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## DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

Immediate measures in favour of the developing countriesReport of the Secretary-General

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I. OVERALL STATUS OF IMPLEMENTATION OF IMMEDIATE MEASURES IN  
FAVOUR OF THE DEVELOPING COUNTRIES

1. In the course of the economic crisis which has gripped most developing countries since the early 1980s, the General Assembly passed a series of resolutions which called for the taking of immediate measures in favour of the developing countries and which aimed at easing their current economic problems, accelerating their growth and development on a sustained basis and promoting the reactivation of the world economy. In the last resolution in the series, 39/175 of 17 December 1984, the Secretary-General was requested, in co-operation with the heads of organs, organizations and bodies of the United Nations system, inter alia, to submit a report on progress made in the implementation of such measures. The present report is in response to that request.

2. While the continuing recovery from recession can be said to have reactivated the world economy, especially in 1984, much of the developing world has yet to escape the crisis conditions which originally prompted the call for immediate measures. As a whole, the developing countries have yet to achieve adequate and sustained rates of growth, and there is continued cause for concern since the short-term outlook is for slower growth in the world economy than last year.

3. Thus, although there has been some relief from the deep crisis of the early 1980s, the need remains to strengthen implementation of various agreed-on measures and to consider adoption of others which would support the efforts of the developing countries in recovery and development. The Secretariat has recently proposed a series of measures to raise world growth in the near term while simultaneously improving the international economic environment for a resurgence of development. 1/ The Secretariat has also recently proposed a series of measures aimed at accelerating the growth of the developing countries during the remainder of the current United Nations Development Decade and beyond. 2/ The present report, which should be seen as part of the background to those proposals, discusses recent multilateral efforts to bring a number of immediate measures to fruition.

4. The Secretariat and the other organs, organizations and bodies of the United Nations system have been endeavouring within their competence to develop specific proposals and to expedite the implementation of immediate measures in favour of the developing countries in five areas identified by the General Assembly in resolution 38/200 of 20 December 1983, namely:

(a) Food and agriculture, including special food aid measures as required for seriously affected food-deficit countries in Africa;

(b) Money and finance, transfer of resources, including official development assistance, indebtedness and multilateral development activities;

(c) Trade and raw materials, including access to markets for the exports of developing countries, and urgent appropriate action in the area of commodities;

(d) Development of the energy resources of the developing countries;

(e) Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. 3/

Based on information supplied directly to the Secretariat for use in the preparation of the present report, as well as information obtained by the Secretariat from ongoing contacts with the various parts of the United Nations system, it is possible to conclude that these efforts have spanned the system, that they have been numerous and that they have often been intense. Nevertheless, it is also clear that in the face of so many grave needs, these efforts have not greatly mitigated the economic difficulties of the people living in the countries concerned.

5. In some cases, the efforts of the United Nations system have taken the form of emergency programmes, especially in response to the critical situation in Africa and to food crises and debt crises in developing countries on all continents. In other cases, the efforts have entailed an intensification of ongoing programmes of technical and financial co-operation. In still other cases, the efforts have included joint examination of issues in order to devise specific new proposals which would address the still unresolved difficulties of the developing countries. Further cases involved the adoption of resolutions by governing bodies expressing or reconfirming the need for immediate measures in the fields within their competence and for close monitoring of progress in implementation. Many efforts have been made at the regional level and many have had a sectoral focus. At the same time, the interrelatedness of many problems has been salient, as in the areas of international money, finance, debt, resource flows, trade and development. 4/

6. In the following sections of the report, the progress of the United Nations system in the implementation of immediate measures in the five aforementioned areas is highlighted. The conclusion that emerges from this review is that the accomplishments of the system, although significant in certain areas, have generally been limited, especially when set against even minimum requirements. The United Nations system has operated under stringent resource constraints. Deliberative bodies have found it difficult to reach agreements on policy measures and, as always, action by the United Nations system requires the consensus of the international community. The limited achievements reflect the limited range on which consensus has thus far been obtained.

7. Nevertheless, the process of multilateral discussion and negotiation is a dynamic one. The perceptions and attitudes of Governments have already changed considerably since the crisis of the early 1980s first became evident. These changes were brought about, on the one hand, by observation of the operations of the world economy in the 1980s compared to expectations and, on the other hand, by study of the different analyses presented by other countries. In a world economy of frequently unexpected developments and continually uncertain prospects, few propositions can be held with unlimited confidence. This fact is the opening for flexibility and consensus-building on which multilateral action relies.

## II. FOOD AND AGRICULTURE, INCLUDING SPECIAL FOOD AID MEASURES AS REQUIRED FOR SERIOUSLY AFFECTED FOOD-DEFICIT COUNTRIES IN AFRICA

8. The agricultural situation in the developing countries continues to be characterized by very wide differences in the performance of various countries. Thus, while food production per capita for the developing countries as a whole has risen to some 4 per cent above the average of 1974-1976, in many individual countries per capita food production has fallen. In 42 African countries accounting for 95 per cent of the regional population, per capita food production was lower in 1984 than in 1974-1976. This was also the case for 18 per cent of the population in Latin America and 10 per cent of the population in Asia. Although average nutritional levels are still inadequate in Asia, remarkable gains have recently been made in agricultural productivity in that region. In Latin America, higher average nutritional levels continue to coexist with hunger for those at the bottom of the distribution of income and wealth. However, it is the extreme crisis in many African countries that has focused world attention on food problems in terms of both inadequate levels of aggregate food production and productivity and inadequate per capita food consumption. Consequently, the immediate measures now being taken in the area of food and agriculture are concentrated on the African continent.

9. The attention being paid to African food problems by the international community is the culmination of a process whereby food assistance has increasingly been directed towards that continent in response to its deteriorating agricultural performance. Whereas in 1971/72 Africa absorbed 12 per cent of cereals received as food aid, by 1980/81 the figure had reached 50 per cent. In the period 1979/80-1982/83, developing countries in Africa received an average of 11.2 kilograms (kg) of food aid in cereals per capita, while the average for all developing countries was 2.6 kg per capita. 5/

### A. Food emergency in sub-Saharan Africa

10. In December 1983, in order to help solve pressing problems in the field of agricultural development, the General Assembly endorsed the proposal put forward by the Secretary-General to liquidate the then dormant United Nations Emergency Operation Trust Fund and to allocate 70 per cent of its available balance of about \$US 44 million to the United Nations Development Programme (UNDP) for urgent projects in the food and agricultural sectors in countries afflicted by famine and malnutrition (General Assembly resolution 38/201). About 80 per cent of the resources of the Trust Fund set up by the Administrator of UNDP for that purpose were committed for projects in African countries (DP/1985/15).

11. Recently, when much of Africa has been afflicted by drought, the support given by the United Nations system and member Governments to the efforts of African countries to solve their agricultural problems has largely been directed to the most immediate and humanitarian aim of all - saving millions of lives. It has been estimated that, in early 1985, 30 million men, women and children were seriously affected by hunger, of which 10 million had to abandon their homes and lands in search of food, water and pasture for their herds.

12. In order to respond to this situation in a timely and effective manner, the Secretary-General created in December 1984 on a temporary basis the Office for Emergency Operations in Africa (OEOA) to facilitate co-operation in dealing with the crisis among all elements of the United Nations system, African Governments, donor Governments, international organizations and non-governmental organizations and thereby to provide the basis for a concerted international response to the African emergency. With the close co-operation of the World Food Council (WFC), the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR), the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), UNDP, the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), OEOA has helped to mobilize additional resources to deal with the emergency. It acts as an information base for donors, providing monthly and quarterly country-level assessments including the latest information in all emergency sectors, namely food, logistic health, water supply, sanitation, relief and survival and agricultural recovery. OEOA also supports field operations, working closely with the United Nations resident co-ordinators and the Emergency Operations Groups in affected countries in order to remove major bottle-necks in emergency operations.
13. With the assistance of OEOA, the Secretary-General convened in March 1985 at Geneva a Conference on the Emergency Situation in Africa. At that time, the United Nations estimated that the unmet emergency needs of some 20 African countries amounted to \$1.6 billion, of which \$1 billion was for food aid, including transport.
14. FAO and WFP have played a major role in mobilizing international support for emergency food aid to Africa. As a result, commitments of food aid for the affected countries have increased significantly. According to data of WFP, as at 1 July 1985 food aid commitments amounted to about 5.9 million metric tons, including both cereal and non-cereal pledges. As at late June 1985, while the food supply situation had returned to normal in two countries and prospects regarding crops and pastures had improved in five others, a further year of food crisis was far from over as recovery and rehabilitation remained urgently needed in all countries. 6/ The World Bank has made \$5 million available to WFP principally to cover the logistical costs relating to transport and delivery of food aid.
15. Other organizations in the United Nations system are also dealing with the effects of famine and related crises in Africa. In the health sector, the executive heads of WHO and UNICEF, realizing necessity for close co-operation between the two organizations in the identification of needs and the planning and implementation of emergency resources to meet health, food, water and sanitation requirements, met early in 1985. 7/ WHO and UNICEF are providing emergency health aid involving millions of dollars to more than 20 crisis-stricken countries in Africa. The aim is to provide a solid basis for recovery by ensuring that short-term relief is accompanied by enhancement of health delivery systems. This combination of short-term assistance and a search for longer-term solutions has been the philosophy behind all the co-operative efforts of the United Nations system. 8/

B. Addressing the longer-term needs of agriculture in Africa

16. It is widely appreciated that even if sufficient food aid is forthcoming to save the lives immediately at risk in certain parts of Africa, the food production problems of the African continent will not be fully resolved. The present emergency was partly the result of the compounding of past economic shortcomings. Full recovery will require assistance both to provide the African countries with the physical inputs necessary to revive production and also to enable them to put in place policies that would better promote agricultural development in the context of overall long-term growth and development. <sup>9/</sup> In this connection, a Working Group on Emergency-Development Linkages was recently established within the United Nations by the Director-General for Development and International Economic Co-operation. The general aim of the Working Group is to examine measures that might facilitate the transition of emergency assistance from survival relief to support for recovery and development.

17. According to the recent declaration on the economic situation in Africa adopted by African heads of State and Government, <sup>10/</sup> the African countries themselves emphasize that they have primary responsibility for adopting appropriate policies. At the present time of economic difficulties, compounded by debt problems and weak commodity prices causing low export earnings, the importance of increased and continuing external assistance is being emphasized in all relevant forums of the United Nations system. In a number of cases, already strained resources have been rechannelled away from long-term development into emergency operations, making an appropriate increase in resources for longer-term rehabilitation and development all the more urgent.

18. In this context, the Executive Board of the International Fund for Agricultural Development (IFAD) agreed unanimously in May 1985 to authorize a special programme for the sub-Saharan African countries affected by drought and desertification. (The continuing difficulties in arranging the second replenishment of IFAD are discussed in section III below.) The special programme would provide additional resources in particular to countries immediately affected by drought in the form of seeds, implements, fertilizers and other inputs to permit an early recovery of production capacity; concentrate on the production of traditional crops which tend to be most drought-resistant; undertake schemes promoting small-scale water conservation and development; strengthen agro-forestry, soil conservation and ecological protection programmes; and reinforce the policy and institutional structures which help to stimulate production by African smallholders.

19. The IFAD programme would complement the FAO Programme for the Rehabilitation of Agriculture in Africa. The FAO programme, presented to meetings of special donors in January and March 1985, consisted of 229 projects of which donors expressed interest in 165 for an amount of \$135 million. Among the measures identified for priority action were manpower training, agricultural research, soil management and conservation, improved varieties of crops, appropriate technologies, better links between research and extension, reforestation, small-scale irrigation programmes, livestock disease control, pest eradication, improved storage, prevention of food losses and improvement of distribution and transport

facilities. FAO decided that in 1985 about \$5 million of its regular programme resources should be refocused to support the rehabilitation programme in the affected countries. 11/

20. Underlining how essential it was to adopt appropriate agricultural policies, WFC continued to stress that much progress was still to be made in that area, in spite of the fact that over 30 African countries were already at various stages in the formulation and implementation of national food strategies. Earmarkings or actual budgetary expenditures on food and agriculture had been comparatively low, and much of what had been spent had gone to administration rather than research and training. 12/

21. By means of workshops in which WFC and other United Nations organs, Governments and donors discuss the formulation and implementation of African countries' food strategies, more appropriate policies are now being developed. For instance, in 1984 it was announced that at least 16 African Governments had lifted ceilings on prices paid to farmers or had freed them entirely, and 10 had announced or planned reforms to enhance the effectiveness of ministerial and parastatal services.

#### C. Global food security

22. While the food crisis in Africa has required a concentration of aid resources on that continent in recent years, almost half of the food aid in cereals has been going to countries outside of Africa. In 1983-1984, for example, 34 per cent went to Asia and 13 per cent to Latin America. Almost 90 per cent of food aid shipments went to low-income food-deficit countries. These countries still require assistance to enable them to attain food security and to save their populations from chronic malnutrition and, more generally, to improve their social and economic situation. Their needs require consistent and large support by the international community.

23. The gravity of the African crisis is causing strains in some United Nations programmes, including the FAO/World Food Programme (WFP) emergency operations. A large share of the outlays in these operations is for refugees, displaced persons and victims of war and civil disturbances. Because of the concentration of these problems in Africa, the bulk of the FAO/WFP emergency operations is being directed to Africa although several operations were also instituted in Asia. As at May 1985, the number of requests for emergency assistance was rapidly exhausting the resources of the International Emergency Food Reserve and the WFP annual emergency allocation, despite the fact that total pledges to the Reserve at that time - 653,000 tons of cereals and over 37,100 tons of non-cereal food commodities - were well above the minimum target of 500,000 tons. Since even these larger resources were inadequate, the Director-General of FAO launched an appeal to the international donor community for additional contributions.

24. In order to assure food security, FAO has also proposed strengthening its Global Information and Early Warning System for Food and Agriculture, which would enable countries to take the necessary action in time to avert a food catastrophe. Accordingly, FAO is developing a programme to establish an operational satellite remote sensing system for monitoring and forecasting agricultural production and the desert locust population in Africa, the Near East and South-west Asia.



25. Improved food-stocking is also needed. WFP has stressed the need for pre-stocking food within countries in recognition of the bottle-necks that arise because of inadequate logistic facilities within the countries. Recent experience has clearly illustrated the human cost of avoidable delays in emergency food delivery.

### III. MONEY AND FINANCE, TRANSFER OF RESOURCES, INCLUDING OFFICIAL DEVELOPMENT ASSISTANCE, INDEBTEDNESS AND MULTILATERAL DEVELOPMENT ACTIVITIES

26. A major characteristic of the economic crisis that has been confronting developing countries is the sharp overall curtailment of net capital inflows coupled with a leap in net interest payments on outstanding debt. Thus, instead of receiving net transfers of financial resources on the order of \$40 billion a year - as had been the case from the late 1970s until 1981 - the overall net transfer to the capital-importing countries fell abruptly in 1982 and even turned negative in 1984. <sup>13/</sup> The behaviour of private credit and interest flows, which have affected a substantial number of countries, has largely been responsible for the shape and magnitude of this change. Nevertheless, none of the other components of resource flows - official development assistance, non-concessional official flows or direct investment - has shown a robust performance. In addition, in the face of continuing international economic instability and uncertainties, individual countries have needed not only to restore previous levels of international reserves but in many cases to increase them. To compensate for the lack of access to borrowed reserves, countries are building up their reserves largely through export growth and import restraint, in other words, by utilizing foreign-exchange resources that might otherwise have been applied to raising physical investment or basic consumption.

#### A. Official development assistance

27. In response to the crisis conditions which many developing countries have been facing, there have been many appeals in the United Nations system to increase the flow of official development assistance (ODA) and in particular the flow of quick-disbursing programmes and balance-of-payments assistance. In fact, after a distressing decline in 1982 and 1983, the overall receipts of ODA at constant prices and exchange rates have only recently recovered to the level of 1980. In 1984, flows to developing countries and multilateral agencies rose, as an increased flow from a number of developed countries more than offset a continued decline in flows from other donor countries.

28. Meanwhile, actions have been taken to enhance the developmental effectiveness of ODA by means of intensified co-ordination and policy dialogue among the Governments of donors and developing countries. UNDP has taken steps to improve the effectiveness of the "round-table" process in least developed countries, and the World Bank has recently reinforced its arrangements for consultative groups. In the field of emergency aid and operational activities for development, there have been a number of United Nations initiatives. For example, besides the establishment of OEOA by the Secretary-General, the Director-General for

Development and International Economic Co-operation and UNDP have stepped up efforts to enhance the co-ordinating functions of the United Nations resident co-ordinators.

29. These efforts will make an important contribution to building donor countries' confidence in ODA as a development co-operation instrument. It does not follow, however, that the trend in total flows of ODA will increase thereby. As ODA is generally a small share of donor country budgets, more is involved in holding back ODA increases than overall budget stringency. A number of donor countries have been reassessing the role of ODA in their foreign economic policy. In this context, United Nations institutions continue to argue for ODA, to answer unfounded criticisms of ODA and to foster appropriate reforms in response to valid criticisms of ODA, as is being done in the area of co-ordination. The Task Force on Concessional Flows of the World Bank/IMF (International Monetary Fund) Development Committee will report in October 1985 on its analysis of the sources of "aid fatigue" and on the measures that might be taken to enhance the aid mandate while also seeking to cope with current prospects of inadequate total net flows.

#### B. Multilateral development activities

30. Despite the widely recognized need for immediate measures, the institutions of the United Nations system - as well as other multilateral financial institutions - have had to operate within highly limited resource restraints. Thus in 1984, while multilateral disbursements that drew on earlier commitment levels continued to grow, the levels of new commitments did not suggest any further significant short-term increase in flows. Indeed, it became necessary to programme a substantial cut-back in fiscal year 1985 in the commitments of the International Development Association (IDA) of the World Bank, owing to a disappointing funding agreement. IFAD has also had to reduce its commitments substantially.

31. Prospects for highly concessional multilateral flows are contingent on international agreements to replenish such funds as IDA and IFAD. With respect to IDA, efforts failed to mobilize \$3 billion to supplement the \$9 billion committed for the seventh replenishment. The Development Committee has requested the World Bank to undertake a midterm review of IDA, providing an opportunity by which efforts to mobilize supplementary resources might be renewed. In the case of IFAD, donor countries have progressed towards a general understanding concerning the pending second replenishment after protracted negotiations. According to this understanding, the developed market economies would accept the need to take on a larger share of contributions in the light of the weakened financial condition of donors from the Organization of Petroleum Exporting Countries. None the less, the total amount mobilized may represent a significant cut-back from the previous replenishment, and even at this level final agreement has thus far proved elusive.

32. One area in which the international community has been able to enact multilateral financial measures concerns the crisis in sub-Saharan Africa. The World Bank has increased the emphasis of its programmes on this subregion while also mobilizing about \$1.2 billion in 1985 for a special facility for sub-Saharan Africa. (The role of the United Nations Emergency Operation in Africa was described in paras. 11 and 12 above.)

33. As the World Bank is the largest multilateral development finance institution, there is considerable interest in the review being made in 1985 of its future role. Agreement was reached in 1984 to double the capital of the International Finance Corporation, a World Bank affiliate which promotes and supports the private sector in developing countries. The future scale of lending by the Bank itself, however, is not yet resolved. Indeed, the accelerated disbursements of Bank loans made under the Special Action Programme have been drawn in part from advances on post-1986 disbursements. Bank staff have estimated that with increasing levels of repayments of outstanding loans, the net transfer between the Bank and the developing countries will turn negative at the end of this decade if there is no expansion in the Bank's capital base. As agreed at its April 1985 meeting, the Development Committee is seeking an early consensus on future financial requirements, bearing in mind the proposal for a general capital increase in 1986.

34. With respect to operational activities for development carried out by the United Nations system, the trend in contributions and thus in field expenditures has not risen to meet the intensified needs of recent years. Indeed, measured in dollars, contributions fell slightly in 1984 for the second year in a row, while field programme expenditures, which showed no growth in 1983, rose slightly in 1984. 14/

35. Although many programmes of operational activities are geared to long-run development needs - as with development finance itself - there has been concern to reorient some activities towards more immediate needs. For example, in technical co-operation programmes of the World Bank and the United Nations greater emphasis has been given to the design of appropriate economic adjustment and improved public administration. At the same time, it is increasingly being recognized that some long-term co-operation programmes - particularly in the realm of social services - have been adversely affected by budgetary pressures on local government counterpart funds.

36. In the face of so many hurdles to meeting the immediate requirements of the developing countries while also promoting their long-term development, an examination of the process of multilateral co-operation itself has been needed. In response, the Committee for Development Planning has focused its most recent report on this issue, 15/ and the Secretary-General in his annual report on the work of the Organization has presented an analysis and suggestions for reinvigorating the process. 16/

### C. Indebtedness and the flow of private resources

37. For countries with especially large debts to foreign private capital, the key to the debt crisis is confidence. When international commercial banks lost confidence in the economic growth and stability of debtor developing countries, they withdrew from the provision of new credits. These credits had been used to service existing debts as well as to bring about a net transfer of resources. In some developing countries, a loss of confidence by the private sector led to capital flight which exacerbated pressures on the balance of payments. Direct investors also began to hesitate to invest under what appeared to be riskier conditions.

38. Developing countries have made considerable efforts to correct domestic imbalances and improve their international trade performance, in many cases in a framework agreed with IMF. These efforts will help to raise confidence while strengthening the foundation for renewed growth. Yet, there are serious concerns whether the adjustment-related cut-backs in investment and human resource development will have reduced the capacity for growth in the medium term and whether the stimulus to growth through export expansion will continue.

39. Even after economic adjustment, the ability to service foreign debt is contingent on obtaining satisfactory prices for commodity exports and significantly growing export sales. The vulnerability to interest rate fluctuations of countries with large private foreign debt also impedes the full restoration of confidence. Thus, uncertainty prevails in spite of progress made. Indeed, the Interim Committee of the IMF recently found it necessary to call upon the industrial countries to consider resuming official export credit cover for countries whose external debt had been rescheduled, whose prospects of economic progress were good and which were undertaking satisfactory adjustment policies. 17/

40. Numerous proposals have been made over the past two years to alleviate the debt burden of developing countries, including forgiving outright some official debt of low-income countries and revising established principles for restructuring the debt of all countries. 18/ The international community appears to have reached a consensus on at least one proposal, namely, the appropriateness of multi-year reschedulings when renegotiating debts of countries undergoing economic adjustment. In this connection, the Interim Committee welcomed the contribution to improved creditworthiness expected from recent multi-year reschedulings of commercial debt. It also welcomed the intention of the Paris Club to consider cases of multi-year reschedulings of official debt.

41. It thus appears that the framework for debt renegotiations continues to evolve and to be influenced by intergovernmental bodies such as the Interim Committee and the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD), which agreed to a number of conclusions last year for furthering the implementation of previously agreed-on features aimed at guiding the process of dealing with debt-servicing problems (Trade and Development Board resolution 288 (XXVIII)). 19/ This notwithstanding, actual multilateral restructuring of debt is undertaken on a case-by-case basis within the context of economic adjustment programmes, generally arranged with the co-operation of the IMF and the World Bank. While this approach has helped to reduce the fears of a major financial catastrophe, there is concern in many parts of the United Nations system that it does not adequately guarantee either expeditious resolution of the debt-servicing difficulties of the developing countries or uniform treatment of small and large countries.

42. Successful renegotiation of external debt must provide a country with a schedule of principal repayments that are within the realm of economic and social feasibility. For debts subject to adjustable interest rates, the fixed spreads over the fluctuating base rate may be adjusted along with miscellaneous other fees. The debtor country would remain vulnerable, however, to increases in interest payments arising from fluctuations in the base rate. Although interest rate trends since mid-1984 have been favourable to debtors, there is reason to be apprehensive about future developments.

43. To address such possibilities, numerous proposals have been made to decouple the interest payments of developing countries from international market trends when the paying of market rates would impose an excessive burden on the debtor. On the level of individual new loans, the World Bank arranged its first loan package having such a feature last year as part of its pilot programme of co-financing with private creditors. In that case, the borrower is paying a constant annual debt service, with changes in market-related interest payments offset by changes in principal repayments and with the World Bank taking over any residual principal at the end of the original loan period.

44. Regarding interest payments on already outstanding debt, no proposals are under active consideration by any potential implementing body. One particular proposal, however, would not be difficult in principle to implement as it is a modest extension of an accepted principle already having an institutional manifestation. <sup>20/</sup> This is the Compensatory Financing Facility established by the IMF in order to protect developing countries from the disruptive balance-of-payments effects of, *inter alia*, temporary fluctuations in international commodity prices. The Facility's coverage was later extended on a temporary basis to excesses in cereal import costs. On 3 May 1985, the Executive Board of the IMF renewed the cereal import facility. A modest further extension would be to provide comparable credits having the same conditionality for excesses in interest costs. This would increase confidence on the part of existing and potential creditors that interest payments would continue even if external developments beyond the control of debtors temporarily overwhelmed their ability to pay.

45. Such measures would also help to improve confidence more generally in the balance-of-payments outlook of developing countries. In addition, it has been increasingly recognized that further international measures are appropriate to reduce the particular concerns of direct and portfolio investors about non-commercial risks. The Code of Conduct on Transnational Corporations, one measure that would have such an effect, has been under negotiation for several years. Most recently, a reconvened special session of the Commission on Transnational Corporations met in June 1985 and some progress was made in resolving the outstanding issues. <sup>21/</sup> An additional measure to enhance investor confidence has been proposed in the World Bank, namely, the establishment of a multilateral investment guarantee agency. Such an agency would issue guarantees against non-commercial risks and provide promotional services supplementing national efforts in this area by various home countries of investors. Ongoing discussions in the World Bank are aimed at reaching an understanding among Governments on creating the agency on a voluntary basis.

#### D. International monetary relations

46. In the context of immediate measures in favour of the developing countries, a number of proposals concerning international monetary relations have been put forward. Among the relevant organs, organizations and bodies of the United Nations system, the most forcefully and frequently argued proposal is that a developmental or structural approach should be taken to the adjustment of balance-of-payments disequilibria of developing countries. In support of this approach, the World Bank

has for some time operated its programme of structural adjustment lending (SAL), and the IMF has made available its Extended Fund Facility (EFF) as well as, in an earlier period, lending to low-income countries from its Trust Fund. While the Bank has continued to accord a high priority to SAL, the IMF arranged its last extended arrangement using EFF resources in 1983. The Fund's adjustment programmes have instead been concentrated on shorter-term stand-by arrangements employing what is acknowledged to be rather stringent conditionality. In addition, in November 1984 the IMF Executive Board reduced the limits on borrowing for 1985 under its Enlarged Access Policy. This was the second cut-back in as many years, and a further review of the policy and its limitations on borrowing is scheduled to take place in 1985.

47. In April, the IMF Interim Committee underscored the importance it attached to the role of the Fund in support of adjustment programmes and as a financial catalyst, while also stressing the importance of close collaboration between the Fund and the World Bank. 22/ Decisions regarding the financial resources of both institutions are pending. Besides the above-mentioned review by the Development Committee of the role of the Bank, the Interim Committee will consider at its next meeting in October 1985 how to deploy resources that are being made available by the repayment of Trust Fund loans. A more substantial increase in IMF resources awaits the Ninth General Review of Quotas.

48. Aspects of the reform of the international monetary system itself have also been a concern within the purview of immediate measures. It has frequently been observed, for example, that one factor responsible for the intensity of the slump in international trade in the early 1980s was a global shortage in liquidity. Even today there is a broadly held view that highly unstable financial markets and wide swings in exchange rates warrant an increase in official liquidity. Yet it has not been possible to reach agreement in the IMF on a new allocation of special drawing rights (SDRs) since the last allocation on 1 January 1981. Far from becoming the principal reserve asset of the international monetary system, as called for in the Fund's Articles of Agreement, SDRs are instead accounting for a steadily declining share of world non-gold reserves. Nevertheless, reaching agreement on an allocation of SDRs remains on the agenda of the Interim Committee.

49. It has also been observed for a long time that international pressures to correct disequilibria in the balance of payments fall disproportionately on developing countries. The IMF is charged by its Articles of Agreement with assuring the orderly exchange arrangements of all member countries. To do this, the Fund is to carry out a firm surveillance, thereby promoting sound underlying economic policies. In recognition of the need to improve the application of the principle of uniform treatment of members, the Interim Committee recently urged that consideration should be given to means of increasing the effectiveness of surveillance of countries which have a significant impact on the world economy. 23/ Implementation of this recommendation is the responsibility of the Executive Board.

50. In the above manner, steps are being initiated which bear on the reform of the international monetary system. Proposals for undertaking an overall reform, including proposals to prepare for an international monetary conference, have not

yet been fully addressed. It is true that forums outside the United Nations system have been grappling with the issue of reform. Nevertheless, major reforms that appear necessary are unlikely to be enacted until after a considerable period of preparation and consensus-building.

#### IV. TRADE AND RAW MATERIALS, INCLUDING ACCESS TO MARKETS FOR THE EXPORTS OF DEVELOPING COUNTRIES AND URGENT ACTION IN THE AREA OF COMMODITIES

51. The marked slow-down in international trade experienced since the early 1980s was reversed in 1984, largely as a result of a surge in import demand in the United States of America caused by that country's rapid rise in economic activity and the sharp appreciation of the United States dollar. Indeed, over half of the expansion in world trade registered last year was accounted for by increased imports into the United States. While such vigorous import absorption was instrumental in stimulating output and export growth among the major trading partners of the United States, there are reasons to be concerned about whether the momentum in trade expansion can be maintained. For one thing, the rapid pace of import penetration into the United States economy has fueled concern about the country's global as well as bilateral trade imbalances and has greatly strengthened protectionist forces in import-competing industries. More important, the recovery in the United States has already begun to slow down and the ability of other countries to take up the slack cannot be taken for granted. Sluggish growth and high unemployment levels in other industrial countries and pressing external constraints in many developing countries make it unlikely that other countries will be in a position to increase significantly their import demand in the immediate future. Thus, a lower rate of trade expansion appears likely in the years ahead. 24/

##### A. Protectionism and the trading environment

52. A particularly disquieting fact is that despite the increase in trade flows registered last year, the trading environment has continued to deteriorate. The expectation that the recovery would curb protectionist encroachment and pledges to roll back protective measures notwithstanding, actions to restrict trade once again far outweighed trade liberalization measures in 1984. 25/ Although progress was made in the field of tariffs thanks to accelerated implementation of the Tokyo Round tariff-cut agreements, extension and improvement of preferential tariff schemes and certain unilateral tariff concessions on the part of some countries, non-tariff measures (NTMs) continued to proliferate so that the proportion of trade subject to various types of restraints actually increased.

53. While some NTMs are legal under special arrangements and derogations of norms of the General Agreement on Tariffs and Trades (GATT) - for instance the Multifibre Arrangement - most are inconsistent with GATT rules and regulations. Such is the case of the voluntary export restraints and orderly marketing arrangements that have come to dominate trade in steel and to play an important role in the automobile, shipbuilding, consumer electronics and footwear markets. NTMs often discriminate against specific suppliers, especially those with limited retaliatory

power. According to UNCTAD estimates, in 1983-1984, 65.3 per cent of developed market economies' manufactured imports from developing countries were subject to NTMs while only 22.7 per cent of the same goods coming from other developed countries were so restricted. <sup>26/</sup> Because they take many forms and their enforcement is often subject to administrative discretion, NTMs are difficult to identify and eradicate. This lack of transparency generates a great deal of uncertainty about market access among potential suppliers. In this regard, the ongoing work of UNCTAD on an inventory of non-tariff measures and the work of the GATT Group on Quantitative Restrictions and Other Non-Tariff Measures have shed new light on this otherwise shadowy area, have created greater awareness of the extent of the problem and are laying the foundation for a possible solution.

54. Although the main immediate cause of the rise in protectionism in industrial countries in recent years was the recession itself, i.e. the attempt to protect employment levels from import competition and the loss of export shares, the fact is that in a number of sectors trade tensions preceded the recession and resulted from inadequate structural adaptation to changing competitive conditions. Particularly in labour-intensive, standard-technology, heavy industries, there has been a marked tendency to meet the challenge posed by the emergence of new low-cost producers by resorting to market-sharing arrangements that aim to preserve the share of traditional producers at the expense of the new entrants. In high-technology and other "footloose" industries, where labour costs and resource endowments are less important than a propitious investment climate in determining comparative advantage, a number of means - including subsidies and trade barriers - are being used to consolidate the industries and secure their market share. In recognition of the importance of structural adaptation in reducing trade tensions and improving the allocation of resources on a global scale, several United Nations entities are making additional efforts to identify effective policies in this field, including GATT, UNCTAD and the United Nations Industrial Development Organization (UNIDO).

55. Trade friction in agriculture also has a long history, and agricultural trade has largely remained outside the framework of multilaterally agreed trade rules under GATT. In recent years, though, trade tensions have intensified and the focus of the dispute has shifted from a concern over import restrictions to a growing preoccupation with the massive subsidization of farm exports which depresses international prices and encroaches upon the market share of competitive exporters. A noteworthy development in this field is the work under way in the GATT Committee on Trade in Agriculture, established by the Ministerial Declaration of 1982. For the first time, agricultural policies of all types are being subjected to international scrutiny. The Committee has been specifically charged with elaborating approaches for possible future negotiations in this area with a view to improving terms of access to markets, bringing export competition under greater discipline, defining limits between national policies and trade measures and providing differential and more favourable treatment to developing countries.

56. Another important factor behind the rise in protectionism in recent years has been the high degree of instability in financial and foreign exchange markets and the persistent misalignment of certain key currencies, most notably the United States dollar. Fluctuations in exchange rates unrelated to trade fundamentals



distort price competitiveness and help explain not only the rise in protectionism, but also the imposition of quantitative rather than price-related restrictions as the preferred form of protection in recent years. At the same time, the vast redirection of capital flows that has taken place in recent years, together with the rise in real interest rates, has forced many countries, particularly developing countries, to subordinate trade policy to financial considerations. A consensus is emerging on the need for greater co-ordination in the macro-economic policies of the major trading partners in order to create a more stable environment in which trading and financial relations can be normalized. Indeed, fuller appreciation of the interrelationships between issues in the fields of money, trade, debt and finance is evident from the integrated consideration of these issues recently undertaken in the Economic and Social Council, the IMF Interim Committee, the World Bank/IMF Development Committee, GATT and UNCTAD.

57. In the field of trade itself, there is a recognized need to restore the multilateral character of the trading régime and to strengthen the authority of GATT. In some measure, the drift towards bilateralism experienced in recent years is both a cause and a symptom of the weakening of GATT. In order to restore the authority and credibility of GATT, it will be necessary to improve the instruments themselves. An effective and equitable safeguard clause is essential for the proper functioning of the trading system. It also remains to clarify the ambiguities contained in some of the Tokyo Round codes on non-tariff measures - notably subsidies - regarding the circumstances under which protective measures are sanctioned under the codes. Likewise, it will be necessary to resolve the issue of the balance of rights and obligations among members posed by the fact that while a decision was made to respect the unconditional most-favoured-nation clause, accession to the codes on non-tariff measures is voluntary and not all GATT members are signatories to all the codes. At the same time, improvements are clearly needed in dispute settlement, surveillance and mechanisms to enforce compliance. Work on all these areas has been under way in GATT for years, but despite thorough studies of the issues, little progress has been made in reaching agreed solutions.

58. The launching of a new round of multilateral trade negotiations currently under discussion in GATT is seen by many as a means of breaking this impasse and making further progress in the field of trade liberalization. Indeed, if approached with a genuine commitment to compromise and provided that the trade interests of all parties are addressed, a new round of multilateral trade negotiations could make a significant contribution in this regard. Apart from strengthening the authority of GATT in areas already under its jurisdiction, it could facilitate the transition of textile trade from the Multifibre Arrangement to normal GATT discipline and the eradication of grey-area measures. It would also offer the opportunity to bring GATT principles to bear on areas hitherto largely outside its domain, such as agriculture and, possibly, services. Quite apart from the ultimate achievements of such an exercise, the launching of the new round might in itself assist Governments in resisting further protectionist encroachment by signalling a strong commitment to trade liberalization. At the same time, even as preparations proceed for a new round there is a pressing need to act on the pledges for a standstill and roll-back of protectionism.

B. Special measures for the benefit of developing countries

59. While the special needs of developing countries would necessarily be addressed in the context of a new round of multilateral trade negotiations, action on other fronts to bolster the export earnings of these countries is also urgently needed. One area is the Generalized System of Preferences (GSP). At its April 1985 session, the UNCTAD Special Committee on Preferences noted with satisfaction that all GSP schemes had been renewed and that some improvements had been made in them. At the same time, it urged preference-giving countries to further improve their schemes by paying attention to products not adequately covered by existing schemes in both the agricultural and industrial sectors, and it urged them to further liberalize rules of origin. While reaffirming the generalized, non-discriminatory and non-reciprocal character of the GSP, the Committee called for special measures on behalf of the least developed countries and urged Governments to make cash contributions to the UNCTAD Trust Fund in order to finance technical assistance activities in this field.

60. Another area of vital importance to developing countries is commodity trade. The slump in primary commodity markets during most of the 1980s has been a major factor in the slow-down of growth in developing countries and the aggravation of their external payments difficulties. Moreover, the failure of commodity prices to improve as expected in response to the recovery in industrial countries has prevented growth impulses from reaching a large number of low-income countries whose main link to the world economy is commodity exports.

61. Although commodity prices and producers' incomes inevitably decline in a period of general recession, the experience of the last few years has shown that in markets where commodity agreements with economic provisions have been operational - such as tin, rubber and coffee - the extent of the decline and the degree of price instability have been less than the norm. This fact constitutes a strong case in support of the ongoing efforts of UNCTAD in this area and gives new impetus to the full implementation of the Integrated Programme for Commodities and the Common Fund. It also underlines the potential for enhanced co-operation between consumers and producers in other areas in which consultative or study groups have been set up but in which formal international co-operation schemes are not yet in existence (rice, bananas, tea, certain fibres).

62. The proposed commodity-specific compensatory financing facility currently under study in UNCTAD is a significant new development within the overall effort to stabilize the commodity export earnings of developing countries. The primary objective of the new facility would be to reduce supply instability in specific commodity sectors. It would provide loans to developing countries that suffer a shortfall in earnings from exports of a specific commodity in conjunction with a multi-year programme to address the causes of the supply instability. The new facility would thus complement existing schemes (the Compensatory Financing Facility of the IMF, the Stabilization of Export Earnings scheme of the European Economic Community, and the structural adjustment lending of the World Bank) and it would facilitate national efforts to address commodity problems in a manner conducive to greater stability in international commodity markets.

## V. DEVELOPMENT OF THE ENERGY RESOURCES OF THE DEVELOPING COUNTRIES

63. The quantum jumps in the price of energy which occurred in 1973-1974 and 1979-1980 set in motion forces that sharply reduced the rate of growth of energy consumption virtually world-wide, spurred the search for conventional energy sources such as fossil fuels and led to investigation of a broad spectrum of unconventional energy sources. Coupled with the effects of slower economic growth, these developments led to divergent energy trends by the mid-1980s. On the one hand, markets for modern commercial fuels have shown a tendency towards excess supply at the global level, with attendant downward pressures on prices, especially in petroleum products and coal. On the other hand, traditional energy sources such as firewoods continue in short supply - sometimes catastrophically so - over broad areas in developing countries. All in all, the problems facing developing countries in the energy sector remain severe. 27/ In response, the United Nations system has intensified efforts to promote the development of energy resources in developing countries.

64. A case in point is the recent initiation of a new energy programme by the International Finance Corporation (IFC). 28/ During fiscal years 1985-1989, about \$100 million in equity capital will be committed to oil and gas exploration, and about \$250 million in equity investment and loans will be expended in areas related to non-hydrocarbon energy (valued in 1983 prices). It is also envisioned that late in the period, a further \$30 million in equity and \$120 million in debt capital will be made available for further delineation and development of exploration projects that have proved successful. Thus, about \$500 million will be committed to energy over the five years. IFC estimates that these funds will contribute to projects having total capital expenditures of about \$3 billion to \$4 billion. The programme emphasizes equity investment in hydrocarbons exploration and is focused, in terms of form of financing, energy source and stage of the production cycle, to make an important contribution to the development of energy resources in developing countries.

65. Unfortunately, the amount of financing projected is dwarfed by the magnitude of the problem. The \$100 million per year of incremental capital which the IFC programme will contribute during the 1985-1989 period compares with an external financing deficit in energy confronting the developing countries over the rest of the century that is well over 10 times this figure. 29/ Also, the programme does not provide financing directly to the national oil companies of developing countries although these companies frequently play a major role in the provision of national energy supplies.

66. Elements of the United Nations system have also acted during the last year to encourage the development and use of new and renewable sources of energy (NRSE) by convening consultative meetings as one mechanism for mobilizing additional financial resources. For example, a global consultative meeting to consider NRSE projects was held in New York from 13 to 15 March 1985. During the meeting - attended by donor countries and organizations, a number of developing countries, various entities of the United Nations system and other intergovernmental organizations - a number of Governments expressed preliminary interest in possible collaboration in a variety of NRSE projects. Another global consultative meeting,

initiated by the Government of France in collaboration with UNIDO, met in Lille, France, in November 1984 and focused on energy utilization of agro-industrial wastes and by-products.

67. Two regional consultative meetings were held in 1984. The Economic Commission for Latin America and the Caribbean, in collaboration with the Latin American Energy Organization and the Caribbean Community, convened a regional consultative meeting in June 1984. Also, the Economic and Social Commission for Asia and the Pacific convened a regional consultative meeting at Bangkok in September 1984. In both meetings, project proposals were examined for possible funding by donor organizations. Preparations for a regional consultative meeting for Africa are being conducted by the Economic Commission for Africa.

68. Finally, it may be noted that, as reported to the Secretariat, several dozen training courses, study tours, symposia, workshops, expert group meetings and conferences held during the past year were directed explicitly towards intensifying the development of the energy resources of developing countries. Their content ranged from broad discussions about energy policy to highly specific treatment of technical topics.

#### VI. IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES

69. The least developed countries, with their low level of income and inadequate physical and social infrastructure, are especially vulnerable to external economic shocks and natural disasters, which also make their task of long-term development particularly difficult. In recognition, the United Nations Conference on the Least Developed Countries adopted the Substantial New Programme of Action (SNPA) in 1981, reflecting the special commitment of the international community to the long-term development of these countries. The SNPA called for a substantially increased level of external assistance to the least developed countries and immediate measures to meet their urgent needs, including increased imports of food, balance-of-payments support and debt relief.

70. Viewed particularly against the background of a deteriorating situation since the SNPA was adopted, the availability of external resources to meet the urgent needs of the least developed countries while still enabling them to pursue their long-term development objectives has been far from adequate. ODA, which is by far the most important form of external resource for these countries, remained constant at around \$7 billion during 1980-1983, after a significant increase during the 1970s. This contrasts sharply, on the one hand, to the SNPA target of approximately doubling ODA by 1985 and, on the other hand, to the increased needs of these countries. The total net flow of IMF lending to these countries, which stood at around \$.5 billion in 1980, declined to \$.4 billion in 1983 and was negative in 1984 (-\$74 million).

71. Concerning the development activities of the United Nations system per se, resource constraints have blocked the necessary increase in assistance to the least developed countries in recent years. However, all major organizations and agencies

within the system recognize the special needs of these countries and this recognition is reflected in their operational activities. The share of expenditure of the least developed countries in the total operational activities of the United Nations system increased from 33 per cent in 1979 to 41 per cent in 1984, although the absolute increase in expenditure in real terms has not been large. 30/

72. The share of the least developed countries in the indicative planning figure of UNDP for its third programme cycle (1982-1986) increased to 42 per cent, up from around 34 per cent during the second programme cycle. The United Nations Capital Development Fund and the Special Measures Fund, administered by UNDP, are also geared to the needs of the least developed countries though the resources of these programmes have been relatively small and have not been increasing. The United Nations Sudano-Sahelian Office, also administered by UNDP, has a programme for control of desertification in 19 countries of which 14 are least developed. FAO similarly lays special emphasis on the least developed countries, and the share of its expenditure devoted to projects in these countries has been increasing. IFAD is especially concerned with agricultural development in low-income countries and in recent years has shifted its emphasis to the least developed countries in Africa in view of the deteriorating food situation in the region. WFP assists food-deficit low-income countries and has been giving special emphasis to the least developed countries, particularly the drought-affected countries of Africa. The share of the least developed countries in the total assistance of WFP increased from 37 per cent in 1983 to 43 per cent in 1984.

73. A mid-term global review of the implementation of the SNPA has been scheduled for September-October 1985, and various organizations of the United Nations system are actively collaborating in the work. Thereafter, a fuller report on the implementation of the SNPA will be made available to the General Assembly at its fortieth session.

#### Notes

1/ For the policy proposals and a fuller analysis of recent developments and short-term prospects, see World Economic Survey 1985 (United Nations publication, Sales No. E.85.II.C.1). Measures proposed specifically within the context of the resolution on immediate measures and which are of continuing relevance are contained in "Development and international economic co-operation: immediate measures in favour of the developing countries: report of the Secretary-General" (A/39/398).

2/ See "Review and appraisal of the International Development Strategy for the Third United Nations Development Decade", reports of the Secretary-General (A/AC.219/36) and (A/39/115 and Corr.1 and 2).

3/ See Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981 (United Nations publication, Sales No. E.82.I.8), part one, Sect. A.

Notes (continued)

4/ See "Statement by the President of the Economic and Social Council on the general discussion of international economic and social policy, including regional and sectoral developments: note by the Secretary-General" (A/40/525) and the report of the Secretary-General on international co-operation in the fields of money, finance, debt, resource flows, trade and development.

5/ See Food and Agriculture Organization of the United Nations, "Food situation in Africa" (CL 87/13), May 1985.

6/ Food and Agriculture Organization of the United Nations, "Food situation in African countries affected by emergencies", special report, 29 June 1985. For the most recent data, see the United Nations Office for Emergency Operations in Africa, "Status report on the emergency situation in Africa", periodically updated, and Food and Agriculture Organization of the United Nations, Food Outlook, monthly.

7/ World Health Organization, "Collaboration within the United Nations system: emergency health and medical assistance to drought-stricken and famine-affected countries in Africa: report by the Director-General" (A/38/16, 2 May 1985); p. 3.

8/ For a more detailed review of the efforts of the United Nations system in this regard, see "Critical economic situation in Africa: report of the Secretary-General" (A/40/372 and Add.1 and 2), annex to addendum 1.

9/ See Economic and Social Council, "Second special memorandum by the Economic Commission for Africa Conference of Ministers: note by the Secretary-General" (E/1985/122).

10/ Organization of African Unity, Assembly of Heads of State and Government, "Declaration on economic situation in Africa", Addis Ababa, 20 July 1985.

11/ Food and Agriculture Organization of the United Nations, "Refocussing of the 1985 FAO regular programme in support of rehabilitation requirements of drought-affected countries in Africa", (CL 87/13, Sup. 1), May 1985.

12/ World Food Council, "Progress in implementation of food plans and strategies in Africa", report of the Executive Director (WFC/1985/2), pp. 4-5.

13/ See World Economic Survey 1985, pp. 57-59.

14/ Given the wide swings in the exchange rate of the dollar in recent years, the dollar value of total field programme expenditures (and contributions) is acknowledged to have become a more imperfect indicator of trends in aggregate real flows. A full report on data through 1984 will be presented by the Secretary-General in a note on the operational activities of the United Nations system.

15/ Report of the Committee for Development Planning on its twenty-first session and resumed twenty-first session, Official Records of the Economic and Social Council, Supplement No. 9 (E/1985/29).

Notes (continued)

16/ Official Records of the General Assembly, Fortieth Session, Supplement No. 1 (A/40/1).

17/ Press communiqué of the Interim Committee of the Board of Governors of the International Monetary Fund, 19 April 1985, para. 7 (see IMF Survey, 29 April 1985).

18/ See, for example, United Nations Conference on Trade and Development, "Debt problems of developing countries", report of the secretariat (TD/B/C.3/195); Economic Commission for Latin America and the Caribbean, "Adjustment policies and renegotiations of the external debt", report of the secretariat (E/CEPAL/G.1299); and report of the Committee for Development Planning, annex III, "Conclusions and recommendations of the Secretariat of the Economic Commission for Africa".

19/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 15 (A/39/15), vol. I, p. 16.

20/ The same argument is made, for example, in World Economic Survey 1985, pp. 59-61.

21/ See Commission on Transnational Corporations, report on the reconvened special session, 17-21 June 1985 (E/C.10/1985/S-3).

22/ Press communiqué of the Interim Committee, para. 8.

23/ Ibid., para. 9.

24/ For a fuller discussion of developments in 1984 and prospects for the immediate future, see World Economic Survey 1985.

25/ For a fuller account of trade measures taken since 1984, see General Agreement on Tariffs and Trade, "Developments in the trading system", October 1983-March 1984 (C/W/437/Rev.1), April 1984-September 1984 (C/W/448) and October 1984-March 1985 (C/W/470).

26/ "Notes on developments in the international trading system relevant to the position of developing countries", annex to the statement to the Economic and Social Council by the Deputy Secretary-General and Officer-in-Charge of UNCTAD, 10 July 1985 (UNCTAD/OSG/314), p. 2.

27/ See "Development of the energy resources of developing countries: report of the Secretary-General" (A/40/511).

28/ See "The role of the International Finance Corporation in energy exploration and development", paper presented to the United Nations Symposium on Financing of Petroleum Exploration and Development in Developing Countries, Athens, 22-27 April 1985 (IESA/P/SYMP/OP/3).

Notes (continued)

29/ This multiple is intended as a minimum order of magnitude. Estimates made in recent years by the Secretariat suggest the possibility of a multiple which is substantially higher (see "Development of the energy resources of developing countries: report of the Secretary-General" (A/39/420 and Corr.1), p. 22).

30/ See the note by the Secretary-General on the operational activities of the United Nations system.

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