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CO-OPERATION FOR THE PURPOSE **OF** RESOLVING **THE** PROBLEM

Letter dated 30 September 1988 from the Permanent Representative of
Tunisia to the United Nations addressed to the Secretary-General

I have the honour to inform you that the Ministers for Foreign Affairs of the Group of 77 concluded their twelfth *annual* meeting at United Nations Headquarters in New York on 30 September 1988 and adopted the Declaration • annexed hereto.

The Declaration covers a number of important economic issues in the field of multilateral co-operation for development, as well as various important items of interest to the General Assembly at its forty-third session. Specifically, the Declaration will have direct bearing on deliberations under agenda items 12, 18, 29, 36, 37, 39, 44, 49, 50, 82, 83, 84 and 143.

I would highly appreciate if you would arrange for the present letter and its annex to be circulated as an official document of the General Assembly under the indicated agenda items.

(Signed) Ahmed GHEZAL
Ambassador, Permanent Representative
of Tunisia to the United Nations
Chairman of the Group of 77
New York

ANNEX

DECLARATION OF THE TWELFTH ANNUAL MEETING OF THE MINISTERS
FOR FOREIGN AFFAIRS OF THE GROUP OF 77

1. The Ministers for *Foreign Affairs* of the Group of 77 held their twelfth annual meeting at United Nations Headquarters from 28 to 30 September 1988.
2. The Ministers agreed with the assearment of the world economic situation made by the Ministerial Meeting of the Movement of Non-Aligned Countries held at Nicosia in September 1988, and welcomed the recommendations and initiatives adopted at that meeting.
3. The Ministers expressed concern over the uncertain situation of the world economy and its grave coneguencea for the developing countries. They noted that the expansion registered in terms of gross domestic product (GDP) growth is unevenly distributed between developed and developing countier and stressed the importance of achieving a sustained and equitable growth, in order to eliminate the delinking of growth rates between developed and developing countries.
4. The Ministers expressed grave concern at the precarious condition of developing countries arising mainly from acute debt problems, increasing protectionism, deteriorating terms of trade and continuous decline in the financial flows leading to a halt in the development process expressed, *inter alia*, by stagnation in real per capita income and the deterioration of the basic social indicators of the developing countries.
5. The Ministers expressed deep concern that the economic and social costs of prolonged retrenchment has caused what has been referred to by the multilateral financial institutions as "an adjustment fatigue". The developing countries continued to be adversely affected by the external conditions. Living standards have been well below the levels that prevailed at the beginning of the decade. Prolonged stagnation in real per capita income, greater poverty and social unrest are risks that the developing countries are facing as a result of such a situation. The Ministers reaffirmed that the strenuous adjustment efforts undertaken by developing countries as demanded by the international financial institutions had continued to result in unacceptably high social, political and economic costs, and had led to the impairment of their capacity to grow and develop and in declining indexes of well-being and quality of life.
6. The Ministers emphasized that the current state of the world economy amply demonstrated the urgent need to reactivate the dialogue between developed and developing countries. An integrated approach has therefore become even more necessary in the interrelated areas of money, finance, the external debt, trade and development. They further stressed that, to be really effective, the process of economic consultation and co-ordination should be broad-based, should take into account the developing countries' concerns and be carried out with their active participation so that a truly global and integrated package of policies could be worked out for sustained growth and development of the world economy in the interest of all countries.

7. In this context, the Ministers called for the convening of a special session of the General Assembly devoted to "The reactivation of Economic Growth and Development of Developing Countries", to be held at the highest level at the earliest possible date, but not later than 1990.

8. The Ministers noted with deep concern that if the low rates of growth that have characterised the international economy during the 1980s prevail into the 1990's, they will aggravate the already serious economic and social problems of indebted developing countries and hamper restoration of significant growth rates in developing countries. They reiterated that the International Development Strategy for the Fourth United Nations Development Decade should contain commitments and propose specific policy actions aimed at resolving these problems, reactivating development, combating poverty and improving living conditions of the people.

9. The Ministers noted that the debt crisis is entering its seventh year and remains unabated. They reaffirmed their deep concern about this situation and stressed that it continues to be a major political issue and an obstacle to the development of the developing countries. They reiterated that the current approach to the debt problem continued to be inequitable, asymmetrical and partial. The debt crisis has led to the fact that the external debt of the developing countries cannot be serviced under present international conditions without further damage to the development process of the developing countries. The Ministers, therefore, stressed the need for the international community urgently to find a political solution based on the shared responsibility of developed creditor countries, debtor developing countries, commercial banks and international financial institutions, to bring about a durable, development-oriented and global solution to the external debt problem of the developing countries. The Ministers took note with appreciation of the recent Trade and Development Report (1988) which contained recommendations with a view to lessening the crippling debt burden, encouraging the economic development and boosting world trade. They urged developed countries, banks and other international financial institutions to consider seriously these recommendations. The Ministers expressed their willingness to continue the efforts and the work accomplished in the United Nations in keeping the debt crisis under constant review. In this context, they urged once again the General Assembly at its forty-third session to explore and define a suitable mechanism and/or options and devise policy approaches and measures conducive to a prompt, viable and durable solution to the external debt problem of the developing countries.

10. They also noted with deep concern the alarming level that had continued to exist in the not transfer of resources from developing countries to developed countries and multilateral institutions, resulting from increased debt services, sustained deterioration in the terms of trade of developing countries and the reduced access to international financial resources. They stressed the need for urgent actions to be taken by the international community to reverse this trend which is adversely affecting the level of domestic investment and impeding the growth potential of developing countries.

11. The Ministers reiterated the imperative need for the convening of an international conference on money and finance for development with universal

participation, with the objective of reforming the international monetary and financial system so as to make it truly stable, multilateral, equitable and responsive to the *development* needs of developing countries. They supported the call by the Group of 24 for the creation of a Representative Committee of Ministers and **an effective step** in preparing such a conference.

12. The Ministers noted with concern the sharp fall in resource flow to developing countries since 1982, in particular the stagnation in the levels of official development assistance at 1088 than half of the internationally agreed targets and cessation of commercial flows. In this respect, they noted that further co-operative and mutually reinforcing efforts are required of the Governments, multilateral institutions and commercial banks, for restoring the flow of development financing to desirable levels.

13. The Ministers noted further that the international trade situation is **so worrisome** to the developing countries, whose terms of trade in the 1980s have worsened in comparison to the previous decade and whose share of the markets has declined. The commodity prices continued to be low, particularly since 1982, and demonstrated a high degree of instability and unpredictability, while the prices of the manufactured goods imported by developing countries from developed countries continued to rise, further worsening the balance of trade between developed and developing countries. The urgent reversal of the trend of rising protectionism and other measures taken by developed countries that distort international trade, such as tariff and non-tariff barriers as well as production and export subsidies, would benefit the developing countries and, by way of consequence, the world economy as a whole. The Ministers emphasized the crucial importance of the meeting for a mid-term review of the Uruguay round of negotiations, scheduled for next December, and expressed their hope that it will substantially contribute to such reversal.

14. The Ministers noted that despite the adoption of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and the tremendous efforts and sacrifices made by the African countries, the economic situation of those countries remain critical. In this context, the Ministers took note of the results of the Ad Hoc Committee of the Whole of the General Assembly on the mid-term review of the implementation of the United Nations programme of action on the economic recovery and development of Africa held in New York from 12 to 23 September 1988. They called upon the developed countries for the urgent and speedy implementation of the recommendations agreed upon on this occasion. The Ministers expressed their deep concern about the heavy debt burden faced by the African economies. They considered that the African indebtedness crisis calls for the urgent adoption of a co-operative strategy as referred to in paragraph 9 above, based on the shared responsibility of all parties concerned and oriented towards the reactivation of the economic growth and long-term development of the continent which will duly take into account the African capacities to pay. The Ministers expressed their full support to the African common position on the African external indebtedness adopted by the third extraordinary Organisation of African Unity Summit held at Addis Ababa in December 1987. They called upon the developed countries to respond urgently and positively to the proposal of convening an international conference on the African external indebtedness.

15. The Ministers welcomed the adoption by the United Nations General Assembly of resolution 42/231 and urged the international community to support the full implementation of the special plan of economic co-operation in Central America in support of the efforts being made under the Esquipulas II agreements to achieve peace and development in the Central American region.

16. The Ministers noted with grave concern the continuing economic crisis in the least developed countries, which are economically the weakest among the developing countries and are faced with the most formidable structural problems. The structural deficiencies of these countries, while greatly contributing to extreme economic and social difficulties, have also made them particularly vulnerable to their highly unstable external environment characterised, *inter alia*, by the historically low level of commodity prices, the mounting debt-to-GDP ratio and inadequate external financial flows. Despite the increased attention given by the international community and the international organization to finding a lasting solution to the problems of the least developed countries, mainly through the adoption in 1981 of the Substantial New Programme of Action for the 1980s for the least developed countries, there has been significant deterioration in the overall socio-economic situation of these countries since 1981. The African least developed countries, in particular, were severely hit by drought and desertification resulting in widespread famine and further deepening of impoverishment. Other least developed countries also suffered immensely due to recurrence of natural disasters, often on an unprecedented scale. These disasters have considerably reduced the potential for agricultural production, the main source of least developed countries value added, and led to the reorientation of efforts to relief and rehabilitation activities rather than pursuit of development programmes. The Ministers expressed their apprehension that the present untenable situation prevailing in the least developed countries and the increasingly adverse external environment are highly likely to destabilize their societies. The Ministers expressed satisfaction at the domestic policy measures undertaken by least developed countries in pursuance of Substantial New Programme of Action, in spite of numerous formidable constraints. They called for an urgent and full implementation of the recommendations of the Substantial New Programme of Action, and its mid-term global review, and the measures contained in the Final Act of the seventh session of the United Nations Conference on Trade and Development, reiterating their endorsement of the convening of the United Nations Conference on Least Developed Countries to be held in Paris in 1990 at a high level, the Ministers underscored the need for an adequate preparatory process for that Conference.

17. The Ministers recognized the specific needs and acute problems of the land-locked and island developing countries, and called upon the international community and, in particular, the developed countries, international organizations and multilateral and development financial institutions to take urgent and effective measures to respond positively to the specific needs of these countries,

18. The Ministers expressed their concern about the impact of the application of new and advanced technologies in the present international division of labour, and especially the widening of the technological gap between developing and developed countries, with strong negative effects for developing countries. They were of the

view that the United Nations has to foster international co-operation multilaterally • ffotivo and • fficient transfer of new technologies to developing countries and for thir • bnorption in those countries.

19. The Ministers reaffirmed the link between restructuring of the United Nations intergovernmental structure and functions in the economic and social fields and its secretariat support structure, and the strengthening of the United Nations in these fields as well as the improvement of the capacity of the United Nations • yntem better to respond to the *growing* needs of developing countries. They welcomed the adoption of Economic and Social Council resolution 1988/77 on the revitalisation of the Economic and Social Council, which was adopted as the result of the initiative of the Group of 77. The Ministers also considered the financial crisis of the United Nations. In this context they affirmed that the continuation of such a crisis would seriously impair the full implementation of General Assembly resolution 41/213.

20. The Ministers • their concern at the continuous • nVirOrUIMtal degradation and its consequent impact on human health, on • ecosystems and the process of development. They also • Xpr0880d concern that different forms of destruction and contamination of the • nvironmant are the consequences of the activities and operations whose origins are often outside the developing world. The developing countries are facing the risk, cost and • ffOCt8 Of such • CtiOn8, The Ministers underlined their conviction that • ffrcitive and lasting protection of the • nvironJnent can be • n8urOd only by a reactivation of the development process of developing countries, by removing the • xtarnal containtr to such reactivation and creating a supportive external economic environment. The Ministers reiterated that any measures undertaken at the international level should take full account of the existing inequities in the global patterns of production and consumption and the need to redress them, as well as the need for • nnuring additionality of resources, and • 8ChOWing conditionality in the guise of • nvironmental protection in the policies of multilateral development and financial institutions. In particular, the Ministers pointed out their concern at the *growing* traffic of toxic and dangerous products and wastes and their dumping in developing countries. They called upon developed countries to adopt strong measures at the domestic level, both administrative and legislative, in order to prevent such traffic. They also called upon the international community for the adoption of comprehensive and effective international measures, including legal *intrwrrnr*, for the elimination of the traffic. The Ministers recognised the endeavours currently undertaken by the United Nations for the control and halting of the environmental degradation and urged developed countries to spare no efforts for the restoration of the environmental balance and to take concrete measures in all areas, *inter alia*, traffic and dumping of toxic and dangerous products and wastes, dumping of nuclear wastes, seas contamination, protection of the ozone layer, pollution and climatic calamities, such as drought.

21. The Ministers extended full support to the objectives of the Glob81 Strategy for Shelter to the Year 2000 to continue to take appropriate action at national and international level to sustain the momentum generated during the programme for the International Year of Shelter for the Homeless and to continue implementing concrete and innovative programmes aimed at improving the shelter and neighbourhoods of the poor and disadvantaged,

22. The Ministers reiterated their continued and unswerving support for the struggle against apartheid and expressed their solidarity with its victims and with those neighbouring countries suffering from aggression and economic destabilization by the racist régime of Pretoria. They once again urged the international community to impose comprehensive and mandatory economic sanctions against the Pretoria régime in accordance with Chapter VII of the Charter of the United Nations. The Ministers reaffirmed that urgent, more vigorous and concrete steps and actions should be taken individually and collectively by all the members of the international community to end without delay colonialism, occupation, domination and exploitation, which constitute major obstacles to the economic emancipation of the developing countries and peoples. The Ministers also reaffirmed the rights of all countries, territories and peoples subjected to or affected by those condemned practices to restitution and full compensation for the exploitation, depletion, loss or damages to their natural and all other resources. They noted with particular concern the difficulties being experienced by the Palestinian people, whose living conditions have been deteriorating as a result of the Israeli occupation and who urgently need to be liberated from occupation to enable them to develop their national economy, and the similar conditions of the people of South Africa and Namibia, including the front-line States, whose painstakingly developed infrastructure and legitimate development programmes are undermined by the South African régime's policy of destabilization. Therefore, they reiterated their unswerving support for the heroic struggle of the peoples of Namibia, South Africa, Palestine, Lebanon and the occupied Arab territories. The Ministers further called upon the international community to adopt urgent and effective measures in order to eliminate the use of coercive measures, including blockades, embargoes and freezing of assets, against developing countries, which have been on the rise and have taken new forms.

23. The Ministers reaffirmed their continued support and faith in multilateralism within the framework of the United Nations system, which is the most appropriate instrument for dialogue and negotiation. They expressed their concern over the lack of political will as well as over the increasing tendency on the part of some developed countries to continue to take decisions that are of concern to the entire world economy without taking due account of the interests of developing countries and also outside the multilateral framework of the United Nations system and from the perspective of their own national interests. They reiterated the need to implement fully the declaration and programme of action for the establishment of a new international economic order, resolution 34/138 on the launching of global negotiations, the International Development Strategy for the Third United Nations Development Decade and the full implementation of the provisions of the Charter of Economic Rights and Duties of States, in order to achieve the goals of the Charter of the United Nations.

24. The Ministers recalled the imperative need further to expand and deepen economic and technical co-operation among developing countries as an integral part of the effort to promote a restructuring of international economic relations.

25. The Ministers welcomed the adoption of the final text of the Agreement on the Global System of Trade Preferences by the Ministerial Meeting on the Global System of Trade Preferences among Developing Countries, which was held at Belgrade from 6 to 13 April 1988, and which constitute an historical event for the Group of 77.

26. They noted with satisfaction that the Agreement has so far been signed by 48 member countries of the Group of 77. The Ministers urged the signatory countries to ratify the Agreement as soon as possible to enable its efficient implementation and made an appeal to all other member countries desirous of receding to the Agreement to proceed with the preparations for the next round of negotiations.

27. The Ministers took note of the report of the Chairman of the Group of 77 on the activities undertaken in the framework of ECDC by member countries as well as by the office of the Chairman of the Group of 77 in the context of the implementation of the pertinent recommendations adopted by IPCC VI held at *Havana* in September 1987. They also took note of the status of the implementation of the Perez Guerrero projects adopted by IFCC VI and invited the Chairman of the Group of 77 to ensure the early implementation of the projects which are being finalised on the basis of the respective guidelines for those projects and to make a further report to the next IFCC on the status of their implementation.

28. The Ministers recommended that further steps should be taken to ensure the implementation of the *Caracas Programme of Action* and that *now ways and means* should be explored to this effect. They urged IFCC VII, which will be held in 1989, to submit to the special ministerial meeting that will commemorate the twenty-fifth anniversary of the creation of the Group of 77, as referred to in paragraph 29 below, specific proposals in this regard.

29. The Ministers requested the Chairman of the Group of 77 to submit to IFCC VII recommendations on the *new* role and function of the IFCC in the light of the decision adopted by the eleventh ministerial meeting to biennialize IFCC meetings,

30. The Ministers noted that the year 1989 will mark the twenty-fifth anniversary of the creation of the Group of 77. They considered that this historic event deserves special attention. On this occasion they decided to hold a special meeting at the ministerial level. The Ministers invited the Chairman of the Group of 77 to conduct the necessary consultations with the Member States of the Group on the venue and date of such a meeting and to establish a small working group, which shall begin its work as of January 1989, with the mandate to ensure the necessary preparations for this meeting and to elaborate concrete recommendations, taking into account that the Special Ministerial Meeting will assess the progress achieved by the Group, and consider ways and means to enhance its efficiency and to ensure the implementation of its goals and objectives for the 1990s.