recurring floods every year because of the environmental imbalance that had already taken place. The country was a victim of global ecological catastrophes beyond its control and therefore such natural calamities should be considered as the environmental problem of the whole world. Indeed, the international community, in achieving the objectives of "sustainable development", had an essential role to play in mitigating the devastating impact of environmental catastrophes.

He agreed with the Secretary-General that environmental problems in developing countries - such as resource depletion, deforestation, soil erosion, flooding, desertification, pollution, insanitary living conditions and toxic wastes could only be solved in the context of national objectives for growth and development, not through external-imposed criteria or conditionality.

The representative of Trinidad and Tobago focused on the specific concerns of small island developing States such as Trinidad and Tobago. Recalling another General Assembly resolution - 43/189 - urging UNCTAD to "strengthen its role as the focal point for specific action at the global level in favour of island developing countries and to act as a catalyst in this regard", she emphasized that these countries possessed extremely fragile ecosystems. Trinidad and Tobago had to struggle against negative effects of environmental degradation on its economic development:... unplanned deforestation measures had ill effects on wildlife and watersheds resulting in increased flooding, depletion of fisheries, irreparable damage to coral reefs, etc. In this regard, the secretariat could promote co-operation within the region which in turn could be articulated in an international context.

Sustainable development went well beyond environmental conservation. It meant an increase in the economic costs of growth, particularly for developing countries. It brought the developing world face to face with the consequences of earlier misdirected or indifferent policies of developed countries in the course of their manipulation of environmental resources for the benefit of their own development. Developed countries were imposing upon developing countries at the same time the need for common responsibility.

In this connection, the developing countries, already confronted by high costs of development finance on international markets, by ever-increasing costs of research for and development of alternative technologies to preserve the environment, facing constantly reduced flows of concessional assistance, were highly concerned about the hidden costs of development being placed on their exports to developed countries when, under the guise of environmental conservation, the latter engage in protectionist measures leading to a further deterioration of the terms of trade.

The representative of Argentina noted that the resolutions adopted at the General Assembly's forty-second session had recognized that the disproportionate debt burden, growing protectionism in developed countries, insufficiency of financial flows to developing countries, among other factors, compromised the development possibilities for developing countries and contributed to the degradation of the environment. The solution to the deterioration of the environment was an international economic environment conducive to a faster development for the developing countries.

UNCTAD should not try to repeat the intergovernmental debate on sustainable development going on in UNEP, ECOSOC or the General Assembly. For UNCTAD, it was a work programme issue to be considered within relevant existing programmes, fundamentally in the secretariat's activities. The secretariat should not undertake work on sustainable development at the expense of existing programmes. It would therefore require additional resources, as foreseen in General Assembly resolutions 42/184, 42/187 and 43/196. UNCTAD's contribution should be restricted to its mandate and to the specific requirements in the General Assembly resolutions, in particular in resolution 42/186.

The secretariat could include detailed information on non-tariff measures of an environmental nature in its Annual Report on Protectionism and Structural Adjustment. It should continue to pay attention to the problems of sustainable development with respect to the least developed countries, in particular in the preparations for the 1990 Paris Conference. In the future, means of incorporating considerations relating to sustainable development in the context of commodities could be explored but without duplicating activities in UNEP, FAO or the different commodity organizations. Lastly, the secretariat should bear sustainable development in mind in its ongoing programmes of technical assistance. This would require additional extrabudgetary funding and should not duplicate the technical assistance provided by other components of the United Nations system.

The representative of Brazil observed that the world economic and financial situation was hardly conducive to the development of the developing countries and therefore constituted a barrier to a global solution of world environmental problems. Poor living conditions and external economic difficulties lay behind environmental problems of developing countries. Structural adjustment programmes undertaken by indebted developing countries called for ever-growing exports to generate foreign exchange and put additional pressure on their environment.

Brazil had been playing a positive and active role in the international dialogue on environmental matters and had offered to host the 1992 International Conference on the Environment. With regard to international co-operation on the environment, he mentioned that multilateral financial institutions should contribute additional resources to environmental protection programmes in developing countries and create new facilities for that purpose, without trying to introduce new conditionalities. Additional resources for the protection of the environment should be made available by the developed countries for it was they that had generated and were still generating enormous damage to the world ecological balance through disorderly patterns of consumption and misuse of resources. They should accordingly bear the costs and the main responsibility for redressing the environmental problems of today's world.

UNCTAD's work in the field of environment should concentrate on legislation and regulations adopted in developed countries on environmental grounds which might constitute a trade barrier to the exports of developing countries. The proposal in TD/B/1199, paragraph 18, had never been formally presented to the International Tropical Timber Organization, and matters within the purview of the International Tropical Timber Agreement should be discussed only within that Organization.

The representative of Tunisia observed that there was a growing tendency to associate environmental deterioration with developing countries, although the direct or indirect damage to the ecosystem by the developed countries was much more destructive and less justifiable. Environmental degradation in developing countries was often attributable to extreme poverty. Undermined by the constraints laid down by structural adjustment programmes and exorbitant debt servicing, it was not surprising that the developing countries regarded environmental problems as a low priority. Stable and remunerative commodity prices would contribute to a better environment for growth. Tunisia had already taken steps aiming to conciliate development and environment.

In no way should the protection of the environment impose new burdens on developing countries or be transformed into a new conditionality and be used as a pretext for another form of protectionism. Developed countries should assist developing countries in anticipating their ecological problems and it would be totally unacceptable that resources used for that purpose be substituted for development finance.

As for the role of UNCTAD, UNEP was the proper forum to deal with environmental matters and UNCTAD could make its contribution in the light of General Assembly resolutions 42/186 and 42/187. The proposals in document TD/B/1199 deserved careful attention. Extrabudgetary funding should be used for UNCTAD activities in this regard.

The representative of Côte d'Ivoire said that his Government was very much aware of the degradation of the environment which called into question a civilization based on the myth of economic growth.

Côte d'Ivoire had elaborated a national strategy to protect the environment over the last ten years, and fully associated itself with realistic international measures to be taken against the danger of environmental degradation. The President of Côte d'Ivoire had participated in the recent meeting of 24 heads of States and Government in the Hague. These measures should not, however, be used as a pretext for imposing new conditionality on developing countries, which would compromise their efforts to redress their economies and the future of their populations.

As indicated in the Environmental Perspective to the Year 2000 and Beyond, poverty, indebtedness and constantly falling commodity prices were major causes of environmental degradation in Third World countries. It was clear therefore that struggling against deforestation, desertification and pollution necessarily implied that concrete and urgent measures be applied to accelerate economic growth, improving remuneration for the exports of developing countries and access of their populations to resources. Market forces could not provide a suitable solution to this problem. The proposals by the UNCTAD secretariat in paragraphs 13 to 18 of document TD/B/1199 were appropriately formulated. However, attempting to add an item on the protection of the environment on the agendas of some of the main Committees of UNCTAD seemed unfortunate. The sole competent body to deal with these matters was UNFPA, pending the follow-up to the Hague meeting.

At the 750th meeting, the President, submitting a draft decision to which were annexed agreed conclusions prepared in informal consultations (TD/B(XXXV)/L.858), stated that it was his understanding, having chaired the informal consultations, that the Secretary-General of UNCTAD would make a statement in relation to the agreed conclusions and that the whole statement would go on record.

The Secretary-General of UNCTAD stated that, in the agreed conclusions in the annex to the decision, the Secretary-General of UNCTAD was requested to make an analysis on the interface between sustainable development and the main lines of UNCTAD activities within its mandate. As the Board's discussions had shown, this was a complex and multifaceted task. In carrying out the work involved, he would take into account the impact of the external economic environment on sustainable development.

The spokesman for Group B (Denmark), noting the statement by the Secretary-General of UNCTAD, requested to have in the records of the meeting Group B's continued opinion that, in considering sustainable development, full weight must be given to both national policies and to the external economic environment.

At the 751st meeting, the spokesman for the Group of 77 (Guatemala) recalled that his Group had made every possible effort to arrive at the agreed conclusions and all Groups had agreed that the Secretary-General would make a statement, with full knowledge of what it would contain.

The Group of 77 was thus glad that, contrary to earlier impressions, Group B was not dissociating itself from the statement by the Secretary-General. Such an act would have brought into question the good faith in negotiating agreements which had thus far prevailed among all groups. It would have also brought into question the credibility of the institution of the Secretary-General.

His Group wished to place on record its unwavering confidence in the Secretary-General, in both his personal and his professional capacities. The Group of 77 had agreed, in good faith and with appropriate flexibility, to continue to negotiate a resolution - submitted by Group B on sustainable development - beyond the deadline set by the rules which the Board had adopted for itself. That flexibility should be clearly indicated in the Board's records for future reference.