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FORTY-FOURTH SESSION

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SECOND COMMITTEE  
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at 3 p.m.  
New York

## SUMMARY RECORD OF THE 30th MEETING

Chairman: Mr. GHEZAL (Tunisia)

### CONTENTS

#### AGENDA ITEM 86: OPERATIONAL ACTIVITIES FOR DEVELOPMENT

- (a) COMPREHENSIVE POLICY REVIEW OF OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM
- (b) UNITED NATIONS DEVELOPMENT PROGRAMME
- (c) UNITED NATIONS CAPITAL DEVELOPMENT FUND
- (d) UNITED NATIONS TECHNICAL CO-OPERATION ACTIVITIES
- (e) UNITED NATIONS VOLUNTEERS PROGRAMME

#### AGENDA ITEM 87: TRAINING AND RESEARCH: UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued)

#### AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

- (c) CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (continued)
- (h) HUMAN SETTLEMENTS (continued)

#### AGENDA ITEM 88: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)

- (a) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

#### AGENDA ITEM 84: EXTERNAL DEBT CRISIS AND DEVELOPMENT (continued)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 86: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (A/44/3, A/44/361, A/44/376, A/44/401, A/44/409 and Corr.1, A/44/432 and A/44/477)

- (a) COMPREHENSIVE POLICY REVIEW OF OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM (A/44/324 and Add.1-5)
- (b) UNITED NATIONS DEVELOPMENT PROGRAMME (E/1989/32; A/44/389)
- (c) UNITED NATIONS CAPITAL DEVELOPMENT FUND (E/1989/32)
- (d) UNITED NATIONS TECHNICAL CO-OPERATION ACTIVITIES (DP/1989/46 and Add.1-3; E/1989/32)
- (e) UNITED NATIONS VOLUNTEERS PROGRAMME (E/1989/31)

1. Mr. BLANCA (Director-General for Development and International Economic Co-operation) said that he was particularly interested in hearing the reaction of members of the Committee to the elements put forward for review concerning the thrust of future work. He trusted that the analysis of the issues covered in the second part of his initial report (A/44/324) would result in a set of practical decisions. The consolidated report (A/44/324/Add.2) demonstrated the need for programmes, procedures and structures to respond increasingly to economic, social, cultural and political diversity. He drew attention to the special studies conducted in 16 countries and to the numerous initiatives taken in many countries in the search for greater impact and more direct benefits for a wider range of communities and institutions. Document A/44/324/Add.3 contained recommendations which were based on information, advice and suggestions gathered from case studies and reviews, from the annual reports of resident co-ordinators and the findings of independent consultants whose analysis of selected issues was contained in the technical papers accompanying his report. His recommendations on such issues as technical co-operation among developing countries (TCDC) and procurement proposed very detailed technical actions which should make it possible to move forward; other recommendations proposed broad policy orientations as a means of exercising effective leadership and providing measures for improved co-ordination of operational activities that would have full impact at the country level.

2. He drew attention to the five major themes upon which he had focused and expressed the hope that delegations would bear them in mind when analysing the recommendations, for the themes had some common elements and required a broad approach, one that set aside the constraints and boundaries imposed by traditional approaches and institutional interests. The themes were: the need to ensure that the roles and objectives of operational activities responded more dynamically to the changing and increasingly diversified needs of individual countries and to the overall goals and strategies agreed by Member States collectively; the need to equip the United Nations system better to address development problems that were increasingly perceived to be multidisciplinary; the need to draw fully upon, and to

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(Mr. Blanca)

assist in the strengthening of, national capacities for the management and implementation of development programmes and external co-operation; the need for substantial decentralization of responsibility to the country level - that was where the most adjustments would have to be made - and the need to provide resources in a more predictable and sustained manner.

3. Mr. DRAPER (Administrator, United Nations Development Programme) said that over the past three decades average life expectancy in the developing countries had risen while infant mortality, illiteracy and population growth rates had declined; at the same time, there were still over a billion people living in absolute poverty, without safe drinking water and unable to read or write, and 12 per cent of the children never reached the age of 5. It was absolutely imperative that human goals be fully integrated in the development strategies of the 1990s and that all human beings, women in particular, be viewed as both participants in, and beneficiaries of, development.

4. Some of the additional resources needed to achieve the objectives of human development would have to come from increased contributions by the industrialized nations, but the major source of funds would come through the reallocation of existing budget priorities. Difficult though it might seem, most countries could cut down on inefficient parastatals and costly subsidies for the more privileged groups in society. The greatest scope for reallocation might come from a better balance between defence and development expenditures; that was particularly true in the current changing political environment, for in many developing countries military expenditure significantly exceeded expenditure on education and health. Given the positive signs for global peace and disarmament in the next decade, it made sense for the developing world to allocate ever larger resources to the real war, the one they waged every day, the war on poverty, human deprivation and human despair.

5. UNDP would play a major role in assisting developing countries in their search for appropriate human development strategies in the next decade. In celebration of its fortieth anniversary UNDP would produce its first annual report on human development. UNDP was already participating in identifying concrete policies and programmes at the country level to implement realistic, feasible goals over the next decade and, in collaboration with the other concerned agencies of the United Nations, it would provide technical assistance and would support research and data collection activities in that area. Without economic growth all other laudable objectives of alleviating mass poverty would remain unfulfilled.

6. In order to restore the momentum of growth it was necessary to move decisively on two fronts. First, the industrialized nations must agree to a combination of debt relief, freer access to their markets and more development assistance in order to help reverse the net outflow of capital from developing countries. The latter, for their part, must face the tough domestic decisions which they alone could take to mobilize additional resources and to invest them efficiently. One of the most important decisions for many Governments was to liberate their economies from unnecessary controls. In other words, the more Government stayed out of business,

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(Mr. Draper)

the more business would be done. That applied to meddlesome economic controls and not to the absolutely necessary role of the State in creating infrastructure and providing social services.

7. Another major challenge of the next decade concerned ecological security. Any environmental plan of action must also include programmes to reduce poverty in the developing world, since poverty was one of the greatest threats to the environment. Aside from what was happening in the developing countries, the entire world was suffering the effects of pollution, desertification and global warming and there were endangered species in all parts of the world. While environmental priorities differed according to a country's stage of growth, environmental threats were of increasing concern for all humanity. It was necessary to draw up a "green" agenda for the common future of man. UNDP was conscious of its obligation to help the developing countries integrate the environmental dimension in their development strategies; it was doing so by providing technical assistance by transferring new and environmentally-safe technologies to those countries.

8. In connection with the Director-General's comprehensive policy review of operational activities of the United Nations system, UNDP would work closely with his Office on the action that must follow.

9. UNDP supported the efforts of the Expert Group on Successor Arrangements for Agency Support Costs and was confident that the outcome of their work would have a fundamental impact on the collective effectiveness of the United Nations system.

10. In the coming decade, UNDP would continue to fulfil its basic mandate to build national development capacities. It was fostering the premise that donor-driven technical co-operation must give way to truly recipient-led planning and programming and, as part of that process, it had staged National Technical Co-operation Assessments and Programmes (NaTCAPs) in 18 African countries to help them manage their technical co-operation more effectively. Its Governing Council had endorsed the funding and co-ordinating roles of UNDP, confirmed its character as a neutral organization and made suggestions for future UNDP operations.

11. The work done by UNDP in 1988 was a source of satisfaction. It had given advice to the Governments of China and Viet Nam on the management of their economies and was currently in place in Namibia ready to help the new Government assess its needs. It had been active in Afghanistan in providing relief and organizing reconstruction and in Bangladesh in launching a new long-term flood-control strategy. It was engaged in a crop-substitution programme in the Andean countries, Thailand and Myanmar as part of the war on drugs, and its Special Plan of Economic Co-operation for Central America had received substantial pledges of contributions. In coping with natural disasters, UNDP had assisted in setting up early-warning systems in the Caribbean and it had delivered food and supplies in the Sudan through Operation Lifeline Sudan. In the health field, it had helped to mount campaigns against AIDS in Uganda and Zaire and against Guinea worm in the whole of Africa. On the education front, UNDP would be sponsoring a world conference on education for all in Thailand and was helping to integrate women in

(Mr. Draper)

development through an exchange of experiences among women from Eastern and Western Europe and the Arab region.

12. In conclusion, he was delighted to accept the challenge of serving for another term as Administrator of UNDP.

13. Mrs. SADIK (Executive Director of the United Nations Population Fund) said that she was gratified that the recommendations made in the comprehensive policy review of operational activities of the United Nations system were in close harmony with the new programming approach and initiatives introduced by the United Nations Population Fund (UNFPA).

14. The statistics and the Fund's first-hand experience had made it clear that the increase in the overall numbers of people, the uneven distribution of population and the unmanaged growth of cities - phenomena currently occurring in developing countries - were further exacerbating pressures on the fragile environmental base and all other resources. If sustainable development was to be more than a mere slogan, a new approach to development was needed, in which population and the environment would be essential components.

15. In an effort to draw systematic lessons from the past 20 years of population programme experience in developing countries, UNFPA had undertaken a review and assessment of that area, and its conclusions and recommendations were summarized in document A/44/432. Many of them would be useful for the Committee's review of operational activities for development. The UNFPA study showed that remarkable achievements had been registered in the population field and that population policy was firmly established as an element in national and international development programmes. It also showed that there were certain key factors critical to population programme success, namely, firm political support and national population plans and programmes with a framework for action in all sectors of national economies, a careful assessment of the socio-cultural context, and support from and complementarity with other development objectives. Governments must also ensure a participatory approach engaging all women and men and community and non-governmental organizations.

16. In the experience of UNFPA, success depended on the extent to which women were free to make decisions affecting their lives and, consequently, improving the role and status of women was a crucial goal for all population policies and programmes. UNFPA had therefore chosen women as the focus for the 1989 State of World Population report. The most important of the suggestions in the report regarding the implementation of that approach was to redirect development policy towards the social sector and in particular towards investment in women.

17. The International Forum on Population in the Twenty-first Century, which would be held in Amsterdam from 6 to 9 November, would examine in depth the findings of the UNFPA study and would make recommendations for more effective implementation of policies and programmes and for resource mobilization and co-ordination. The Forum would come at mid-point between the International Conference on Population held in

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(Mrs. Sadik)

Mexico in 1984 and the next international meeting on population scheduled for 1994 in accordance with Economic and Social Council resolution 1989/91. The results of the Forum should therefore be helpful not only in guiding future population interventions but also in pointing the way towards a more systematic integration of population factors into the overall development process.

18. The triennial policy review was very useful both in its analysis of United Nations operational activities for development and in its suggestions for the future. The emphasis on measures to strengthen national capacities was very timely. UNFPA was in agreement with the themes suggested as a general framework of broad objectives for operational activities within the United Nations system; the themes, in fact, corresponded closely to the Fund's approach. UNFPA emphasized continued improvement of inter-agency co-ordination and the need to further synchronize programming cycles and procedures, step up collaborative programming and strengthen the resident co-ordinator system.

19. It should be noted that a number of the recommendations contained in the triennial review were already being implemented by UNFPA. For example, the Fund had moved to a more comprehensive programme approach, it was giving special attention to the particular country setting in the preparation of activities and it had started to decentralize and delegate authority. It was also placing a great deal of emphasis on staff quality and training. Attention should be drawn to the importance of the human and social dimension of development and the need to revise the definitions of investment and consumption. There was growing consensus that economic growth must be pursued with equity and that development must be sustainable and sustained. That implied recognition of the interdependence of the social, economic, demographic and environmental spheres. Such a new approach had to be defined and its implementation facilitated by setting clear and achievable goals for the 1990s, a process already under way as the new international development strategy for the fourth United Nations development decade took shape.

20. The population goals for the 1990s entailed slowing rapid population growth in order to achieve balance with available resources, reduction of infant, child and maternal mortality, improvement of the role, status and participation of women and management of migration and population distribution. The efforts that were now being made would determine the future of the current generation and of all generations to come.

21. Mr. GRANT (Executive Director, United Nations Children's Fund) said that the Committee was meeting at a time of grim economic problems affecting mainly the poorest people, including children and women, who were the most vulnerable of the poor. Several social indicators reflected that sad reality: falling weight-for-age of young children; reduced spending on health and education and, in some cases, declining school enrolment in spite of demographic growth. In brief, children were bearing the heaviest burden of debt and recession in the 1980s.

(Mr. Grant)

22. Nevertheless, there were reasons for hope in the current decade. For example, in the preceding 12 months the lives of 3 million children had been saved and comparable numbers had been protected from disabilities, as a result of two interventions alone: universal child immunization against the six main child-killing diseases and oral rehydration therapy to combat the lethal effects of dehydration resulting from diarrhoeal diseases. Another cause for hope was the increasing confidence in the use of multilateral institutions and creative new approaches to resolving global, regional and country-level problems. While such progress had been achieved particularly in the political arena, the operational activities of the United Nations system could play a key role in making the Organization effective in the economic and social spheres as well.

23. The Committee had paid serious attention to the international development strategy and the need to set achievable, ambitious consensus goals. While such management by objective, which was exemplified in the World Health Organization (WHO) strategy "Health for All by the Year 2000", took place in the individual governing bodies of the United Nations system, when operational activities were discussed, the Organization ran the risk of underestimating the national sphere. Co-ordination mechanisms should be moulded around each country's goals and strategies, because practical experience showed that that approach had made it possible to achieve such results as the reduction in infant mortality, universal child immunization, the expansion of oral rehydration therapy and the installation of water and sanitary facilities. Some organizations had accepted the procedure of moulding the assistance of the United Nations system around each Government's strategies, and that was the approach which needed to be followed.

24. In 1989 considerable progress had been made in refining the co-ordination mechanisms, which was due in part to the work of the Committee, the role of the Director-General and the efforts of the United Nations organizations through such forums as the Consultative Committee on Substantive Questions (CCSQ (OPS)). However, attention must be focused on the substantive purposes for which those mechanisms were to be used. In that regard, attached to the text of his statement, which had been distributed to Committee members, was a list containing WHO/UNICEF common goals for health development of women and children by the year 2000. Among the proposed objectives were the reduction of infant and maternal mortality, eradication of poliomyelitis, universal child vaccination, access to safe drinking water, universal basic education and other priority areas.

25. The Executive Board papers on Strategies for Children for the 1990s and on inter-agency action were available to Committee members. The UNICEF approach to operational activities was to seek to expedite international consensus for operational objectives. First, agreement had been reached on the principle that the ultimate responsibility for defining goals and strategies and their subsequent co-ordination lay with national Governments. Secondly, nothing could be achieved if the United Nations system acted alone. The Organization must be assisted by other multilateral organizations, bilateral agencies and non-governmental organizations (NGOs). Thirdly, increased mutual support could be achieved within the United Nations system, to which end the role of the resident co-ordinator

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(Mr. Grant)

system was important and should be strengthened. The problem was not that that system lacked authority or formal structure, but that it had not been adequately supported and utilized.

26. Emphasis must be placed on the Director-General's recommendations for regular country-level meetings on programme issues, training, orientation and policy support and the formation of country-level groups focusing on specific sectors or themes. Mechanisms for strengthening inter-agency collaboration could also be useful. Such mechanisms should be set in motion in the initial phases in support of Governments' goals and strategies. The links between the analytical capacity of the United Nations system and its operational work should be strengthened and greater use should be made of such mechanisms as consultative groups, round-table discussions and inter-agency participation in programme preparation or mid-term reviews.

27. The diversity of procedures of organizations within the system which had different mandates was a strength that should be built upon. Similarly, the strengthening of collaboration within the United Nations system must serve to enhance the foremost objective of supporting the national Governments' own role. He stressed the importance of the Administrative Committee on Co-ordination task force set up for that purpose. What was important was not each recommendation, but the process of analysis and action that had begun, which was the most far-reaching process since the restructuring of 1977.

28. He welcomed the inter-agency support, particularly from the United Nations Development Programme (UNDP), the World Food Programme, the International Committee of the Red Cross, NGOs and certain bilateral organizations, he had received, in his capacity as Personal Representative of the Secretary-General, for Operation Lifeline Sudan, making it possible to provide 100,000 tons of supplies to the disaster areas of southern Sudan under the control of the two warring groups. That operation, the first of its kind carried out with the agreement of the opposing groups, aimed at avoiding a repetition of the 1988 disaster, which had taken the lives of 250,000 civilians, mainly children.

29. It was gratifying to see increased support at the highest level for a world summit for children. The purpose of such a meeting would be to promote world-wide activities making it possible to reduce child mortality by two thirds, expedite the ratification of the convention on the rights of the child and ensure that the situation of children was given priority consideration in national and global political programmes. Over 100 Governments were now on record as supporting the summit meeting. Resolutions of support had been adopted by the Francophone Summit held at Dakar in May, the meeting of the Organization of African Unity held at Addis Ababa in July, the Conference of Heads of State or Government of Non-Aligned Countries, held at Belgrade in September and at the recent Commonwealth Summit, held at Kuala Lumpur in October. Many other parliamentary and other bodies had also given their support, including the Congress of the United States, the Inter-parliamentary Union, the World Council of Churches, etc.

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(Mr. Grant)

30. More attention was being paid to children now than a decade earlier. The current challenge was to translate that attention into concrete actions benefiting children. Such actions should support and be supported by operational and development activities.

31. Mr. XIE (Department of Technical Co-operation for Development) said that Member States were currently placing greater confidence in the peacemaking and peace-keeping capability of the United Nations and that multilateralism had acquired greater prestige in an increasingly interdependent world. However, multilateralism was being eroded as the gap between developed and developing countries widened, with worsening economic and social conditions leading to political instability. The effectiveness of the operational activities of the United Nations system would be measured in terms of their visible contribution to the cause of revitalizing economic growth in the developing countries, which constituted the major task now before the international community. It was for that reason that the Department of Technical Co-operation for Development attached particular importance to the elaboration of the international development strategy for the fourth United Nations development decade and subscribed to the view expressed by the Secretary-General at the recent joint meeting of CPC and ACC that the strategy should constitute not only an important framework for co-operation among Governments but also a framework for closer collaboration within the United Nations system.

32. New initiatives would be required to respond effectively to the challenges of the next decade. Among them was the establishment of appropriate development management capabilities, including the enhancement of productivity and entrepreneurial capacity. Human resources development had long been central to the Department's technical co-operation activities, including planning advisory services, training and fellowship programmes, technology transfer and technical projects with goals ranging from flood prevention and provision of drinkable water to the promotion of income-generating activities. The areas in the Department's programme which had grown the most the previous year were what the report of the Director-General characterized as capacity-building, namely planning, public sector management, training and the collection and use of data.

33. Those positive developments had been further consolidated in 1989. In late August, the Department had become involved in a data collection and reconnaissance mission for the water resources sector in Namibia. By the end of 1989, at the request of UNDP, the Department would have dispatched a mission, organized in collaboration with the United Nations Statistical Office, to provide up-to-date estimates of the population, GDP and per capita GDP that could serve as a temporary basis for calculating Namibia's IPF until a full-scale census could be undertaken.

34. At its June session the UNDP Governing Council had taken particular note, in its decision 89/50, of the Department's activities in the priority areas, which included support of projects carried out by Governments and assistance in strengthening national capacities for economic management. He announced, in that respect, that an interregional workshop organized by the Department on planning of

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(Mr. Xie)

financial resources for development would be opening shortly at the headquarters of the Economic Commission for Africa. Decision 89/50 also underlined the continuing importance of involving the Department in the preparation of round-table meetings and national technical co-operation and assessment programmes, as well as in non-project types of assistance undertaken under the Management Development Programme. In that context, mention should be made, by way of example, of the Special Action Programme for Administration and Management in Africa, initiated in 1985. Subsequently, many of its basic concepts and approaches had been adopted by the Management Development Programme, which attempted to address problems of public sector management on a global basis.

35. With regard to another provision of the Governing Council decision, relating to the "rational and co-ordinated introduction of computer-based technology", the Department was currently developing an integrated project management system which was now nearly operational.

36. In 1988, the Department had begun to explore issues which would be critical during the next decade and which would enable the developing countries to attain their socio-economic development goals. Since then, the Department had initiated a process of self-evaluation, focusing on its role in technical co-operation in the 1990s. It had also participated in various activities to study, on the demand side, the changing requirements for technical co-operation, and, on the supply side, the shifts likely to take place in the nature of technical co-operation and their system-wide implications.

37. Over the years, the Department had undergone extensive change in order to be able to meet the needs of the developing countries. In its opinion, the next few years would offer a unique opportunity to improve, where necessary, any aspect of its work - modality of implementation, approach or procedure - in order to broaden the range of services which it could provide to developing countries. In that context, the holding of the special session of the General Assembly devoted to international economic co-operation would provide the Department with an opportunity to make available to the developing countries its expertise and multidisciplinary competence in order to advance their socio-economic development and help them fulfil their national aspirations, in both the short term and the long term.

AGENDA ITEM 87: TRAINING AND RESEARCH: UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued) (A/44/361, 611)

38. Mr. KUFUOR (Ghana) said that the financial crisis which had engulfed the United Nations Institute for Training and Research (UNITAR) had made it necessary to carry out a critical review of its mandate and structure, which had led to the unanimous conclusion that the mandate continued to be valid. If the Institute were to be abolished, it would still be necessary to designate a unit within the United Nations system to exercise its training and research functions.

39. His Government had supported the restructuring of the Institute in the belief

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(Mr. Kufuor, Ghana)

that it could not continue to function at the existing level. Consequently his Government had supported a considerable scaling down of the Institute's research activities, which were now funded from special purpose grants, in favour of the training functions. With regard to staffing, a number of posts had been abolished, but only in the Professional and higher categories. In addition, criteria had been developed for the appointment of full-time senior fellows, and the co-ordination and interface with other United Nations research institutes had been rationalized. Despite initial difficulties, the acquisition of the land on which the UNITAR building was situated had been completed.

40. Nevertheless, the financial situation of the Institute remained precarious. That was due partly to the fact that the sale of the property had not yet taken place, with the result that the establishment of the reserve fund authorized by the General Assembly could not be effected. In any case, the Institute would have to request a new loan from the United Nations, which would bring its total indebtedness to the Organization to more than \$3 million. The proceeds from the sale of the property of UNITAR would serve to liquidate that debt and the balance would be used to constitute the reserve fund. Therefore, the sale price of the property was of crucial importance. His delegation would like the Secretariat to provide some indication of the sale price range so that different scenarios could be worked out concerning the Institute's financial situation.

41. It was a matter of serious concern to his Government that voluntary contributions continued to decline. Everything seemed to indicate that the restructuring exercise had not been sufficient to restore donor confidence in UNITAR. The reasons for that situation must be determined and dealt with before it was too late, because the service performed by UNITAR was of great value to all.

42. Mr. ESCURE (France) said that the situation that UNITAR had been facing in recent years because of a lack of resources, which had led it to suspend research activities in favour of training in international co-operation and multilateral diplomacy, could not continue indefinitely without having an impact on the Institute's mandate.

43. The delegation of France urged the Executive Director of the Institute to establish joint training projects for development in order to encourage the developing countries' efforts in that field. Paragraph 7 of the Secretary-General's report on UNITAR referred to some programmes in which the Institute had collaborated. As those programmes were financed through special purpose grants, the Institute should act as an executing agency of UNDP so that it could be reimbursed for its administrative costs.

44. Moreover, his delegation supported the criteria for the appointment of full-time senior fellows in annex I of the report.

45. As to the financial situation, it was regrettable that UNITAR had not managed to adjust its expenditures to available resources in accordance with General Assembly resolution 42/197. His delegation agreed with the opinion of the Advisory

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(Mr. Escure, France)

Committee on Administrative and Budgetary Questions (ACABQ) that, in planning UNITAR expenditures, the principle of zero growth in real terms must be respected until the financial problems were resolved. Moreover, there was no certainty that UNITAR would realize savings by transferring the Institute's Geneva office to New York. The UNITAR Board of Trustees should base any decision in that regard on a comparative analysis of costs and benefits. In addition, those countries wishing the Institute's assistance for project implementation must respect their financial commitments, and, for his part, the Executive Director should not initiate any projects without obtaining firm prior guarantees from donor countries.

46. As to the future of UNITAR, the delegation of France had taken note of the acquisition of the land occupied by the UNITAR building and hoped that the sale of the building could be achieved in 1990 on favourable terms so that the Institute could pay its debt to the Organization and establish a reserve fund with the balance. However, as the Secretary-General noted, the reserve fund could not be considered as a substitute for donor country contributions.

47. His delegation shared the opinions in the Secretary-General's report regarding the modalities of interfacing among United Nations research institutes.

48. Mr. SHAPOVALOV (Union of Soviet Socialist Republics) said that the Union of Soviet Socialist Republics was thoroughly familiar with the work being carried out by UNITAR and that among the most recent joint activities was the round-table meeting held in Moscow on the role of the United Nations in the interdependent world of the future. Referring to the UNITAR work programme, he highlighted the training courses for national experts, held in close collaboration with UNEP, IMO and UNDRO and other planned efforts, in accordance with General Assembly resolution 42/197 on the restructuring of the Institute. In spite of the relatively limited scope of those activities, they would make it possible to train development specialists.

49. While it could be inferred from the Secretary-General's report that UNITAR research activities were no longer being financed through core resources, the Soviet Union maintained its position in that regard. The Soviet Union believed that it was essential to comply with the provision for a 13 per cent execution fee for research projects laid down in General Assembly resolution 42/197.

50. It had not been possible to complete the joint Soviet Union/UNITAR research projects, namely, three case studies and the final document of the Moscow round-table meeting, owing to the restructuring of the Institute's work. The Soviet research institutes had completed their part, and the Soviet Union was prepared to publish those documents as soon as UNITAR examined them.

51. He stressed the importance of the recent launching of the UNITAR Newsletter, which would increase countries' information on the Institute's work. His delegation believed that the Executive Director, supported by the Board of Trustees, was making a practical contribution by working to have the status of executing agency of UNDP accorded to UNITAR, particularly if the Institute's

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(Mr. Shapovalov, USSR)

serious financial situation was borne in mind. He also highlighted the work being carried out for improving co-ordination with the agencies of the United Nations system responsible for vocational training and research. His delegation believed that it was vital to strengthen joint activities and the co-ordination of work with the United Nations University.

52. His delegation valued highly the efforts made by the Executive Director in accordance with General Assembly resolution 42/197 for the acquisition of the land occupied by the UNITAR building and subsequent sale of that building and hoped that UNITAR would be successful in its efforts to establish a reserve fund made up of proceeds from that sale in the first half of 1990, so that it could pay the annual instalments on its debt to the United Nations and carry out its operations in accordance with its mandate.

AGENDA ITEM 82: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

(c) CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (continued)

Action taken on draft resolution A/C.2/44/L.9

53. Mr. PAYTON (Vice-Chairman of the Committee) said that, during informal consultations on the draft resolution, it had not been possible to reach agreement on recommending its adoption by consensus, which was why it must be put to a vote.

54. Draft resolution A/C.2/44/L.9 was adopted by 123 votes to none, with 23 abstentions.

55. Mr. MOTOMBO (Zaire) said that his delegation would have voted in favour of the draft resolution if it had been present during the vote.

(h) HUMAN SETTLEMENTS (continued) (A/44/8)

Action taken on the draft resolution recommended in paragraph 10 of resolution 12/1 contained in the report of the Commission on Human Settlements (A/44/8)

56. Mr. STOBY (Secretary of the Committee) drew attention to an error in the last line of paragraph 3 of the Arabic version of the draft resolution. The word "Shelter" should replace the word "Habitat".

57. Mr. PAYTON (Vice-Chairman of the Committee) said that during the informal consultations on the draft resolution in resolution 12/1 contained in the report of the Commission on Human Settlements (A/44/8), it had been agreed to recommend its adoption by consensus.

58. The draft resolution in paragraph 10 of resolution 12/1 contained in the report of the Commission on Human Settlements (A/44/8) was adopted by consensus.

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AGENDA ITEM 88: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)

(a) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued)

Introduction of draft resolution A/C.2/44/L.27

59. Mr. MUCHANGA (Zambia) introduced draft resolution A/C.2/44/L.27, entitled "Special assistance to front-line States", on behalf of its sponsors and noted that the draft resolution essentially reiterated the provisions of the resolution adopted in 1988 on the same subject. The front-line States welcomed the other Member States' demonstration of solidarity. The following countries had been added to the list of sponsors: Austria, Barbados, Cuba, Denmark, Finland and Norway.

AGENDA ITEM 84: EXTERNAL DEBT CRISIS AND DEVELOPMENT (continued) (A/44/235, 275, 355, 361, 376, 401, 409 and Corr.1, 415, 477, 551, 617, 628, 683; A/C.2/44/L.8)

60. Mr. NOGUEIRA BATISTA (Brazil) said that, in spite of the enormous impact of the external debt problem on the economies of the indebted developing countries and on the world economy in general, the developed countries had strongly questioned the inclusion of the item in the agenda of the General Assembly. The creditor nations had maintained that the United Nations was not a suitable forum for dealing with such issues, and that they should be left entirely to the specialized fora, the International Monetary Fund (IMF) and the World Bank. Yet no negotiations had ever taken place between debtor and creditor nations within those institutions and the overall strategy for the management of the debt problem had been conceived exclusively by the creditor Governments in the context of informal meetings of ministers and central bank governors of the Group of Ten.

61. However, the efforts of the developing countries to have the item included had not been in vain, and results had been achieved at the conceptual level which had perhaps had some influence on the revisions that creditor countries had decided to introduce in their overall strategy. In that connection, the role played by the Secretary-General at the previous session of the General Assembly must be underscored. His report of the previous year had made some very important suggestions, such as the need to set economic development as the main goal of the debt strategy and to make reduction of the debt one of the new and necessary components of the solution of the debt problem.

62. The debt strategy in place since the early 1980s had been primarily concerned with restoring the balance of payments of the debtor countries and preserving the stability of the international banking system. The continuing payment problems faced by most of the heavily indebted nations amply demonstrated the failure to fully achieve the first goal while successfully achieving the second. It had been possible to do so because the debt-restructuring agreements had been concluded on a case-by-case basis and had dealt solely with the rescheduling of the principal of the debt owed to private bankers and official credit agencies, while taking no account of the corresponding interest payments or of the principal and interest payments due to international multilateral institutions. That had necessarily required debtor countries to generate huge trade surpluses to honour such

(Mr. Nogueira Batista, Brazil)

obligations, at the expense of their levels of imports. As a result, the World Bank and IMF had come to enjoy a positive flow of resources from many of the indebted developing nations.

63. As a consequence of that strategy, the world was now witnessing a Marshall Plan in reverse, which meant a reduced capacity on the part of the indebted countries to invest and to promote economic development, and the stagnation or gradual regression of their economies, all of which had unavoidably heightened social and political tensions. Yet what was less known and had not yet received proper international attention was the extremely disruptive effect on the public finances of the developing debtor countries produced by the servicing of the external debt, which had become one of the major sources of inflationary pressures.

64. Although the revised strategy of the creditor nations incorporated significant improvements, such as the acknowledgement that the development of the debtor nations must be one of its aims and the acceptance of the principle of debt-stock reduction and debt-servicing reduction on the basis of guarantees by IMF and the World Bank, the strategy still had glaring shortcomings stemming basically from the fact that it had been conceived exclusively by the creditor countries.

65. The new strategy, if applied to the whole of Latin America, would reduce its net transfer of resources from 5 to 4 per cent of the region's gross domestic product, which was clearly not enough. There was still the probability that the new strategy would be applied selectively to individual countries that were deemed to be entitled, for economic or other reasons, to benefit from it. The weakest point in the new strategy, however, was the continued insistence that the adjustment measures to be taken by debtor countries and duly certified by IMF were a pre-condition for access to external support, when in fact external support was a necessary component of any successful adjustment programme. That could well be seen as an unwillingness to face the issue in a constructive manner.

66. A new debt strategy, to be really effective, would have to address the need to eliminate and not simply reduce the net transfer of resources, and that would require participation of the public sector through appropriate changes in the banking regulations, and new lending or capitalization of remaining interest payments. The multilateral financial institutions would also have to participate by rescheduling at least the amortization payments or the capitalization of the accruing interest payments. The World Bank could find a way to increase substantially its lending capacity without having to raise additional capital, by applying a less ultra-conservative capital adequacy policy.

67. In approaching the basic question of reversing the net transfer of resources, it might be useful to bear in mind that in the case of some countries with greater potential for growth it might not be necessary to think of long-term schemes, because for such countries a few years of resource transfer relief would be enough for them to resume growth and regain the ability to service their current debt fully.

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(Mr. Nogueira Batista, Brazil)

68. The Governments of the creditor countries did not seem to be doing much to facilitate the implementation of the new "strengthened debt strategy". Indeed, recent agreements reached among the countries of the Organisation for Economic Co-operation and Development (OECD) had placed additional obstacles in the way of access by developing countries to world financial markets. The capital adequacy requirements had been doubled, restricting the overall ability of the private banks to make loans. The problem would be particularly acute for developing countries, since claims on banks of non-OECD countries would be considered high-risk claims, whereas in all other cases the same criteria would be applied as to domestic institutions. Claims on the World Bank and other regional multilateral banks - an important source of development financing for developing nations - would also receive discriminatory, though less severe, treatment.

69. It seemed apparent that the world was still far from a real understanding of what was to be done to solve the debt problem of the developing countries. It was no longer a question of how much should be paid but rather of how much could in fact be paid without disrupting the economy of the debtor country, with all the attendant social and political implications. The Governments of creditor countries should bear in mind that the external debt of developing nations was to a large extent the result of their need to borrow in order to be able to honour an artificially-inflated interest bill that was the direct product of the misguided macro-economic policies of the creditor countries themselves.

70. He wondered how long the debtor nations would continue to be excluded from participating in the crucial negotiations that were being held to define the strategy for the management of a question so vital to their national interests.

71. Mr. AL SALLAL (Kuwait) observed that the debt crisis was not limited to one country or group of countries but had become an insoluble problem with a negative impact on all countries of the world, debtors and creditors, poor and rich alike. If one compared the debt crisis with environmental problems, which were not limited to a few countries either, one could see that it was acute and explosive and required urgent solutions. One positive development was the general agreement that responsibility had to be shared and that the debt must be substantially reduced. Kuwait was one of the first creditor countries to draw attention to the danger and to propose radical solutions along the lines of reducing both the debt-servicing and the principal and mitigating the effects of the drastic measures imposed by IMF and the World Bank.

72. At the Ninth Conference of Heads of State or Government of Non-Aligned Countries, Kuwait had urged the Secretary-General of the United Nations to convene a meeting between the Group of Ten and other creditor countries, IMF and the World Bank to examine ways of approaching the crisis. Given its urgency, such a meeting should be held within the next six months. The issue was to lay the groundwork for allowing the developing countries to benefit from all the human and other resources and the economic and technical know-how available to the developed countries. Furthermore, it should be underscored that all measures must be applied without making political distinctions among the debtor countries.

The meeting rose at 6.15 p.m.