

UNITED NATIONS



NATIONS UNIES

Alvaro de Soto

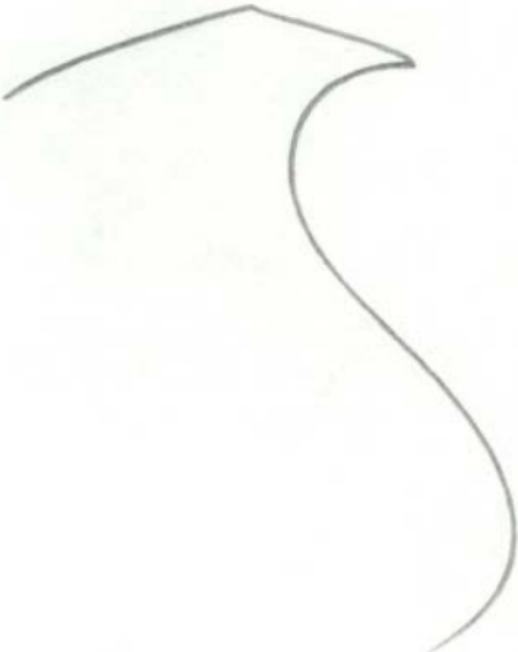
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## ROUTING SLIP

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- ① As sent to Washington  
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 Press Release ?

Frank H. W.  
 3 22/3/87

27 March 1987

DIEC

"SUSTAINING GROWTH IN DEVELOPING COUNTRIES"DEVELOPMENT COMMITTEEWashington D.C., 10 April 1987Note of the Secretary-General of the United Nations

The Secretary-General of the United Nations welcomes the opportunity to submit to the members of the Development Committee a few observations on the important subjects on its agenda for the April meeting. The executive heads of UNCTAD and UNEP have prepared special submissions on commodities and environmental issues in development. The following remarks will address to the issues of adjustment and restoration of growth in developing countries.

It is a source of considerable satisfaction that the Development Committee is now giving attention to the social costs of the economic adjustments that many developing countries have been forced to undertake. Policy-based lending in the context of growth-oriented adjustment programmes of the World Bank and IMF is assuming an increasingly important role. Their support of efforts to protect essential expenditures for health, education, and the relief of the poor is of the greatest importance in the turbulent social and political situation that the serious economic set-backs of all too many developing countries is producing.

As the President of the World Bank notes in his report, it is clear that the best protection of the poor, and also the only reasonable way out of the present problems, is renewed growth in the developing countries. A broad international consensus has emerged on this subject. In 1987, many developing countries will see some improvement in per capita incomes, and in some of them it will be quite significant. But in many more the prospects are dim, and this is especially true in some of the heavily indebted countries.

There is no need here to recall the roots of the debt problems of such countries. The way out has been seen to depend on three elements:

- (i) a revival of growth in the rest of the world economy;
- (ii) genuine policy reform and adjustment in the developing debtor countries;
- (iii) renewed flows of finance to allow such adjustment policies to be growth-oriented rather than merely contractionary.

Remarkable adjustment has been achieved in many countries that have had to turn their trade balances around in order to pay the interest on their debts.

In the world economy of today, the developing countries are, for the most part, exporting more than they import, whereas the developed ones do the opposite. This is the reverse of the situation that prevailed until a few years ago, and

although individual countries have fared very differently it means that many of them have been forced to reduce their domestic expenditure (including investment) below their production very abruptly while some developed countries have been doing the opposite.

The trade surpluses of heavily indebted countries have been largely achieved by import cuts, and they are being forced to further import restraint, with consequences that are felt by exporters in developed economies.

The disquieting fact seems to be that two of the three elements in the debt strategy have not worked as planned. Growth in the industrial economies has not accelerated and remains insufficient to raise commodity prices or stimulate demand for the exports of developing countries. The resumption of lending by commercial banks has not come about. In fact, their net lending to developing countries has virtually ceased.

Is there any realistic ground to expect any change in these regards? Governments of industrial countries have announced their intentions to make efforts to offset the deflationary impact of reducing deficits where this is necessary; but they appear convinced that their rate of growth could not be substantially increased without a resurgence of inflation, and that their high unemployment is a lesser evil. Their populations are not growing, and their present growth rates permit substantial increases in per capita income; the redistributive problems of coping with the aging of their population seems in many of them to be a greater preoccupation than the fact that growth is slower than it used to be. If anything, expectations seem to be that the unusually long growth phase in the world economy will give way to a downturn rather soon, which would compound the difficulties of the international debt situation. One must of course hope that growth in the world economy will accelerate, but it would seem unwise to pin the approach to the international debt situation unduly on such a course of events.

As for the commercial banks, the crisis atmosphere that surrounds the debt situation in many countries does not encourage them to engage in new lending. Poor prospects for world growth make the restoration of credit-worthiness in heavily indebted countries difficult or impossible no matter what further adjustments they undertake. As noted in the World Bank's publication Developing Country Debt: Implementing the Consensus:

The events of 1986 suggest that major creditor banks, on occasion, can still be persuaded to make new loans, when faced with the imminent threat of collapse in their financial relationship with a major debtor..... They offer no encouragement that a renewal of voluntary lending is close, and highlight the very real difficulty of harnessing private lending in support of longer-run adjustment programmes (p. xv).

The Chairman of the Development Committee, in his opening statement, makes the observation that:

Net official lending during 1985-87 (about \$20 billion) will only be about two-thirds of that lending during 1980-82 in nominal terms. And the hope being pinned on private direct investment is not being realized. This necessitates consideration of the use of surpluses from certain industrial countries for programs in the interest of developing countries.

Indeed, it seems necessary to recognize that new approaches, complementary to the present debt strategy, must be explored, not in the interest merely of the debtor countries but rather in the interest of creditors and debtors alike, and for that matter of the world economy as a whole. This mutuality of interest was recognized in the resolution on debt adopted by the General Assembly of the United Nations by consensus last year.

Debt situations are so varied that global measures may not be the most appropriate response. Many proposals are presently discussed and deserve close attention. In the long-run a greater emphasis on equity investment rather than fixed-term debt would protect developing countries from excessive adjustment burdens, and both the Multilateral Guarantee Investment Agency and the efforts of developing countries to attract foreign investment and to induce flight capital to return will be of the greatest importance. But it must be recognized that such measures are of little avail once a debt crisis has erupted.

It would be preferable for debtors and creditors to co-operate towards solutions that would keep debt service within the limits of the capacity to pay and avert severe disruption to the international finance system. It is difficult to see how this will be feasible without firmer engagement of official creditors, and co-operation with the private banks. It should not be impossible to admit that the business-like approach to many of the debt situations of developing countries, certainly the low-income among them, would involve a measure of debt relief. Debts to IMF and the World Bank loom increasingly large in the quandaries of many of these countries.

The situation in these countries is often overlooked as attention focuses on those major debtors whose failures to service their debts are seen as threats to the banking systems in creditor countries. But many African countries are struggling under debts which are crippling to them although they do not have much impact on private banks as they are mostly owed to official creditors. The Secretary-General of the United Nations has been entrusted with the overall responsibility of supervising the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990. In consultation with the World Bank and IMF, he has taken the initiative of inviting a panel of prominent experts to advise him, and through him, governments and the international community, on the difficult problem of financing African recovery.

The full name of the Development Committee refers to the transfer of real resources to developing countries, but in the present circumstances it cannot be emphasised too much that the issue is not one of generous charity but rather one of enlightened self-interest. The maintenance of adequate financial flows in the near term should be a matter of priority to all parties in the world economy.

UNITED NATIONS



NATIONS UNIES

Alvaro de Soto

26/3

VD

- Kafue is on board.
  - JK is recast - if underscored sentence on P.4 which might seem irrelevant to those who are seeking global manners.
  - JK is adamant about retaining reference to African initiative on p.5
- VD

## ROUTING SLIP

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Mr. V. Dayal

FROM:  
DE:

Room No. - No de bureau Extension - Poste Date

FOR ACTION

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NOTE AND RETURN

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26 March 1987

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## UNITED NATIONS



INTEROFFICE MEMORANDUM

## NATIONS UNIES

MEMORANDUM INTERIEUR

TO:  
A:

The Secretary-General

DATE: 9 March 1987

THROUGH:  
S/C DE:

REFERENCE: \_\_\_\_\_

FROM:  
DE:Jean Ripert, Director-General for Development  
and International Economic Co-operationSUBJECT:  
OBJET:Special Commission of the Economic and Social Council on the  
In-depth Study of the United Nations Intergovernmental Structure  
and Functions in the Economic and Social Fields

In its resolution 41/213, the General Assembly assigned to ECOSOC responsibility for carrying out the review of intergovernmental bodies pursuant to recommendation 8 of the G-18 report. ECOSOC, in turn, established a Special Commission of the Whole to carry out this work. (Incidentally, the G-18 had recommended a limited group.)

The Special Commission held its first substantive session on 2-6 March 1987. While all representatives attached great importance to the review exercise, it was clear that many of them neither understood the magnitude of the task nor had a clear idea of how to go about it. One result was a significant degree of suspicion and mistrust among delegations, between delegations and their bureau, and of the Secretariat. In very rough terms, developing countries are concerned that the emphasis placed by developed countries on efficiency will dilute the consideration of substantive issues of concern to them. Developed countries, in turn, are concerned about the commitment of developing countries to the reform process.

In spite of these difficulties, the Special Commission did make some progress. Most important was agreement on a balanced approach which will incorporate both a functional (i.e. organizational structure) and thematic review. Much remains to be resolved, however, with regard to both the organization of work and the substantive thrust of the review.

One result of the basic confusion is that the Secretariat is being asked to supply a massive amount of documentation for the next meeting which is scheduled for 18-20 March 1987. My office is co-ordinating Secretariat support for the Commission and will do the best we can to respond to the requests for documentation. In this respect, I wish to acknowledge with gratitude the support and co-operation of DIESA and OSSECS. In the long-run, staff requirements to respond to what clearly will be increasing requests for information and analysis may be problematic.

by: VMHS

From: 0001

Group 918 up-  
follow up  
DIEC

Another concern involves the scheduling of future meetings. While the Commission will need to meet relatively frequently if it is to meet its deadline of the summer of 1988, no provision for meetings was included in the calendar of conferences for 1987. For the moment, we have managed to arrange meetings in both March and April with no financial implications.

The recommendation calling for a review of intergovernmental bodies refers specifically to the supporting secretariat structures. There is an obvious interrelationship between the work of the Special Commission and the review of the economic and social sectors which I am conducting on your behalf: changes in Secretariat structure have clear implications for related intergovernmental bodies, and vice versa. Statements by some delegations indicated an interest to probe rather deeply into the Secretariat structure. While acknowledging the interrelationship, I emphasized the need to proceed with the implementation of those recommendations for which you are responsible.

It will take time for the Commission to organize itself properly to carry out the review of the intergovernmental structure in the economic and social fields. At this point the basic effort is to become acquainted with the necessary background information which would provide a basis for the process of in-depth consideration and negotiation which must take place. I will continue to follow this closely and, with the assistance of my colleagues, do every thing possible to facilitate the work of the Commission.

cc: Mr. R. Ahmed  
Mr. M. Ahtisaari  
Mr. E. Wyzner  
Mr. S. Mousouris  
Mr. Doo Kingue

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② 5pm Tues. 10/3

Audience granted

DIEC

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up

TEGUCIGALPA HONDURAS CA FEBRERO 19/1987

SEÑOR EMBAJADOR ALVARO DE SOTO

SECRETARIA GENERAL

NACIONES UNIDAS

NEW YORK

DE ACUERDO CON LA CONVERSACION TELEFONICA, LE CONFIRMO QUE EL PRESIDENTE DEL BANCO, LICENCIADO DANTE GABRIEL RAMIREZ, ASISTIRA A CITA CONCEDIDA POR EL SEÑOR PEREZ DE CUELLAR EL MIERCOLES 11 DE MARZO A LAS 11:00AM, ACOMPAÑADOLE EL DR. FELIX MARTINEZ DACOSTA, ASESOR JURIDICO Y EL SUSCRITO. ASIMISMO, DE ACUERDO CON LO CONVERSADO, LE ESTARE LLAMANDO EL DIA 9 CON EL OBJETO DE RECONFIRMAR LA HORA. ATENTOS SALUDOS.

FEDERICO ALVAREZ F.

GERENTE DE PROMOCION Y ESTUDIOS

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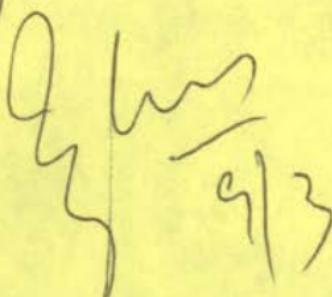
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# RUSH

cc SG (original)

  
9/3

## UNITED NATIONS

INTEROFFICE MEMORANDUM



## NATIONS UNIES

MEMORANDUM INTERIEUR

TO: The Secretary-General  
A:

DATE: 9 March 1987

THROUGH:  
S/C DE:FROM: Jean Ripert   
DE:

REFERENCE: \_\_\_\_\_

SUBJECT: OBJET: Meeting with Sr. Dante Ramirez, President, Central American Bank for Economic Integration (CABEI), New York, 11 March 1987

You will recall that this meeting is to take place as a result of your encounter with Sr. Dante during your recent Mexico visit. It will also take place in the context of the heightened interest in the political and economic situation in the region. Your recent visit to the region has underlined your personal interest in the matter.

According to CEPAL, the economic situation in the region, though mixed, has deteriorated especially due to low commodity prices and the burden of external debt, and lack of additional finance. These have exacerbated political tensions.

The Bank headed by the President is part of the mechanism to foster greater economic co-operation among the countries themselves through trade and finance. There is a renewed effort to energise these mechanisms. Needless to say, immediate encouragement that can be given to closer economic co-operation. It is not only desirable in itself, but might contribute to lessening tensions in the region. The integration movement is supported by major western donor countries and institutions.

In recent years, the President of the Bank has been involved in efforts to enlarge the capital base of the Bank by reaching out to potential donors outside the region. Some concrete progress has been made. Mr. Ramirez would be coming to New York immediately after a visit to Europe intended to solicit additional resources. The United Nations through UNDP have provided various kinds of support to the Bank. Mr. A. Brown (UNDP) is to visit them next week.

As far as I can tell, the President of the Bank has not let us know precisely his own objectives in meeting with you.

Under these circumstances, the discussion may be directed in the following manner:

1. Given Sr. Dante's familiarity with the region and the latest economic situation, you may wish to obtain his perceptions of the situation especially as regards the integration movement.

2. You might mention to the President that you are aware of his commendable efforts to expand the resources of the Bank and you might wish to express your political support for his efforts, as also for the efforts made on the trade front, which should not be neglected. The assistance of the United Nations in these endeavours could be offered.

Mr. Rosenthal in his memorandum of 30 January addressed to Mr. De Soto - copy attached - has put forward some relatively precise ideas on how the United Nations could assist this process. At this point Mr. Rosenthal may be invited to present them. Mr. Navajas-Mogro might also say a word about the support being lent by UNDP to the efforts of the Bank. The services of UNCTAD could also be mentioned.

3. You may wish to express your interest in the follow-up to the current efforts of the Bank. Upon Mr. Brown's return from the visit to the Bank in the latter part of next week we may be able to formulate more precisely initiatives if the discussion warrants it.

Any elaborate subsequent effort on our part would require some analytical work by ECLAC, as well as prior consultations with governments concerned and institutions like the World Bank and the Inter-American Development Bank.

Gabriel Siví Herny  
men  
CIECA Salvad

MEMORANDUM CONFIDENCIAL

AL: Sr. Alvaro de Soto

DE: Gert Rosenthal *Hon's*

ASUNTO: Visita a Nueva York del Sr. Dante Ramírez, Presidente del Banco Centroamericano de Integración Económica (BCIE)

FECHA: 30 de enero de 1987

1. Me refiero a nuestra conversación de la semana pasada, durante nuestro breve encuentro en la ciudad de Mexico, en relación a la invitación que el Secretario General le hiciera al Sr. Dante Ramírez para que visitara la Sede en Nueva York, en una fecha oportuna a acordarse posteriormente (probablemente durante el mes de marzo), con el objeto de explorar formas en que la Organización podría apoyar al proceso de integración centroamericana en general y al BCIE en particular. Esa invitación surgió a raíz de un breve encuentro, en Tegucigalpa, entre el Secretario General y el Presidente del BCIE, el dia 19 de enero.

2. La visita del Sr. Ramírez plantea algunas interrogantes. Desde el punto de vista sustantivo, revive la preocupación permanente sobre cómo la Organización y las agencias especializadas pueden contribuir a mitigar los efectos de la crisis económica en Centroamérica y revertir las tendencias de años recientes, e incluso hacer un aporte, dentro del limitadísimo mandato que otorgó el Consejo de Seguridad al Secretario General, a resolver la crisis política. Desde el punto de vista más formal, obliga a pensar en una agenda de trabajo que justifique este encuentro. Los dos aspectos (el sustantivo y el formal), desde luego, no son mutuamente excluyentes. Sin embargo, el problema inmediato que tenemos entre manos es la visita del Sr. Ramírez, por lo que quisiera compartir algunas reflexiones contigo (y, por tu medio, con el Secretario General) sobre el posible alcance de la misma.

3. Lo primero que habría que aclarar es si el encuentro propuesto se limitaría al Presidente del BCIE y a personeros de la ONU, o si se haría extensivo a otras agencias e instituciones. Si entiendo bien el contexto en que se desarrolló la conversación en Tegucigalpa, se trataría de una reunión informal, de alcance limitado, para explorar en términos generales cómo podría la Organización ser "supportive" al Banco y al desempeño de su mandato. Pienso que es un formato adecuado, puesto que incorporar a otras agencias (por ejemplo, Banco Mundial, BID) u otras instituciones de la integración centroamericana (SIECA, ICAP) le daría un formato más formal --y generaría expectativas-- que precisaría tareas preparatorias mucho más profundas de las que estaríamos en condiciones de desarrollar entre ahora y marzo.

Dicho de otra manera, me parece correcto manejar este encuentro como una invitación espontánea del Secretario General al Presidente el Banco para un intercambio de impresiones generales, que podrían encontrar una respuesta programática en reuniones y acciones posteriores. En ese sentido, sería un encuentro breve (quizás solamente una sesión de trabajo) entre la Secretaría y el BCIE, donde probablemente deberían estar presente el PNUD y la CEPAL para dar seguimiento a las ideas que se ventilen.

Diec?  
Abby?

4. La agenda seguramente incluiría un intercambio de impresiones sobre la evolución de los acontecimientos en Centroamérica en años recientes, con énfasis en los aspectos vinculados con la integración económica, y especialmente un examen de la gama de opciones al alcance de la ONU para apuntalar ese proceso. En cuanto a este último aspecto, podemos movernos entre dos extremos: a) ayuda muy puntual para coadyuvar a las tareas del BCIE y acaso otras instituciones de la integración centroamericana; y b) revivir una idea ambiciosa propuesta precisamente por la ONU (a través de la CEPAL) algunos años atrás,\*/ tendiente a organizar un importante programa de cooperación externa, de carácter multilateral, dirigido a la reactivación de las economías centroamericanas (para lograr una especie de "Plan Marshal" multilateral para la región, como parte de un programa integral de pacificación y desarrollo).

5. En lo que se refiere a la cooperación puntual, además de las actividades "normales" que el sistema lleva a cabo en la subregión, hay por lo menos tres áreas en que la ONU podría colaborar con el BCIE. En primer lugar, al parecer sería factible elevar la asignación de recursos del programa regional del PNUD (PRALC IV) para mejorar la capacidad del BCIE de preparar una cartera de nuevos proyectos de interés subregional. A pesar de que la institución enfrenta serios problemas de liquidez (que se han aliviado un tanto en meses recientes), paradójicamente se agotó un portafolio de proyectos "bancables". No sería difícil idear un proyecto PNUD, con algunos recursos "semilla", para que el Banco impulse ciertos proyectos, y a la vez esté en condiciones de movilizar recursos adicionales de los principales organismos financieros multilaterales. Existe una evidente necesidad de desarrollar nuevos proyectos regionales en el ámbito de la inter-conexión eléctrica, la ampliación del sistema regional de telecomunicaciones, y algunas actividades productivas (medicamentos genéricos, sistemas de riego, comercialización internacional). En segundo lugar, el Banco está buscando apoyo entre países extrarregionales (Alemania Federal, Francia, Italia, Canadá, Japón, Suecia) para hacerlos "socios" de la institución,

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\*/\* Véase la recopilación de documentos que acompañan este Memorandum, y que finalmente dieron origen al llamado "Programa Operativo Especial para Apoyar el Desarrollo Económico y Social de Centroamérica y Panamá", dirigido por el Banco Interamericano de Desarrollo.

a través de contribuciones de capital al llamado Fondo para el Desarrollo Económico y Social de Centroamérica (FONDESCA). El Secretario General podría ofrecer sus "buenos oficios" para complementar las gestiones de los propios gobiernos centroamericanos en esta dirección. Finalmente, se podría pensar en reactivar un foro de las Naciones Unidas -- el Comité de Cooperación Económica del Istmo Centroamericano, que depende de la CEPAL-- para provocar un reexamen y una reflexión colectiva de todos los gobiernos de la región en torno a la adecuación del proceso de integración a las nuevas circunstancias que imperan en la región. Esta idea ha estado en el ambiente durante algún tiempo, y probablemente se podría instrumentar, a pesar de las tensiones políticas que persisten.

6. En lo que se refiere a la idea más ambiciosa, su examen ni siquiera sería realista en el contexto actual de tensiones políticas. Sin embargo, de progresar las iniciativas para mitigar o eliminar esas tensiones, un "paquete" de cooperación internacional dirigida a la subregión --incluyendo aquella del resto de América Latina-- seguramente formará parte de una búsqueda de soluciones globales. En ese sentido, la iniciativa que impulsamos algunos años atrás para crear un Grupo Consultivo para los países Centroamericanos bajo la égida del Banco Mundial, en condiciones muy similares al llamado "Caribbean Group for Cooperation in Economic Development" sigue teniendo plena validez. Desde luego, no le correspondería a la ONU organizar y dirigir un foro de esa índole, pero sí podríamos tomar la iniciativa de organizar un encuentro futuro con personeros de las principales agencias financieras multilaterales y bilaterales para examinar porqué se frustró ésta iniciativa en 1982, y qué condiciones se precisarían para retomarla en 1987 o en el futuro. Me doy cuenta que organizar un Grupo Consultivo Centroamericano en las condiciones actuales sería extremadamente difícil, pero por otro lado un "major breakthrough" en materia de distensión política tendría que ir acompañado por un importante programa económico, y la idea del Grupo Consultivo, como dije, sigue teniendo su atractivo.

7. Finalmente, entre los escenarios "mínimo" y "máximo" descritos en los dos párrafos anteriores, seguramente hay una gama de reacciones intermedias de la Organización que se podrían examinar, que no sean ni tan modestas como las enumeradas en el punto 5, ni tan ambiciosas como las que precisa una solución política como prerequisito para su instrumentación. Es en torno al examen de todas estas opciones que se podría justificar sobradamente un encuentro de medio día con el Sr. Ramírez, no para llegar a acuerdos acabados, sino para iniciar un diálogo que tendría un aterrizaje concreto de acuerdo con las circunstancias que imperan en Centroamérica. Nuestra subsede de la CEPAL en México estaría en condiciones de preparar todo el material de trasfondo que se considera necesario.



## General Assembly

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Forty-second session

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989\*

PART IV. ECONOMIC, SOCIAL AND HUMANITARIAN ACTIVITIES

Section 5A. Office of the Director-General for Development  
and International Economic Co-operation

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\* The programme budget as approved by the General Assembly will be issued in its entirety as  
Official Records of the General Assembly, Forty-second Session, Supplement No. 6 (A/42/6/Rev.1).

SECTION 5A. OFFICE OF THE DIRECTOR-GENERAL FOR DEVELOPMENT  
AND INTERNATIONAL ECONOMIC CO-OPERATION

TABLE 5A.1. ANALYSIS OF OVERALL COSTS

(Thousands of United States dollars)

DIRECT COSTS

(1) Regular budget

		Estimated additional requirements							
		Revaluation of	Resource					Total	1988-1989
1986-1987	source base (at	1986-1987 revised 1987	(at revised 1987 rates)	Inflation in 1988 and 1989			increase	estimates	
	\$	%	\$	%	\$	%	\$	%	
3 813.4	(293.3)	(7.6)	(48.5)	(1.2)	156.3	4.0	(185.5)	(4.8)	3 627.9

Analysis of real growth (at revised 1987 rates)

(1)	Resource growth					Rate of
Total						real
revalued		(3)	(4)			growth
1986-1987		Less	Plus delayed			(5)
resource	(2)	non-recurrent items	growth (new posts)	(5)	Adjusted	over
base	Actual					(1)

3 520.1	(48.5)	30.9	-	(79.4)	(2.2)%
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TABLE 5A.1 (continued)

## (2) Extrabudgetary resources

	1986-1987 estimated <u>expenditures</u>	1988-1989 estimated <u>expenditures</u>
(a) Services in support of:		
(i) Other United Nations organizations	-	-
(ii) Extrabudgetary programmes	146.7	123.4
Total (a)	146.7	123.4
(b) Substantive activities	373.9	383.0
Total (b)	373.9	383.0
(c) Operational projects		
United Nations Trust Fund to facilitate activities related to the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy	126.0	129.1
Total (c)	126.0	129.1
Total (a), (b) and (c)	646.6	635.5
Total, direct costs	4 263.4	

TABLE 5A.2. ANALYSIS OF REVALUED 1986-1987 RESOURCE BASE (AT REVISED 1987 RATE)

(Thousands of United States dollars)

Programme			Additional requirements							Net addi- tional reuire- ments (9)	Total revalued 1986-1987 resource base (10)		
			Delayed impact of 1986-1987 growth		Recosting at revised 1987 rates								
			Non- recurrent appropri- ation (1)	Other items (2)	Estab- lished posts (3)	objects of expend- iture (4)	Estab- lished posts (5)	Other objects of expend- iture (6)	Special adjust- ments (7)				
										Total (8)	(8)-(2)	(1) + (9)	
Office of the Director-General for Development and International Economic Co-operation			3 813.4	31.4	-	-	24.2	7.7	(293.8) <u>a/</u> (261.9)	(293.3)	3 520.1		
Total			3 813.4	31.4	-	-	24.2	7.7	(293.8) <u>a/</u> (261.9)	(293.3)	3 520.1		

<sup>a/</sup> Reflects the revised 1988-1989 vacancy rates.

TABLE 5A.3. REGULAR BUDGET, DIRECT COSTS: SUMMARY OF 1988-1989 REQUIREMENTS AND RATES OF REAL GROWTH, BY OBJECT OF EXPENDITURE

(Thousands of United States dollars)

Objects of expenditure	Estimated additional requirements						Rates of real growth %
	Revaluation of 1986-1987	Resource 1986-1987	Resource base approx. 1986-1987	growth (at revised rates) 1987	Inflation in 1988 and 1989	Total increase	
	appropriation	1987 rates)	revised rates)	1987	1988 and 1989	Total increase	1988-1989 estimates
Established posts	2 245.7	(180.7)	-	94.3	(86.4)	2 159.3	-
General temporary assistance	18.3	0.3	-	0.9	1.2	19.5	-
Consultants	158.7	2.3	(48.4)	5.2	(40.9)	117.8	(30.0)
Overtime	17.0	0.3	-	0.8	1.1	18.1	-
Temporary posts	166.2	(12.0)	-	7.1	(4.9)	161.3	-
Common staff costs	836.1	(64.9)	-	33.8	(31.1)	805.0	-
Representation allowances	29.6	(12.0)	-	-	(12.0)	17.6	-
Other official travel of staff	295.3	(27.3)	(14.2)	11.5	(30.0)	265.3	(15.0)
External printing and binding	7.6	0.1	(1.2)	0.3	(0.8)	6.8	(15.5)
Rental and maintenance of equipment	5.1	0.1	1.9	0.3	2.3	7.4	36.5
Communications	24.9	0.4	-	1.2	1.6	26.5	-
Supplies and materials	-	-	9.0	0.3	9.3	9.3	-
Furniture and equipment	-	-	4.9	0.2	5.1	5.1	-
Replacement of word-processing equipment	8.9	0.1	(0.5)	0.4	-	8.9	(5.5)
<b>Total</b>	<b>3 813.4</b>	<b>(293.3)</b>	<b>(48.5)</b>	<b>156.3</b>	<b>(185.5)</b>	<b>3 627.9</b>	<b>(2.2)</b>

TABLE 5A.4. POST REQUIREMENTS

Organizational unit: Office of the Director-General for Development and International Economic Co-operation

Professional category and above	Established posts		Temporary posts			Total
	Regular budget		Regular budget	Extrabudgetary resources	Total	
	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989
USG	1	1	-	-	-	1
ASG	1	1	-	-	-	1
D-2	3	3	-	-	-	3
D-1	4	4	1	1	-	5
P-5	4	4	-	-	-	4
P-3	-	-	-	-	1	1
<b>Total</b>	<b>13</b>	<b>13</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>15</b>
General Service category						
Other levels	13	13	1	1	-	14
<b>Total</b>	<b>13</b>	<b>13</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>14</b>
<b>Grand total</b>	<b>26</b>	<b>26</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>29</b>

OFFICE OF THE DIRECTOR-GENERAL FOR DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

5A.1 The Office of the Director-General for Development and International Economic Co-operation was established pursuant to General Assembly resolution 32/197 of 20 December 1977 on the restructuring of the economic and social sectors of the United Nations, and carries out its functions in accordance with the provisions of paragraph 64 of the annex to that resolution and section IV of General Assembly resolution 33/202 of 29 January 1979. Under those resolutions, the Director-General, acting under the authority of the Secretary-General as chief administrative officer, assists him in carrying out his responsibilities in the economic and social fields. The general areas of responsibility as set forth in resolution 32/197 are:

"(a) Ensuring the provision of effective leadership to the various components of the United Nations system in the field of development and international economic co-operation and in exercising overall co-ordination within the system in order to ensure a multidisciplinary approach to the problems of development on a system-wide basis;

"(b) Ensuring, within the United Nations, the coherence, co-ordination and efficient management of all activities in the economic and social fields financed by the regular budget or by extrabudgetary resources."

In addition, the resolution notes that the Secretary-General "could entrust to the Director-General other tasks in areas of responsibility related to the ensemble of economic and social activities of the United Nations."

5A.2 The specific areas of responsibility entrusted by the Secretary-General to the Director-General pursuant to the above resolutions are set out in the report of the Secretary-General on the restructuring of the economic and social sectors of the United Nations system (A/33/410/Rev.1, paras. 17-47).

5A.3 The activities to be performed by the Office of the Director-General during the biennium to support the Director-General in the exercise of the above responsibilities are described below under two broad headings: international co-operation for economic and social development, and co-ordination and management of the economic and social activities of the United Nations. It is emphasized that given the nature of responsibilities entrusted to the Office, it is not possible to identify in advance and programme the full range of activities to be performed. The Office is called upon to respond to unforeseen and new requirements and thus a capacity to adjust its work programme is essential.

International co-operation for economic and social development

A. Global economic and social issues

5A.4 Activities involve the co-ordination and overseeing of analysis of global economic and social issues with a view to strengthening international co-operation, promoting a multidisciplinary approach to development issues and assisting in the identification of and focus on emerging problems requiring the attention of and/or action by the international community. Tasks to be performed in this context during the biennium include:

(a) Consultations and negotiations on global economic and social issues: provision of assistance to Member States with particular reference to the International Development Strategy for United Nations development decades as well as other initiatives related to negotiations of a global nature. Special attention will continue to be given to the consideration in an integrated manner of the main factors affecting the development process and of critical issues in international economic relations, particularly issues of commodities, trade, debt, money and finance and energy, and their interrelationships.

(b) Implementation of plans of action adopted by United Nations conferences:

(i) Least developed countries: the Substantial New Programme of Action for the 1980s for the Least Developed Countries entrusts the Director-General with responsibility for co-ordinating activities of organizations of the United Nations system for the implementation of the Programme, including preparation and conduct of periodic inter-agency consultations as well as substantive co-ordination of documentation for the General Assembly;

(ii) African economic recovery and development: the Secretary-General has entrusted the Director-General with the co-ordination of system-wide activities for the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (resolution S-13/2, annex). This involves chairmanship of the United Nations Steering Committee on Africa; consultations with Governments and delegations, the organizations of the United Nations system and non-governmental organizations; inter-agency consultations; and preparation of reports for the General Assembly;

(iii) Science and technology for development: the provision of guidance to the United Nations Centre for Science and Technology for Development, particularly with regard to the substantive servicing of the Intergovernmental Committee on Science and Technology for Development and co-operation with the United Nations Development Programme (UNDP) on the activities of the United Nations Fund for Science and Technology for Development;

(iv) Advancement of women: co-ordination within the United Nations and the system of activities relating to the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women, including a review of inter-secretariat arrangements for the co-ordination of administrative, operational and programme activities relating to the integration of women in economic development;

(v) New and renewable sources of energy: provision of guidance to the Special Co-ordinator for the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy, whose responsibilities include preparations for and follow-up to sessions of the Committee on the Development and Utilization of New and Renewable Sources of Energy, mobilization of resources, convening of regional and global consultative meetings, organization and conduct of periodic inter-agency meetings, and management of the United Nations Trust Fund for New and Renewable Sources of Energy.

(c) Implementation of General Assembly and Economic and Social Council resolutions: monitoring, promotion, co-ordination of activities and preparation of reports of the Secretary-General in collaboration with the relevant United Nations entities, in the implementation of resolutions adopted by United Nations intergovernmental bodies, to include those relating to economic and technical co-operation among developing countries, disarmament and development, international economic security, assistance to the Palestinian people and political and economic coercion against developing countries.

#### B. Operational activities

5A.5 Activities involve the provision of guidance and policy orientation for the operational activities for development carried out by the organizations of the United Nations system. Special attention will continue to be devoted during the biennium to enhancing the relevance, impact and coherence of the system's operational activities, improving the effectiveness of the system in the execution of such activities and assisting in the mobilization of resources. Specific tasks to be performed during the biennium include:

(a) Consideration of policy issues relating to operational activities, such as the respective role of funding and executing agencies, the relationship between bilateral and multilateral programmes for the development of developing countries, appropriate modalities for technical co-operation activities and measures to promote the responsiveness of the system to changing needs of developing countries;

(b) Promotion of dialogue and interaction between governing bodies of the United Nations system in accordance with Economic and Social Council resolution 1986/74, in order to promote consistency of views and action;

(c) Analysis and formulation, in consultation with concerned United Nations bodies and organizations, of policy options on specific administrative issues such as the relationship between administrative costs and programme delivery; programming, implementation and evaluation of operational activities; measures to associate more fully developing countries in the conduct of operational activities through increased recourse to government execution of projects and procurement activities;

(d) Field-level co-ordination: assistance in the designation, in consultation with the organizations of the United Nations system, of the resident co-ordinators of the system's operational activities for development; guidance for the exercise of their functions and for the functioning of relevant arrangements at the country level; follow-up action on resident co-ordinators' annual reports on activities at the field level; promotion of specific measures to enhance greater coherence of action; encouragement of local co-ordination arrangements; and support to resident co-ordinators in carrying out their co-ordinating role, at the request of host Governments;

(e) Substantive analysis and recommendation for action in such areas as drought and desertification, transport and communication, etc., as identified in resolutions relating to operational activities;

(f) Field studies on the functioning of operational activities in accordance with Economic and Social Council resolution 1986/74;

(g) Provision on a regular basis of statistical data on operational activities on a system-wide basis, including the analysis of trends in contributions and expenditures;

(h) Preparation of the following reports:

- (i) Annual report of the Director-General on operational activities for development, pursuant to General Assembly resolution 35/81 of 5 December 1980;
- (ii) Report of the Director-General for the comprehensive policy review of operational activities for development, for submission to the General Assembly in 1989, pursuant to its resolution 35/81.

C. Inter-agency co-ordination

5A.6 The activities described under sections A and B above involve close and continuing interaction with the organizations of the United Nations system, as well as with relevant intergovernmental and non-governmental organizations, with a view to promoting complementarity of action in the implementation of the strategies and priorities established by the General Assembly.

5A.7 In this context, the Director-General assists the Secretary-General in discharging his responsibilities as chairman of the Administrative Committee on Co-ordination (ACC). Relevant tasks to be performed during the biennium include:

(a) Specific areas of inter-agency concern: analysis and mobilization of the contributions of the organizations of the system in various multisectoral areas, in response to specific decisions of the General Assembly and the Economic and Social Council;

(b) Inter-agency machinery:

(i) Harmonization of secretariat inputs and services to ACC and its subsidiary machinery;

(ii) Co-ordination of United Nations representation in and substantive support to the ACC Organizational Committee, the Consultative Committee on Substantive Questions (Programme matters) and the Consultative Committee on Substantive Questions (Operational activities);

(c) United Nations organizations and agencies, as well as relevant intergovernmental and non-governmental organizations, in the economic and social fields: provision of assistance to the Secretary-General in guiding inter-secretariat relations and co-ordination of the Secretariat's contributions to and representation at meetings of the governing bodies of the organizations of the United Nations system and other relevant intergovernmental and non-governmental organizations in the economic and social fields.

Co-ordination and management of the economic and social activities of the United Nations

A. Overall co-ordination and management of the economic and social sectors

5A.8 Activities involve the provision of support to the Secretary-General in the exercise of his responsibilities for the direction of the economic and social sectors of the Organization and the establishment of overall policy guidelines aimed at improving the coherence and effectiveness of the work of the Secretariat in the economic and social fields. Specific tasks include:

(a) Central intergovernmental bodies:

(i) Provision of guidance and co-ordination of positions taken on behalf of the Secretary-General in the Economic and Social Council and the Second and Third Committees of the General Assembly, including the clearance of documentation in the economic and social fields submitted to them on behalf of the Secretary-General;

(ii) Allocation of responsibilities within the United Nations for the implementation of relevant intergovernmental decisions and provision of guidance and orientation for their effective execution by the Secretariat;

(iii) Provision of support to the General Assembly and to the Economic and Social Council and their subsidiary economic and social machinery with a view to enhancing their effectiveness and efficiency, including assistance in co-ordinating the formulation of their draft agendas and programmes of work and measures to rationalize and improve the quality of Secretariat documentation;

(b) Special conferences and international years: co-ordination, when necessary, through steering committees chaired by the Director-General, of preparations within the United Nations for special conferences and international years, and provision of guidance in ensuring effective follow-up of their results within the Organization;

(c) Secretariat structures and intra-secretariat co-ordination:

- (i) Review of the economic and social activities of the United Nations with a view to enhancing responsiveness to the needs of Member states;
- (ii) Promotion of measures to enhance the efficiency and effectiveness of secretariat support services to intergovernmental bodies;
- (iii) Development of organizational and other arrangements to promote complementarity and coherence in the work of Secretariat bodies in the economic and social fields;
- (iv) Organization, conduct and servicing of periodic meetings of United Nations senior officials in the economic and social fields convened by the Director-General, under his chairmanship, to develop common approaches to major policy and management issues confronting the Organization;

(d) Regional commissions:

- (i) Support to the commissions in the promotion and strengthening of interregional, regional and subregional co-operation;
- (ii) Organization and chairmanship of the meetings of executive secretaries and provision of guidance in pursuing the range of substantive and institutional issues coming within the purview of these meetings, including relations with headquarters bodies;
- (iii) Ensuring appropriate headquarters representation at meetings of the regional commissions;
- (e) Joint Inspection Unit: co-ordination of the preparation of the Secretary-General's comments on the Unit's reports in the economic and social fields and promotion of effective follow-up within the Organization of the Unit's recommendations as endorsed by the relevant intergovernmental bodies;
- (f) Non-governmental organizations: provision of guidance and orientation for the relations between the United Nations and non-governmental organizations working in the economic and social fields;

B. Planning, programming, budgeting and evaluation

5A.9 Activities involve assisting the Secretary-General in providing guidance and orientation for the translation of intergovernmental directives in the economic and social fields into plans and programmes and for the harmonization of the planning, programming, budgeting and evaluation processes in the Organization, including contributing to secretariat support to the Committee for Programme and Co-ordination. Specific tasks include:

- (a) Programme Planning and Budgeting Board: arrangements for and co-ordination of the provision of secretariat support to the Board, chaired by the Secretary-General or, in his absence, by the Director-General. The functions of the Board, as set out in ST/SGB/190, encompass both the United Nations medium-term plan and the biennial programme budget, as well as the overall procedures concerning planning, programming and budgeting within the Organization;
- (b) Central Monitoring Unit: provision of assistance, as required, to the Unit, which reports to the Board;
- (c) Evaluation: provision of guidance to evaluation exercises in the economic and social fields studies.

Resource requirements (at revised 1987 rates)

General temporary assistance

5A.10 The estimated requirements of \$18,600 under this heading relate to the engagement of temporary General Service staff during peak work-load periods and to replacement of staff on maternity leave or extended sick leave. These requirements are maintained at the level of the revalued resource base.

Consultants

5A.11 The estimated provision of \$112,600 reflects a reduction of 30 per cent from the revalued base. It is necessary because of the particular need for expert advice and specialized assistance for the Director-General in the exercise of his functions, which he intends to restrict to the most important activities of his Office.

Overtime

5A.12 The General Service staff are required to remain on duty well beyond normal working hours owing to the nature of the responsibilities of the Director-General and the functions of his Office, particularly during the period of the General Assembly session. The estimated requirement of \$17,300 is maintained at the level of the revalued resource base.

Temporary posts

5A.13 The requirements under this heading relate to the proposed continuation of two temporary posts, one at the D-1 level and another at the General Service level, which have been authorized by the General Assembly since 1979 in order to provide assistance to the Director-General in the exercise of his responsibilities in the mobilization and co-ordination of the United Nations system in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. The continuation of these posts through the current biennium was approved by the Assembly in the context of its resolution 38/195 of 20 December 1983. In view of the continuing nature of the responsibilities entrusted to the Director-General in resolution 40/205 of 17 December 1985, the extension of these two posts is proposed for the biennium 1988-1989.

Other official travel of staff

5A.14 The Director-General is required to travel in a representational capacity on behalf of the Secretary-General, as well as in his own right, and to take part in numerous intergovernmental and inter-secretariat meetings. Because of the nature and functions of the Office, particularly those that entail policy guidance and co-ordination activities, staff at the Professional and higher levels are required to travel extensively to meetings of United Nations bodies, including the regional commissions and the specialized agencies. They also participate actively in inter-agency meetings and carry out consultations with secretariats outside New York. The total requirements for travel of \$253,800 include non-recurrent requirements of \$26,000 relating to the implementation of the Substantial New Programme of Action (see para. 5A.13) and reflect a reduction of 15 per cent in the revalued base.

External printing and binding

5A.15 The estimated provision of \$6,500 reflects a reduction of \$1,200 as recommended by the Publications Board. These requirements relate to the printing of a booklet reviewing operational activities and to printing stationery and supplies for use by the Office of the Director-General.

Rental and maintenance of equipment

5A.16 The amount of \$7,100 reflects an increase of \$1,900 to cover the maintenance contract of the existing word-processing equipment and a new printer, as proposed in paragraph 5A.20 below.

Communications

5A.17 The estimated requirement of \$25,300 under this heading would cover the cost of long-distance telephone calls and does not reflect any growth.

Supplies and materials

5A.18 Subscriptions and standing orders: the Director-General and his staff utilize specialized periodicals and other publications in the performance of their duties. The cost of subscriptions to these publications has not been included in previous programme budgets but has been met from overall savings under the section. It is proposed to regularize this recurrent requirement in the amount of \$8,000 for the biennium 1988-1989.

5A.19 Data-processing supplies: an amount of \$1,000 will be required for diskettes, ribbons, daisy-wheels and the like for the word-processing equipment.

Furniture and equipment

5A.20 Data-processing equipment: a non-recurrent appropriation of \$4,900 is requested for the purchase of a second printer, which is needed to upgrade the word-processing capacity of the office.

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Mr. V. Dayal

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## ROUTING SLIP

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NOTE AND RETURN	NOTER ET RETOURNER	
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Mr. De Soto  
S. Min  
H. R.



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UNATIONS

ON THE

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MEETINGS 17 AND 18 FEBRUARY WILL BE HELD IN ROOM XXVII

—

PALAIS DES NATIONS, STARTING 10 AM TUESDAY.

N'INSCRIVEZ

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AU VERSO

HAJI, OFFICE OF THE DIRECTOR-GENERAL

DIEC

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AUTHORIZED BY / AUTHORISE PAR

SIGNATURE:

Iqbal Haji, Principal Officer, DIEC

NAME AND TITLE (PLEASE TYPE) / NOM ET QUALITE (A DACTYLOGRAPHIER)

UNITED NATIONS



NATIONS UNIES

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO:  
A:

The Secretary-General

THROUGH:  
S/C DE:

FROM:  
DE:

Jean Ripert  
Director-General, DIEC

SUBJECT: Difficulties between ECA and Morocco concerning  
OBJET: the participation of SADR in joint ECA/OAU Meetings

26 February 1987

REFERENCE: \_\_\_\_\_

*OK RPK*

*SG*

At his meeting with you on 27 February, the Ambassador of Morocco may raise the issue of the participation of the SADR in joint ECA/OAU meetings. He has addressed to you several letters on this subject (copy of the latest attached).

The problem arises from the fact that the SADR is a full member of OAU, while Morocco is a member of the ECA. The Basic position of Morocco is that ECA, as a UN entity, should not serve as co-convenor of meetings in a manner which would not be consistent with UN rules which limit participation to Member States.

In response to my request, the Legal Office has advised that "...any action which could be construed as recognition of the entity SADR in ECA would not be consistent with the attitude of the General Assembly which incidentally has not gone beyond permitting participation of representatives of POLISARIO as petitioners exclusively within the context of its consideration of the question of Western Sahara."

For his part, Mr. Adedeji has emphasized the political importance of continuing cooperation between ECA and OAU.

I had a meeting last week with Ambassador Slaoui of Morocco and Mr. Adedeji. Despite the wishes expressed on both sides to try to come to an agreement that would be mutually acceptable, the meeting ended without a solution having been found.

While I accept the advise of the Legal Office, I am equally impressed by Mr. Adedeji's concern that this matter should also be viewed in the political context, in particular, the importance of close relations between ECA and OAU.

In responding to the Ambassador, you might wish to indicate your deep concern that this matter be resolved in such a way as to maintain the legal integrity of the UN but also respect the concerns of member states. Accordingly, you would hope that the Government of Morocco would give us more time to try to work out an arrangement acceptable to all parties concerned.

The Permanent Mission  
of the Kingdom of Morocco  
to the United Nations



MR. Bouc  
RECEIVED

JAN 23

البعثة الدائمة  
المملكة المغربية لدى الأمم المتحدة  
نيويورك

DIEC 281

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No 59 /87	

New York, le 19 janvier 1987

à Monsieur le Secrétaire Général  
de l'Organisation des Nations Unies  
New York, NY 10017

Attn. : M. Jean Ripert  
Directeur Général au développement  
et à la coopération internationale

Référence : Ma lettre n° CE/079 du 12/09/1986,  
votre lettre datée du 29/10/1986,  
ma lettre n° CE/1040 du 5/11/1986.

Faisant suite à notre correspondance ci-dessus citée en référence et d'ordre de mon Gouvernement, j'ai l'honneur d'attirer votre haute attention sur les risques d'irrégularités qui pourraient se reproduire à l'occasion des assises de la cinquième Conférence des Ministres africains chargés des Affaires Sociales devant se tenir du 25 au 28 mars 1987 à Yamoussoukro (Côte d'Ivoire) sous l'égide de la CEA et de l'OUA.

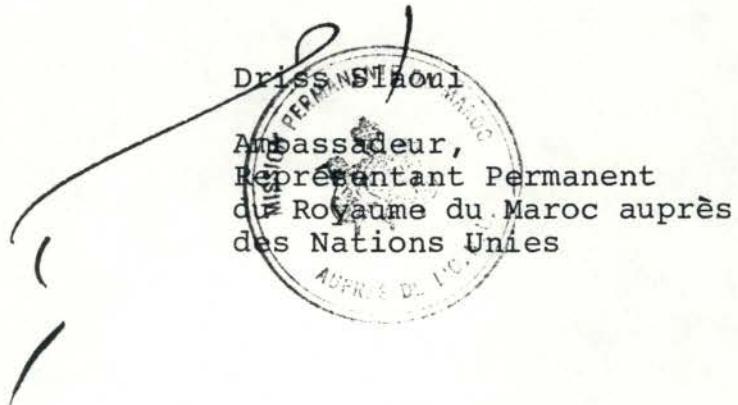
Ces risques concernent aussi bien l'éventuelle participation illégale de la pseudo-RASD aux travaux de cette Conférence conjointe que le contenu de la documentation élaborée conjointement par la Commission et l'Organisation régionales.

Afin d'éviter les errements du passé, je vous saurais gré de bien vouloir user de votre autorité en vue d'amener la Commission Economique des Nations Unies pour l'Afrique à respecter scrupuleusement les règles et procédures qui régissent les travaux de la CEA en tant qu'organe subsidiaire de l'ECOSOC et ceci tant en ce qui concerne la qualité des Etats participants que le contenu de la documentation.

Selon la pratique de notre organisation, acceptée comme étant le Droit, toute réunion conjointe entre l'ONU en tant

qu'organisation à vocation universelle et une organisation régionale à composition restreinte, telle que l'OUA, doit se tenir dans le plein respect des principes et règles de la première qui sont naturellement prioritaires. La directive fondamentale en la matière a été posée par l'article 103 de la Charte des Nations Unies : "En cas de conflit entre les obligations des membres des Nations Unies en vertu de la Charte et leurs obligations en vertu de tout autre accord international, les premières prévaudront."

Je suis persuadé que vous aurez à cœur de veiller à faire respecter la qualité et la crédibilité de notre organisation universelle et, dans l'attente des décisions prises à cet égard que je vous serais reconnaissant de bien vouloir porter à la connaissance de mon Gouvernement, je saisis cette occasion pour vous renouveler, Monsieur le Secrétaire Général, les assurances de ma plus haute considération.



## UNITED NATIONS



## NATIONS UNIES

## INTEROFFICE MEMORANDUM

## MEMORANDUM INTERIEUR

TO: Mr. James Baker, Director  
A: Office of the Director-General, DIEC

DATE: 19 January 1987

THROUGH:  
S/C DE:

FROM: John De Saram, Director *John de Saram*  
DE: Office of the Legal Counsel

REFERENCE:

DIEC 245	
Action to	Information
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SUBJECT: SUBJECT: Participation of SADR in meetings organized jointly  
by the Economic Commission for Africa and the OAU

1. This is with reference to your memorandum of 8 January 1987, concerning the forthcoming meeting of the Conference of African Ministers of Social Affairs to be held in the Ivory Coast from 25 to 28 March 1987.

2. We note from the papers you enclosed that the meeting will be convened jointly by the Executive-Secretary of ECA and the Secretary-General of OAU; and that the procedure proposed for issuance of invitations is the following:

(a) a joint Executive Secretary (ECA) - Secretary-General (OAU) invitation to all ECA/OAU members;

(b) a separate Executive Secretary (ECA) invitation to Morocco (which is not a member of OAU); and

(c) a separate Secretary-General (OAU) invitation to the "Sahraoui Arab Democratic Republic (SADR)" (which is not, of course, a member of ECA).

3. You have sought our views on whether such a procedure would be consistent with the opinion expressed by the Legal Counsel in his memorandum of 1 October 1986 to the Director-General.

4. The final paragraph of the Legal Counsel's memorandum contains his specific conclusions, as follows:

"... Any action which could be construed as recognition of the entity SADR in ECA would not be consistent with the attitude of the General Assembly which incidentally has not gone beyond permitting participation of representatives of POLISARIO as petitioners exclusively within the context of its consideration

/...

of the question of Western Sahara. We are not aware of any facilities having been granted by ECOSOC, the parent organ of ECA, for the participation of POLISARIO in the work of the Council or any of its subsidiary bodies. Of course this would apply only to official meetings of ECA and it would not affect any meetings of OAU on United Nations premises in Addis Ababa."

5. Should the invitations to the Conference be issued as proposed, it does seem to us that the Secretariat of ECA, because of its role as one of the two co-convenors of the Conference, may be considered as having acted in a manner inconsistent with the General Assembly's attitude on the sensitive subject of Western Sahara. The fact that the Conference is a Conference of Ministers may even be cause for a heightening of sensitivities.

6. It is true that as between the ECA and OAU, or as between the Executive Secretary of ECA and the Secretary-General of OAU, an endeavour would have been made to insulate ECA from the matter of SADR's participation in the Conference. Yet, we do not quite see how the Secretariat, as a co-convenor of the Conference, would be in a position to free itself entirely from the appearance of responsibility for the organization of the Conference, and from the appearance, thus, of recognition of the entities participating in the Conference. Moreover, as you are aware, whenever similar joint meetings have been held in the past, very serious difficulties have arisen for the United Nations in connection with the participation of the SADR.

7. Accordingly, though we are fully appreciative of the difficulties involved and the importance of reaching an appropriate solution in the present case, the course now being considered with respect to the issuance of invitations would not, in our view, seem advisable.

8. As to the question of the invitation of Morocco, you would appreciate that should a meeting of African States be convened under the aegis of ECA, Morocco (as a member of the United Nations and ECA) would be entitled to participate, even if the meeting is one jointly organized with OAU of which Morocco is not a member. If, in the case of a meeting jointly organized by OAU and ECA, OAU feels unable to be associated with ECA in inviting Morocco, an invitation to Morocco issued separately by ECA would not be legally objectionable. We should emphasize that the position of Morocco cannot be equated with the position of the SADR.

9. If it is not possible to proceed as outlined above, in conformity with United Nations practice, serious consideration may have to be given to whether ECA should properly continue to act as co-convenor of such joint ECA - OAU meetings.



*JOB*  
UNITED NATIONS ENVIRONMENT PROGRAMME  
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT



Cable Address: UNITERRA, Nairobi  
Telex No.: 22068  
Telephone: 333930

*10/h*  
*VD on return*  
*- from Mr. Mervin*  
*N*  
P.O. Box 30552,  
Nairobi, Kenya

Your Reference:

Our Reference:

29 January 1987

My dear Jean,

This letter is in response to the communication from the Secretary-General of the end of December, conveying his intention to carry out a review inter alia of the economic and social sectors of the United Nations, and of your telex explaining further how the review is to be carried out and requesting information.

Let me begin by saying how gratified I am by the approach being taken and express my full support. Clearly it is right that such a review be carried out by us in advance of the review at the intergovernmental level envisaged by the General Assembly, so that we may be in a position to present our own suggestions drawing upon our accumulated experience. I feel it is also proper that our efforts to improve the effectiveness and efficiency of the organization to meet the concerns to the end of the century should not be confined to the recommendations of the group of high level governmental experts recently addressed by the General Assembly. Thus the desire by the Secretary-General to use the conjunction with the preparation of the next United Nations medium-term plan, for the period 1990-95, and in particular its introduction, to create the framework for addressing the issue of the mission of the United Nations and the substantive role it should fulfil and tasks it should carry, and hence of its institutional capacity to do so, is entirely logical and fully deserves the emphasis placed upon it in your letter.

/...

Mr. Jean Ripert  
Director-General for Development and  
International Economic Cooperation  
United Nations Secretariat  
New York, New York 10017

- 2 -

As you know, UNEP was created by the General Assembly (Resolution 2997 (XVII) in 1972, on its clear understanding that environment was not a sector but rather a dimension of the activities of almost all the institutions of the United Nations system. UNEP was therefore not to be an operational sectoral institution but rather was meant to stimulate, catalyse and coordinate such activities and develop and evolve the overall conceptual framework of environment/development approaches within which they would find coherence and effectiveness. The System-Wide Medium-Term Environment Programme, SWMTEP, was the principal vehicle developed for the carrying out of that role. Fully endorsed by the General Assembly, the SWMTEP concept includes a process ranging from reviews of the state of the environment and definition of emerging problems to the development and application of solutions through environmental management and the creation of the constituencies in support of such solutions, reaching out from specifically environmental efforts to outside groups ranging from parliamentarians to women. The first SWMTEP was for the period 1984-89 and preparation for the next SWMTEP for 1990-95 has commenced in cooperation with all our partners in the UN system and in the expectation that, geared as it is to their own planning cycles and processes, SWMTEP II will be reflected in their own medium-term plan and programme documents.

As early as 1979, in its decision 7(I), the Governing Council considered that a long-term policy framework was needed for SWMTEP. The framework was to be the Environmental Perspective to the Year 2000 and Beyond. A considerable delay was caused by the long time taken by governments to decide on the process for preparing the Perspective. But, finally, in December 1983, the General Assembly adopted, upon the recommendation of the Governing Council, a resolution (38/161) establishing the process. This involved a Special Commission (subsequently known as the World Commission for Environment and Development), and an intergovernmental intersessional committee of the Governing Council (IIPC). The latter was to prepare the Perspective for recommendation by the Governing Council to the General Assembly for approval at its forty-second session, drawing inter alia upon basic material to be provided by WCED. The report of WCED is expected to be available to us by early March this year. But, IIPC having had several meetings and a substantial interaction with the Chairman, Vice-Chairman and members of WCED, is in an advanced stage of preparing the Perspective. It hopes to conclude its work on the Perspective at a session in April 1987. You will have noticed from the above that the Perspective as the policy framework for SWMTEP development will fulfil a role similar to the Secretary-General's introduction for the UN medium-term plan, which is for the same period, 1990-95, as the next SWMTEP. Let me therefore send you the current draft of the Perspective, as developed by the IIPC, as the contribution UNEP can make at this stage for the introduction to the UN medium-term plan.

/...

- 3 -

Over the past year and a half, UNEP has also been reviewing its successes, failures and structures, as a way of determining future orientations for its work. Over the period September 1985 - August 1986, the secretariat carried out an internal evaluation of UNEP activities since its inception, including about 1000 projects carried out with its partners in the UN system. The results of the evaluation were consulted upon extensively with governments, with our partners in the UN system and with distinguished outside experts. Successes and failures, and ways of improving effectiveness, emerged. The structure of the Programme Bureau of the Secretariat was reorganized and other immediate steps taken to improve effectiveness. Future directions for work were derived. Please find enclosed for your information a document which I am presenting to the UNEP Governing Council's next session, scheduled for June 1987, entitled "Future orientation for UNEP's work". This document reports on the findings of the internal evaluation, of the steps taken by me on the basis of those findings, and presents proposals for the future orientation of UNEP's work.

I understand from discussions held by Messrs. Golubev and Merani from my staff with Mr. McIntyre in Geneva that there are two specific matters relating to UNEP which you would seek to explore in the review. While we look forward to seeing Mr. McIntyre in Nairobi, and I have suggested 26 and 27 February as appropriate dates, let me right away address the two specific matters.

The first relates, I understand, to a possible merger of UNEP and Habitat. Let me recall that Habitat was established by the General Assembly just ten years ago, following upon the UN Conference on Human Settlements held in Vancouver in 1976, a Conference whose preparation was the responsibility of UNEP. Extensive consideration was given both by the Conference and by the General Assembly subsequently to various options for the institutional arrangements which would be required, and the option of giving the responsibility to UNEP was fully considered. The General Assembly saw the complementarity of the issues of the natural and of the man-made environment, but felt they needed to be dealt with separately in the institutional sense. I presently see no major reason why the issue needs now to be reopened. Habitat has quite properly evolved along lines deriving from the previous institutional decision, and to seek a merger would, at this stage, not enhance the efficiency and effectiveness of either Habitat or UNEP. UNEP is essentially catalytic and coordinating in nature, as I have explained above, and Habitat is essentially oriented to operational activities for development. Merging the two would only create confusion and dilute the role of both institutions.

The second is of UNEP's regional presence and of its relations with the regional commissions. Let me briefly say that, as you are aware, the matter has been considered extensively in the meetings of the Executive Secretaries of the Regional Commissions, and in the Governing Council of UNEP following upon a study by a distinguished outside consultant, George Davidson. It was UNEP that sought the establishment of the environment co-ordination units in the Regional Commissions, and supported and

/...

- 4 -

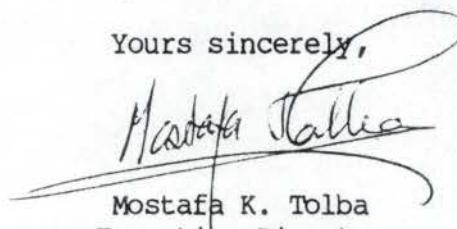
continues to support them financially. I believe the issue now is rather the overall one of the role of the Regional Commissions, a matter no doubt under review following upon the recommendations of the group of high level governmental experts. The nature of the relationship to other institutions and organizations will be more evident following the clearer definition of the role of the Commissions.

Although I do know that the question of the reduction of the size of the secretariat is not a primary issue in your review, it is nevertheless implicit, so you may wish to know that the uncertainty of resource availability over recent years and decline in the real value of contributions to the Environment Fund, have led me to follow a policy of extreme restraint in filling posts established from the programme and programme support costs budget (PPSC) of the Governing Council. Latterly, the Governing Council has endorsed this policy, and has asked that no more than 33% of fund resources go in programme support, even though programme support in our terms does not mean overhead at all but rather substantive programme activity. The current percentage figures for vacant posts in the PPSC exceeds 20%. Such policy of restraint has also been followed in filling posts approved in the regular budget.

.....  
I attach a paper which answers the specific requests for information in your letter to the extent to which I have not already done so in this letter, which is copied to Mr. McIntyre in Geneva.

With kindest personal regards.

Yours sincerely,



Mostafa K. Tolba  
Executive Director

c.c. with all attachments: Mr. Alister McIntyre  
Deputy Secretary-General  
United Nations Conference on Trade  
Development  
Palais des Nations  
Geneva

Response to specific points mentioned in Mr. Ripert's letter

on the review of economic and social sectors

1. Structural measures

- (a) (b) (c) As part of and following the extensive process of internal evaluation the issues raised in these points have been considered. Information on the results is given in the document on "Future orientation of UNEP's work" being submitted to the fourteenth session of the Governing Council, and a copy is attached.
- (d) and (e) Given UNEP's coordination role, and the extensive coordinating mechanisms it manages, ranging from the Designated Officials for Environmental Matters to thematic joint programming and SWMTEP, issues of duplication and overlapping do not really arise at this late stage of UNEP's activity. It must be admitted that the UNEP's approach is rather to seek coherent and mutually reinforcing activities by all its partners.
- (f) The problem addressed by the Governing Council at almost each session is one of concentration of activity rather than the development of new programme areas. When particular aspects of the programme have suddenly become critical as a result of outside developments or a better understanding of the processes at work, the Governing Council has accommodated these by managing priorities within existing resources. Supported mainly by extrabudgetary funds, UNEP has needed to cut its coat in accordance with available cloth.
- (g) UNEP is not operational at the country level and has no country offices. The UNDP resident representative represents UNEP to the extent necessary.

2. Managerial measures

- (a) The vacancy level of Environment Fund supported established posts (PPSC) and Regular Budget established posts, is 26.7% and 19.6% respectively. At the senior level, UNEP has three RB established posts (1 USG, 2 ASGs) and one PPSC established post (ASG). These posts are filled.
- (b) In a sense, the UNEP secretariat constitutes "Executive Direction and management" of a large system-wide effort on the environment. The proportion of resources devoted to this compared with the total resources required by SWMTEP, is indeed low. The attached extract from a Governing Council document now being reproduced gives further information.

3. Others

- (a) measures to improve public perception, etc.  
(See attached paper)
- (b) measures to strengthen cooperation with NGOs.  
Information in this regard is provided in a letter dated 15 December 1986 from Dr. Tolba to Mr. Ripert (copy attached).



## General Assembly

Distr.  
GENERAL

A/RES/41/184  
27 January 1987

Forty-first session  
Agenda item 12

### RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/41/930/Add.1)]

41/184. Report of the Secretary-General in implementation of  
General Assembly resolution 40/173

The General Assembly,

Recalling its resolution 40/173 of 17 December 1985, as adopted, in which it requested the Secretary-General to prepare a comprehensive analytical report on a concept of international economic security for submission to the General Assembly at its forty-second session, through the Economic and Social Council,

Recognizing in this regard that an integrated and co-ordinated approach to economic development and co-operation, with a view to the creation of conditions of stability and well-being, has been a primary accomplishment of the United Nations since its founding and is enshrined in Article 55 of the Charter of the United Nations,

Requests the Secretary-General, keeping in mind the already existing consensus on economic development and international co-operation, in preparing his report on international economic security, inter alia:

(a) To analyse approaches and contributions to economic development and international economic co-operation, and identify common elements in those approaches with emphasis on those that can further contribute to promoting international economic co-operation and development, particularly that of developing countries;

(b) To take into account the views expressed at the forty-first session of the General Assembly regarding possible ways and means of strengthening the dialogue on development and international economic co-operation for the benefit of all;

(c) To keep in mind the role and responsibilities of existing international and regional organizations, institutions and forums.

100th plenary meeting  
8 December 1986



## Assemblée générale

Distr.  
GENERALE

A/RES/41/184  
27 janvier 1987

Quarante et unième session  
Point 12 de l'ordre du jour

### RESOLUTION ADOPTEE PAR L'ASSEMBLEE GENERALE

[sur le rapport de la Deuxième Commission (A/41/930/Add.1)]

41/184. Rapport présenté par le Secrétaire général en application de la résolution 40/173 de l'Assemblée générale

#### L'Assemblée générale,

Rappelant sa résolution 40/173 du 17 décembre 1985, telle qu'elle a été adoptée, dans laquelle elle a prié le Secrétaire général d'établir un rapport analytique complet sur la notion de sécurité économique internationale et de le lui présenter à sa quarante-deuxième session par l'intermédiaire du Conseil économique et social,

Constatant à cet égard qu'une approche intégrée et coordonnée du développement économique et de la coopération en vue d'instaurer des conditions de stabilité et de bien-être a été une réussite primordiale de l'Organisation des Nations Unies depuis sa fondation et est consacrée dans l'Article 55 de la Charte des Nations Unies,

Prie le Secrétaire général, lorsqu'il établira son rapport sur la sécurité économique internationale, de garder présent à l'esprit le consensus qui existe déjà sur le développement économique et la coopération internationale et de veiller notamment :

a) A analyser les approches et contributions existantes en matière de développement économique et de coopération économique internationale et à identifier les éléments communs à ces approches, en soulignant ceux qui peuvent contribuer encore davantage à favoriser la coopération économique internationale et le développement, notamment celui des pays en développement;

b) A tenir compte des vues exprimées à la quarante et unième session de l'Assemblée générale quant aux moyens possibles de développer le dialogue sur le développement et la coopération économique internationale dans l'intérêt de tous;

c) A garder à l'esprit le rôle et les responsabilités des organisations, institutions et instances internationales et régionales existantes.

100e séance plénière  
8 décembre 1986

## ROUTING SLIP

## FICHE DE TRANSMISSION

TO: The Secretary-General  
 A:

FROM: Martti Ahtisaari  
 DE: *Martti Ahtisaari*

Room No. - No de bureau	Extension - Poste	Date
S-2700	8227	23 January 1986
FOR ACTION		POUR SUITE A DONNER
FOR APPROVAL		POUR APPROBATION
FOR SIGNATURE	X	POUR SIGNATURE
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MAY WE DISCUSS?		POURRIONS-NOUS EN PARLER ?
YOUR ATTENTION		VOTRE ATTENTION
AS DISCUSSED		COMME CONVENU
AS REQUESTED		SUITE A VOTRE DEMANDE
NOTE AND RETURN		NOTER ET RETOURNER
FOR INFORMATION		POUR INFORMATION

*Despatched  
Mon. 26/1/87*

*c: Ahtisaari*

~~bf: vofp | spk | im~~

*Fte:*

*Xref:*



THE SECRETARY-GENERAL

DIEC  
UNO

23 January 1987

My dear colleague,

(2) The Director-General for DIEC has communicated to you, in furtherance of my letter of 17 December 1986, an outline of the approach and focus which might be adopted in connection with the review of the economic and social sectors of the United Nations, now underway.

I will highly value your thoughts and suggestions on this exercise, both in regard to the various points which have been indicated, as well as any further ideas which you may have in the matter.

A critical element in the review process is the reality of the need to effect a reduction in the number of posts, especially at the senior levels. Special account, in particular, must be taken of the recommendation of the Group of 18 that there be a 25 percent reduction in top echelon posts, irrespective of the source of funding. I know that you have been giving consideration to this matter, and would appreciate an early indication of your plans for implementing the necessary reduction in top echelon posts.

As you know, I will need to report to the General Assembly in May on action taken thus far in implementation of the recommendations of the Group of 18, as approved by the General Assembly.

Yours sincerely,

*Javier Pérez de Cuéllar*  
Javier Pérez de Cuéllar

Mr. Soedjatmoko, Rector  
Toho Seimei Building  
15-1 Shibuya 2-chome  
Shibuya-ku  
Tokyo 150, Japan



THE SECRETARY-GENERAL

DIEC  
UNRWA

23 January 1987

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Yours sincerely,

*Javier Pérez de Cuéllar*  
Javier Pérez de Cuéllar

Mr. Giorgio Giacomelli, Commissioner-General  
United Nations Relief and Works Agency  
for Palestine Refugees in the Near East  
Vienna International Centre  
P.O. Box 700  
A-1400 Vienna, Austria



THE SECRETARY-GENERAL

DIEC  
UNDP

23 January 1987

My dear colleague,

The Director-General for DIEC has communicated to you, in furtherance of my letter of 17 December 1986, an outline of the approach and focus which might be adopted in connection with the review of the economic and social sectors of the United Nations, now underway.

I will highly value your thoughts and suggestions on this exercise, both in regard to the various points which have been indicated, as well as any further ideas which you may have in the matter.

A critical element in the review process is the reality of the need to effect a reduction in the number of posts, especially at the senior levels. Special account, in particular, must be taken of the recommendation of the Group of 18 that there be a 25 percent reduction in top echelon posts, irrespective of the source of funding. I know that you have been giving consideration to this matter, and would appreciate an early indication of your plans for implementing the necessary reduction in top echelon posts.

As you know, I will need to report to the General Assembly in May on action taken thus far in implementation of the recommendations of the Group of 18, as approved by the General Assembly.

Yours sincerely,

*Javier Pérez de Cuéllar*  
Javier Pérez de Cuéllar

Mr. William H. Draper III, Administrator  
United Nations Development Programme  
One United Nations Plaza  
New York, New York 10017



THE SECRETARY-GENERAL

DIEC  
UNICEF

23 January 1987

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Mr. James P. Grant  
Under-Secretary-General  
Executive Director  
United Nations Children's Fund  
866 United Nations Plaza, 6th floor  
New York, New York 10017



THE SECRETARY-GENERAL

DIEC  
WFP

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Mr. James Charles Ingram  
Executive Director  
World Food Programme  
Via delle Terme di Caracalla  
00100 Rome, Italy



THE SECRETARY-GENERAL

DIEC  
UNFPA

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*Javier Pérez de Cuéllar*  
Javier Pérez de Cuéllar

Mr. Rafael M. Salas, Executive Director  
United Nations Fund for  
Population Activities  
220 East 42nd Street  
New York, New York 10017



THE SECRETARY-GENERAL

DIEC  
UNHCR

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Javier Pérez de Cuéllar

Mr. J.-P. Hocké, High Commissioner  
Office of the United Nations High  
Commissioner for Refugees  
Palais des Nations  
1211 Geneva 10  
Switzerland



THE SECRETARY-GENERAL

17 December 1986

My dear colleague,

When I met with you last month at the meeting of senior officials, I addressed some of the considerable difficulties and challenges faced by the Organisation. In this connexion, I wish to reiterate my firm commitment to an ongoing process of improvement and reform. These are not ordinary times for us. The continuing financial uncertainties are making extremely difficult the orderly administration of the 1986-87 programme budget and the formulation of the next one. While we should be proud of the Organisation's role and contributions over the last forty years, it cannot remain a static institution. Rather, we must embrace the challenge of equipping the United Nations to serve the global community well into the next century. This will entail an honest and forthright assessment of our work, of how we organize it and how we can better serve Member States.

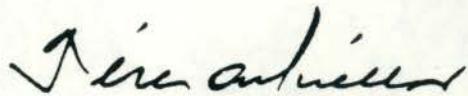
This process must be comprehensive in scope, taking account at this time of the conjunction of the preparations for the next programme budget and the medium term plan for 1990-95 and of follow up to General Assembly decisions on the Group of 18 report. All of the above will need your full commitment and participation. In this letter, I wish to draw your attention to action I am proposing now in respect of the issues covered by the Group of 18 recommendations. Pursuant to the General Assembly decision and my own commitment, I intend to conduct reviews in the following areas: political; economic and social, including humanitarian; administrative; information; and common services including conference services. Bearing in mind several concerns expressed by governments, these reviews should seek the streamlining of secretariat structures, more efficient rationalization of responsibilities, enhanced coordination within the Organisation and cost effective management along with greater

accountability. I will issue a progress report for CPC by 1 May 1987, outlining which recommendations of the Group of 18 have been implemented, and my plans for those remaining.

The review of the economic and social sectors is a major undertaking given the number of entities involved and the global range of operations and activities. We must aim not only to manage scarce resources more efficiently and effectively, but to enhance the capacity of the Organisation to achieve the aims of the Charter with respect to international co-operation for the solution of economic, social and humanitarian problems. The process of reform, and this review in the first instance, will be a noteworthy opportunity for us to address problems, shortcomings and opportunities. Our full commitment at this time is essential toward strengthening the confidence in the UN among member states and the world public at large and their support for the Organisation.

I have requested the Director-General, in view of his broad responsibilities in the economic and social fields, to undertake this review. He will be writing to you separately regarding the modalities. I would ask you to consider this review as a top work priority over the next several weeks. I know I can count on your personal support in this most important undertaking.

Yours sincerely,



Javier Pérez de Cuéllar

UNITED NATIONS

INTEROFFICE MEMORANDUM



NATIONS UNIES

MEMORANDUM INTERIEUR

TO: Secrétaire général  
A:

DATE: 21 janvier 1987

THROUGH:  
S/C DE:

FROM: Jean Ripert

J.Ripert

SUBJECT: OBJET: Visite de l'Ambassadeur Taniguchi

REFERENCE: \_\_\_\_\_

Seen  
by me SG

Note pour les archives

1. J'ai recu hier la visite de l'Ambassadeur Taniguchi. Son propos principal en venant me voir était de me parler d'une question "délicate", la possibilité de voir M. Akashi, désigné comme le représentant du Secrétaire général au sein du Conseil d'Administration de l'UNU.

2. L'Ambassadeur Taniguchi savait que cette question avait été évoquée auprès de moi par M. Akashi, lui-même. Il savait également que cette mission avait été confiée par le passé au Secrétaire général adjoint pour les Affaires économiques et sociales et croyait comprendre que le Secrétaire général avait déjà confié certaines tâches liées à ce dossier à M. Ahmed. Il s'agissait enfin à l'évidence d'une question de la compétence exclusive du Secrétaire général. Il pensait utile cependant que le Secrétaire général, au moment de décider à quel Chef de département confier cette responsabilité, prenne en compte certains éléments, jugés importants par Tokyo. M. Akashi a joué un rôle très actif au sein du Secrétariat au moment de la création de l'Université des Nations Unies. Il connaît donc très bien le dossier ainsi que les différents services japonais, qui ont un rôle à jouer dans les décisions de Tokyo concernant l'UNU. Or nous entrons dans une phase où un soutien financier japonais va être particulièrement nécessaire (le financement de constructions nouvelles ne doit pas faire obstacle au financement des programmes de recherche). M. Akashi pourrait jouer un rôle essentiel pour éviter que ce soutien ne s'affaiblisse.

3. J'ai indiqué à l'Ambassadeur Taniguchi que je ne savais pas si une décision finale avait été prise sur ce sujet par le Secrétaire général et qu'en conséquence je ne manquerai pas de rendre compte à celui-ci de sa visite et des indications qu'il m'avait données. A titre de commentaire personnel, j'ai indiqué que si j'avais interprété la mission assignée par le Secrétaire général à moi-même, puis plus récemment à Mr. Yolah, comme ayant un caractère personnel et ne constituant pas une délégation administrative, le responsable du Département DIESA était cependant particulièrement bien placé pour assumer les problèmes de développement étant au cœur du mandat de l'UNU. S'agissant de l'avantage qu'il pourrait y avoir à désigner un ressortissant japonais pour la représentation du Secrétaire général auprès d'un organisme établi au Japon, je pensais que cet avantage risquait d'être contrebalancé par l'inconvénient de renforcer l'opinion de ceux - déjà trop nombreux - qui considèrent l'UNU comme une "entreprise japonaise" au sein de l'ONU, et par voie de conséquence ne prennent pas suffisamment à cœur le besoin d'un financement d'origine diversifiée.

4. A travers les déclarations de mon interlocuteur, j'ai cru comprendre que ses autorités seraient peut-être satisfaites de l'indication que M. Ahmed pourrait faire appel à M. Akashi pour le remplacer, lorsqu'il ne pourrait se rendre à Tokyo pour assister à certaines réunions du Conseil. Or, le Conseil se réunissant deux fois par an à Tokyo, il est pratiquement impossible pour un Secrétaire général adjoint d'être à chaque fois disponible.

cc. M. Dayal  
M. Sutterlin  
M. Ahtisaari

DIEC

SI-1

AS

UNITED NATIONS



NATIONS UNIES

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Le Secrétaire général

DATE: 20 janvier 1987

THROUGH:  
S/C DE:

FROM: Jean Ripert  
DE: Directeur général

SUBJECT: OBJET: Conférence internationale sur l'Afrique: Le Défi du Redressement économique et du Développement, Abuja (Nigéria), 25-29 mai 1987

J.Ripert

Repart

REFERENCE:

Note from AS to  
Ripert to reprend.  
25/12/87

1. M. A. Adedeji m'a récemment informé de certaines initiatives qu'il a prises pour l'organisation de réunions concernant le Développement africain. L'une d'entre elles serait une Conférence internationale sur l'Afrique, organisée par la CEA en coopération avec l'OUA et la Banque Africaine de Développement. Le Gouvernement du Nigéria a accepté d'accueillir cette conférence et de prendre en charge les dépenses locales correspondantes. M. Adedeji s'efforce d'obtenir des fonds additionnels de pays donateurs et du PNUD, et la réponse initiale semble être positive.

2. L'ordre du jour de cette conférence, qui sera une réunion d'experts, comprendra notamment une évaluation critique des chances réelles de redressement économique et de développement à moyen terme de l'Afrique et un examen de l'environnement historique, politique, social et technologique. Une revue analytique du Programme d'action des Nations Unies pour l'Afrique afin d'identifier d'éventuelles insuffisances dans son "diagnostic sur la situation économique critique" et dans les remèdes proposés, est également envisagée.

3. Il est prévu que le Président en exercice de l'OUA, le Président Sassou-Nguesso du Congo et le Président Babangida, Président du Nigéria, participeront à l'ouverture des travaux de la Conférence tandis que le Président Abdou Diouf du Sénégal participerait à la clôture. La Conférence qui n'a pas pour objet de prendre des décisions formelles consisterait en une discussion sur les thèmes présentés ci-dessus.

4. Le Secrétaire Exécutif de la CEA suggère que vous participez à cette conférence en intervenant à l'occasion des cérémonies d'ouverture ou de clôture. Il souhaiterait en conséquence recevoir une indication de votre part afin d'en informer le Gouvernement du Nigéria pour permettre à celui-ci de vous adresser une invitation formelle. Pour ma part, je me permets de vous recommander de répondre favorablement à cette suggestion si votre emploi du temps le permet, car la décision du Gouvernement du Nigéria d'accueillir la conférence traduit une évolution dans l'attitude de ce pays vis à vis du Programme d'action des Nations Unies pour l'Afrique, qui mérite d'être

encouragée. De plus la conférence fournira une nouvelle occasion de sensibiliser l'opinion internationale sur les efforts déployés par les Nations Unies en faveur de l'Afrique.

5. Je compte participer moi-même aux travaux de la conférence.  
Dans le cas où vous ne pourriez vous rendre au Nigéria aux dates proposées, je pourrais donc vous y représenter.

## UNITED NATIONS



## INTEROFFICE MEMORANDUM

## NATIONS UNIES

## MEMORANDUM INTERIEUR

23/10

TO: Mr. Alvaro de Soto  
A: Special Assistant to the Secretary-General  
Executive Office of the Secretary-General

19 January 1987

DATE:

REFERENCE:

THROUGH:  
S/C DE:

FROM: Albrecht Horn, Principal Officer  
DE: Office of the Director-General for Development  
and International Economic Co-operation  
SUBJECT: OBJET: Report of the Secretary-General on a Comprehensive  
System of International Economic Security  
(General Assembly resolution 40/173)

General Assembly resolution 40/173 requests the Secretary-General to prepare a comprehensive and analytical report on a system of international economic security. We have prepared the first draft of this report which I am attaching herewith. I would be grateful for any comments on the basic approach taken especially in the context of other United Nations studies on security concepts.

CHAPTER 1. CONCEPT - INTERNATIONAL ECONOMIC SECURITY

- 1.1 Traditional term national security
- 1.2 Comprehensive national security
- 1.3 National economic security
- 1.4 Military expenditures and national security
- 1.5 Threats to national economic security (external)
- 1.6 International economic security - concept
- 1.7 Interdependence - collective security
- 1.8 Common international economic security

CHAPTER 2. WORLD ECONOMIC SITUATION AND INTERNATIONAL ECONOMIC SECURITY

- 2.1 Main imbalances in world economic systems (trade and monetary/financial relations)
- 2.2 Main defects/weaknesses
  - 2.2.1 Trade
    - 2.2.1.1. Protectionism
    - 2.2.1.2. Commodity price fluctuations
    - 2.2.1.3. Restrictive and coercive measures
  - 2.2.2 Monetary/financial relations
    - 2.2.2.1. Exchange rate volatility
    - 2.2.2.2. Insecurity of financial flows
    - 2.2.2.3. Debt situation
- 2.3 State of regulatory efforts
  - 2.3.1 UN-decisions )principles  
                        )norms
  - 2.3.2 GATT-system
  - 2.3.3 IMF system
  - 2.3.4 Food security system FAO
  - 2.3.5 Energy security

2.4 Necessary corrective measures

- 2.4.1 Reduction of protectionism (stand-still, rollback)  
surveillance mechanism)
- 2.4.2 Stabilization of commodity price levels (schemes, methods)
- 2.4.3 Prohibition of restrictive and coercive measures
- 2.4.4 Adoption of general rules of trade relations
- 2.4.5 Reform monetary system
- 2.4.6 Exchange rate stability
- 2.4.7 stability of financial flows
- 2.4.8 Solution of indebtedness problems
- 2.4.9 Institutional monetary framework
- 2.4.10 Reduction of military budgets
- 2.4.11 Co-ordination of national economic policies

CHAPTER 3. CONCLUSIONS, RECOMMENDATIONS

3.1 Conclusions

3.2 Recommendations

REPORT OF THE SECRETARY-GENERAL ON  
A COMPREHENSIVE SYSTEM OF  
INTERNATIONAL ECONOMIC SECURITY  
(General Assembly resolution 40/173)

National security considerations are the focus of national foreign policy formulation and implementation. National security policies of sovereign nations are defined as the ability to pursue their perceived national interests.

Traditional, narrower views of national security in purely military terms are no longer adequate. Military power - although an essential element of national security - is only one factor in national security policies. There is an increasing need for a more comprehensive definition of national security, including political, social and economic elements.

The narrower notion of economic elements of national security relates to the economic capabilities necessary to sustain military security policies. This includes the size, diversification and technological level of industrial production, the degree of self-sufficiency in food and essential raw materials, the stockpiling as well as the degree of geographical dispersion of strategically significant imports. This type of economic elements of national security is traditionally given serious consideration in the national decision-making process on national security.

The consideration of the national economic security of States has to go beyond the mere definition of economic elements of military security.

National economic security extends the term national security to include elements of socio-economic stability and predictability and to preserve the

vital national socio-economic interests of States in face of adverse external economic conditions. This more comprehensive consideration of national security includes the maintenance and protection of the economic security of States as vital element of national security policies. States have to secure their socio-economic system, their national economic interests and values, their socio-economic stability and development while operating in an international economic system.

The concept of national economic security implies the ability of nations to pursue their legitimate national socio-economic interests by using national domestic economic policies and foreign economic policies in accordance with the nature of the socio-economic system and perceived national economic interests.

The recognition of national economic security interests of States implies the existence of external threats to national economic security.

The national economic security of States can be threatened by changes in external economic parameters.

The socio-economic development is an integral part of comprehensive national security. This exceeds the mere consideration of military security as precondition for socio-economic development.

The level of military expenditures is usually justified by considerations of military security and external threats to it.

Perceived or real external threats to national security form the basis for determining the required level of military expenditures.

The inclusion of national economic security interests in the national security policy requires the examination of the implications of military expenditures for the national economic security. External military threats

and the concommittant calculation of necessary military expenditures present a burden for national economies. This can lead to serious threats to national economic security. This requests thoroughly balanced trade-offs between narrow military and broader economic security requirements. Military expenditures transgressing levels, legitimized by rational military security calculations and national perceived external threats, prove to be detrimental to the real rational economic security of States.

A certain level of military expenditures tends to undermine rather than to sustain genuine national security, including the essential elements of economic security.

International agreements which reduce political tensions and military threats thus contribute to the achievement of genuine national economic security.

The ensurance of the legitimate national economic security of States presupposes a system of international economic security based on elements of stability, predictability and reliability. This requires an international economic environment in which all countries can feel sufficiently safe from violent short-term fluctuations and from long-term stagnation. This international economic environment is shaped by the respective orders, arrangements, principles, norms and rules determining the conduct of international economic transactions in different sectors like trade, monetary and financial co-operation. International economic security considerations have to proceed from the legitimate national economic security interests of States. The function of a system of international economic security consists in providing a stable, predictable and reliable environment for international co-operation, and in the reduction of external threats to the national

economic security of States. This requires to establish the elements of the international economic security system like the international orders, arrangements, principles, norms and rules in such a manner that they contribute to the reconciling of sometimes competing or diverging national economic security interests.

International economic security thus cannot be separated from national economic security concepts. While the national economic security of States has its own distinctive features, its attainment depends to a considerable degree from an effective system for international economic co-operation. National and international economic security are becoming increasingly interrelated.

Only by recognizing that national economic security of States is not divisible can nations evolve the co-operative international framework necessary to ensure the fulfilment of legitimate national economic security concerns.

The ultimate importance of international economic security is to offer an alternative and ultimately more meaningful concept of security than one that is sought by merely military means. International economic security in this sense is in the mutual interest of all nations in the nuclear age. Progress in co-operation toward enhanced international economic security is not very likely without greater mutual trust among nations, but if it starts it is likely to promote such trust.

The quest for international economic security is also an inevitable consequence of the increasing dependence of nation states on economic transactions with other countries, primarily through foreign trade but also through foreign direct investment and international capital flows. The

increased integration of national economic systems in the world economy makes countries more vulnerable to more or less serious disruption caused by developments in other countries, beyond its own jurisdiction and control.

Countries participate in international trade and finance because it confers great economic benefits to them but it is obvious that this also brings risks and insecurities. This is an unavoidable consequence of the increased interdependence of national economies. The growing interdependence in the world economy enhances the prospects for shared prosperity but also increases the degree of vulnerability of national economies to external factors. This creates a commonality of interests in a more stable, predictable and reliable international economic system. Some of the insecurities in an interdependent world economy stem from the lack of internationally agreed principles, norms and rules guiding international economic co-operation. Further sources of insecurity stem from the possibility of adverse economic developments abroad or from political conflicts in other parts of the world which result in the disruption of trade, foreign markets or in sources of supply. Others stem from the possibility that foreign governments take decisions, adopt policies or pass laws that will have adverse external economic consequences. This state of interdependence with the concommittant insecurities and risks makes an international economic security system imperative.

The delinking of national economies is not a realistic alternative for more national economic security. As specific feature of this situation is the extent to which national economic policy decisions (fiscal policy, monetary policy, foreign economic policy) affects other national economies. This

creates the urgent need - in the context of international economic security - for a closer international co-ordination of national economic policies and for the thorough consideration the external effects of domestic economic policies.

The system of international economic security has to be based on the concepts of common and collective security. The term common security implies that the national economic security interests of states are interrelated in an interdependent world economy. There exists no zero-sum-game in the process of securing national economic interests. The national economic security of one state cannot be secured at the expense of other states. The mutuality of national economic interests necessitates carefully considered balances of competing national interests in the global interest. This is the basic function of a system of international economic security.

The international economic co-operation is based on the legal framework determining the conduct of sovereign states in international economic transactions. The sovereign states act in accordance with their perceived national interests and on the basis of the existing system of international arrangements. The concept of collective international economic security has to be founded on a global commitment to legal obligations, deriving from the basic framework. The relevance of the concept of collective economic security rests on the willingness of nation states to adhere to commonly agreed international regimes, arrangements, rules and norms of conduct.

Any serious consideration of an international economic security system has therefore to include - beside the rational definition of national economic security interests - the various elements which constitute the framework of international economic co-operation.

The creation of an system of international economic security has to proceed from the present situation characterized by imbalances, disequilibria and insecurities in international trade, monetary and financial relations. The present imbalances and insecurities need to be corrected to create more stability, predictability and reliability as essential criteria for economic security. This includes a determination of the causes for imbalances and insecurities and the elaboration of corrective measures, including the indication of necessary elements of international legal frameworks. The existing legal frameworks (orders, arrangements, principles, norms and rules) have to be reviewed and assessed in the context of international economic security requirements.

The situation in international trade is at present characterized by the weakening of the relationship between international trade and world output due largely to sluggish commodity markets and the continuing slump in non-oilprimary commodity markets. There exist considerable trade imbalances, especially in the developed market economies. The growing trade imbalances lead to intensifying protectionist pressures. Developing countries' trade balances have substantially worsened due to restricted market access for manufactured and semi-manufactured exports and weakening of commodity markets. A sharp decline in the trade surplus of energy exporting countries is due to the weakening of oil markets.

The slightly narrowed trade deficit of energy importing developing countries was achieved by an unprecedented adjustment based on a considerable slowdown in the increase of imports.

The trade balance of centrally planned economies shifted from a combined surplus to a slight deficit.

There exists tremendous international finance and balance of payment disequilibria. Unprecedented balance of payment surpluses have emerged in certain developed countries. Developing countries face serious debt-servicing difficulties and inward transfers of resources from abroad have turned into reverse transfer of resources. Most developing countries find it increasingly difficult to mobilize international liquidity through traditional channels of private and official finance.

The flows of financial resources supporting the world pattern of international payments have become highly differentiated. Financial flows have also been responsible in part for wide exchange rate swings which, in turn, have significantly affected international flows of finance. In this process the domestic cost of debt servicing have become still more uncertain. There were only partial corrections of exchange rate misalignments. These trends disturb further equilibrium patterns of international payments and exchange rates.

These general trends in international trade and finance indicate systemic issues in the international trade and monetary field which have an impact on the degree of international economic security.

The international trade, monetary and financial system has to be aimed at providing greater international economic security by some kind of "management of interdependence". Countries have to be protected against disruptions arising from trade restrictions or sudden changes in exchange rates.

This "management of interdependence" includes the provision of a stable and improved economic environment for developing countries - e.g. by stabilizing commodity prices and export revenues, by improving the market

access for manufactured exports, by providing an assured access to international capital markets and stable, predictable and adequate financial flows.

The present international economic system suffers essential deficiencies preventing an adequate degree of international economic security.

The international economic arrangements proved unable to prevent a deep recession in the world economy in the early 1980s, an ongoing debt crisis of major dimensions, powerful protectionist tendencies and the collapse of commodity prices.

Concerns over the working of the trade system derives from the fact that the responsiveness of international trade to the growth of world output has declined. The increased protectionist tendencies have contributed to this decline. Although it is generally admitted that an open, multilateral system is essential for the functioning of an increasingly interdependent world economy, this is not always reflected in the national perceptions of the benefits, derived from the system. Adjustments of industrial structure, brought about by trade and specialization involve substantial costs even though the long-term benefits are obvious.

These basic rules of the trading system like the principle of non-discrimination, reflected in the unconditional grant of most-favoured nation status, has not been consistently adhered to.

The special needs of developing countries - though generally recognized by the principle, that developing countries are not expected to undertake trade measures inconsistent with their development needs, - have not been handled flexibly enough. This lead to the partial request for reciprocity and the undermining of the Generalized System of Preferences.

The specific foreign trade features of centrally planned economies are insufficiently taken into account in devising the set of rules for world trade relations. These countries' stronger integration in the world economy certainly requires an improvement in their competitiveness and more diversified export structures. Their integration in the world economy is hindered by imposition of restrictive and discriminative measures and the lack of an efficient set of rules covering the specific conditions resulting from the nature of the socio-economic system.

The functioning of international prices has been impaired by misaligned exchange rates at variance with economic fundamentals. This has reduced the reliability of price signals and has distorted trade patterns.

The substantial success in the reduction of tariffs have made it necessary to deal more effectively with trade-distorting practices and non-tariff barriers.

The principle of equal treatment - especially in the form of the most favoured nation - clause - has been seriously eroded. There has been widespread recourse to selective measures like orderly marketing arrangements and voluntary export restraints.

Major segments of world trade are conducted in violation of existing rules. The trading system is inescapably affected by monetary and financial arrangements; over-or undervalued currencies distort trade patterns. The lack of agreement on the management of exchange rates and the instability of major currencies directly affect trade.

The heavy indebtedness of many developing countries slows down trade and leads to the imposition of new trade barriers.

The growth of international direct investment has changed the structure of world production and trade. At the same time there exists a lack of comprehensive principles and codes in this area. This leads to exacerbated trade disputes and increased pressures for adaptation.

The spread of restrictive discriminatory and coercive economic measures negatively affects the trade flows. Embargos, sanctions and so-called national security export controls lead to restrictions and discriminations often based on arbitrarily chosen criteria of national security. The invocation of national security requirements in these cases rests on a narrow and one-sided definition of military national security requirements neglecting the negative implications for the national economic security of affected countries.

The slump in commodity prices in the 1980s ultimately reflects the chronic imbalance between supply and demand conditions. The low level and the instability of commodity price levels creates serious economic insecurities concerning export earnings for commodity producing and exporting countries. There is a continuing downward pressure on commodity prices further aggravating the vulnerability of these countries to external factors beyond their control. The international monetary and financial system is characterized by instabilities detrimental to economic security.

The floating exchange rate system has accentuated some of the problems of the fixed exchange rate system and added some more, with greater asymmetric costs for developing countries.

Nominal and real exchange rates have been substantially more unstable. Misalignments have been rising. Price uncertainties, exchange rate volatility and misalignments have resulted in distortions of level and structure of

output and employment. Many, especially developing countries, have experienced increased instabilities in their nominal and real effective exchange rates. Floating has diminished stability and appropriate alignment of real exchange rates and has thus exposed countries to greater external shocks. The greater unpredictability of exchange rates has contributed to greater unpredictability of import prices and export receipts. The present exchange rate volatility increases the risks and insecurities of international transactions and decreases the supply of exports and demand for imports.

Especially commodity exporting developing countries are exposed to increased risks, caused by volatile exchange rates, in international trade. The most damaging effect of exchange rate misalignments under floating has been its triggering effect on protectionism and the increased resort to non-tariff barriers.

Current features of financial flows contribute also to long-term instabilities. Especially striking is the tendency for new financial flows to become detached from growth in real physical investment. This detachment of new debt creation from real asset - formation constitutes a source of long-term insecurity.

The volume of financial flows, official and private, as contribution to growth and investment in developing countries is not in accordance with the real needs. The expected growth rates of ODA is extremely modest, officially export credits are steadily declining and flows through multilateral financial institutions have also slowed noticeably. Foreign direct investment has sharply contracted and financial flows from international capital markets have also slowed.

The situation is compounded by negative net financial transfers. This represents a drain on domestic savings that would otherwise have financed domestic investments in developing countries.

The heavy indebtedness of developing countries and its consequences like economic austerity policies undermine the stability and economic security of these countries. Even growth-oriented adjustment policies have not yet remarkably decreased the degree of economic insecurity. There is still - despite partial measures - an insufficient capacity for debt repayment and a lack of adequate terms for debt repayment and increased flows of new commercial credits.

This brief reviews of essential factors of economic insecurity and instability indicates the need for measures which create more international economic security.

The establishment of a system of international economic security necessitates the elaboration of the essential elements of such a system. This concerns the frameworks (principles, norm, rules) for international economic transactions. That includes the implementation of already agreed frameworks, the adaptation of existing frameworks to changing realities and the elaboration of necessary new frameworks.

The general principles, applicable in the conduct of international economic relations aimed at ensuring international and national economic security, are contained in a variety of basic UN documents like the United Nations Charter, the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)), the Declaration and Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3201 (S-VI) and 3202 (S-VI), the Declaration on the Strengthening

of International Security (General Assembly resolution 2734 (XXV) and the Declaration on Principles of International Law concerning friendly relations and co-operation among States (General Assembly resolution 2625 (XXV)). The basic principles for the conduct of international economic relations - as stipulated in these documents - form the elementary basis of the establishment of a system of international economic security. Their strict and unreserved application is an inevitable condition for national and international economic security.

The fundamental principles - in the context of international economic security - are:

- Sovereignty, territorial integrity and political independence of States
- Sovereign equality of all States
- Non aggression
- Non intervention
- Mutual and equitable benefit
- Peaceful co-existence
- Equal rights and self determination of people
- Peaceful settlement of disputes
- Fulfilment in good faith of international obligations

Especially relevant are the stipulations in General Assembly resolution 2625 (XXV) "States have the duty to co-operate with one another, irrespective of the differences in their political, economic and social systems, in the various spheres of international relations, in order to maintain international peace and security and to promote international economic stability and

progress, the general welfare of nations and international co-operation free from discrimination based on such differences" and in Article 4 of General Assembly resolution 3281 (XXIX) "Every State has the right to engage in international trade and other forms of economic co-operation irrespective of any differences in political, economic and social systems. No State shall be subjected to discrimination of any kind based solely on such differences. In the pursuit of international trade and other forms of economic co-operation, every State is free to choose the forms of organization of its foreign economic relations and to enter into bilateral and multilateral arrangements consistent with its international obligations and with the needs of international economic co-operation". The interantional trade relations are a vital part of international economic relations. The frameworks established are the GATT rules and to a certain extent the UNCTAD rules concerning general and special principles of international trade.

These international frameworks and the rules need adaptation in face of the indicated imbalances, disequilibria and insecurities to ensure more stable, predictable relations taking into account the requirements of national and international economic security. The basic tasks in this respect are:

- to strengthen the application of the basic (MFN) rules, the strict implementation of adopted codes in relation to non-tariff barriers and related trade-distorting practices and the removal of quantitative restrictions and regulations
- to extend the system of co-operation to cover a wider range of national policies and to increase the number of countries that play a critical part in making the system work

- the elaboration of special rules for trade in specific areas like agricultural trade, high technology and services and of an improved, realistic safeguard mechanism (specification of safeguard clause, criteria for invocation, criteria for selectivity and surveillance mechanism)
- improvement of trade dispute settlement and surveillance mechanisms

The reduction of protectionist measures (standstill and rollback commitments) is an essential prerequisite for strengthening international economic security. This includes the need for an effective surveillance mechanism to oversee the standstill and rollback commitments in the form of periodic reviews. Further trade liberalization measures are necessary, while respecting the principle of differential and more favourable treatment of developing countries on a non-reciprocal basis.

The economic relations between state planned economies and market economies have not sufficiently benefitted from the elaboration of regimes and rules on either side. Trade in products of advanced technology, which play an increasing role in the rest of the world economy, is subject to restrictions for so-called national security reasons.

Systemic differences have to be taken into account without leading to discrimination. The socialist planned economies have recently taken steps for a closer integration in an effective international division of labour (foreign trade reorganization, provisions for joint ventures, measures to increase productivity and competitiveness and to diversify export structures). This provides a good basis for a stronger integration in the world economy. This exposes these States, while offering distinctive benefits, to greater risks. The consideration of their national economic security requires urgently a

specific set of rules guiding trade relations between States of different socio-economic systems. These rules have to take into account the specific features of the socio-economic systems and should prevent any discriminations for reasons of the different nature of the system. In this case the mere application of rules based on assumptions of market mechanisms are not sufficiently adequate to guarantee mutually advantageous co-operation.

The weakness of world commodity prices and the concomitant price fluctuations lead to economic insecurities, especially for the level of export earnings of commodity exporting developing countries. The stabilization of commodity markets and prices is a prerequisite for greater economic security. Measures for more effective producer-consumer co-operation, effective commodity agreements with price-stabilization mechanisms, the link of commodity agreements with an operating Common Fund and effective compensatory schemes for export-earning losses are the essential elements for more stability, predictability and economic security in this sector.

Restrictive and coercive economic measures taken for political purposes and for so-called national security reasons endanger trade, finance and technological flows and create instabilities and insecurities in international economic relations. These measures which take the form of specific restrictions, sanctions and embargos are a potential threat to national and international economic security. The invocation of national (military) security reasons for the legitimization of restrictive measures of this type often proceed from a narrow, one-sided definition of national security interests, ignoring likewise legitimate national economic security interests of affected States. Steps have to be taken to prevent the imposition of such restrictive and coercive measures on the basis of misleading and unjustified security reason in order to avoid arbitrariness and instability.

Institutional changes in the world economy have brought significant change to international economic relations and weakened the control of governments over them in ways that have frequently been seen as contributing to greater insecurity. The increasing role of transnational corporations in research, manufacturing and resource exploitation has given rise to intrafirm transactions of major dimensions and to new policy problems. The rapid privatization and liberalization of international financial markets under the impact of new communication technology has transformed international financial linkages and greatly reduced government control, posing the problem whether world financial conditions are subject to any effective supervision and control.

The UN lead effort to regulate the relations between transnational corporations and host countries as well as the conditions for international transfers of technology are still inconclusive due to political differences and need strengthened efforts for their finalization and ultimate adoption and implementation.

The international monetary and financial system has been plagued by instability for more than a decade. Exchange rates have shown great volatility, both in nominal and real terms, and have been seriously misaligned relative to economic fundamentals, involving costly distortions in production and trade. The mechanism for providing liquidity, primarily via private capital markets, and denominated in reserve currencies, has been insufficient, instable and inequitable.

The creation of an orderly exchange rate system is a condition for more economic security. The regulation of currency markets has to bring about greater exchange rate stability through market intervention and to impede speculative capital flows.

A reasonable reform of the system has to introduce mechanisms to encourage consistency of policies with internal and external equilibria and policy co-ordination to discourage the markets from generating instability. The reform of the international monetary system has to take into account the interests of all countries, regardless of their socio-economic system and state of development. Such basic features like currency convertibility, multilateralism in trade, equilibrium exchange rates and gradually liberalized capital markets will certainly be maintained but need to be flexibly adopted to create more stability and predictability. Measures to assure less assymetrie in surveillance and adjustment prescriptions and the existence of a plurality of currency zones are needed.

An essentially dangerous factor for the international economic security is the heavy indebtedness of many developing countries. This situation bears the consequence of socio-economic instabilities. The adjustment policies have to create conditions for sustained growth. Debt-servicing strategies need to take account of the real debt servicing capacities. Debt policies should not lead to an excessive accumulation of debt for financing current expenditures, especially for meeting current financial obligations. Innovative solutions to reduce this potential factor for instability are urgently needed. This approach must include the selective and partial writing down of debts, forgiveness of part or all of interest payments and the refinancing of interests due on concessional terms. An innovative debt strategy include also more stability and a higher level of financial, public and private, flows and measures to stop the negative transfer of resources. Reasonable terms for debt and interest payments and the provision of sufficient new liquidity to developing countries are indisplacable elements of a realistic strategy for international economic security.

The international co-ordination of national economic policies is also a necessary condition for national and international economic security. The national economic decision making process has to take into account the external implications of national economic policies. To ignore external effects of national economic policies leads to negative repercussions and undermines stability and security. This is a logical consequence of interdependence.

In the age of interdependence multilateral arrangements for the co-ordination of national economic policy objectives have to replace unilateral national economic policy decisions taken in ignorance of their international implications. This follows from the acceptance of the concept of common and collective international economic security.

The pursuance of international economic security will be facilitated by realistic external threat assessments and possible reductions of military budgets based on rational, comprehensive concepts of national security. This provides a tremendous potential for accelerating the socio-economic development, especially of developing countries, leading to greater economic security. Specific disarmament measures taken would certainly compound the positive effects for economic security by providing additional resources for economic development.

The international economic security can be promoted by the effective functioning of multilateral mechanisms. The UN mechanisms have to be used to reconcile competing, diverging national economic security interests. This requires serious multilateral negotiations on the establishment of effective international frameworks for the international co-operation in different sectors.

Regional co-operation arrangements can effectively supplement global arrangements. The CSCE-process in Europe provides an vivid example for a successful interlinkage of security and co-operation agreements.

The elaboration, adoption and implementation of specific confidence building measures in international economic relations constitute an essential element of economic security. Confidence building measures can substantially contribute to the creation of an co-operative atmosphere, conducive for economic security.

The implementation of specific sectoral regimes are also an element in an system of international economic security. The World Food Security Compact agreed upon in FAO provides an illustrative example for this type of sectoral agreements.

Summary/conclusions

A. The creation of international economic security necessitates a reasonable definition of national economic security interests

All States have a legitimate right to economic security. The security needs of one State must not be defined in such a way as to undermine the legitimate economic security needs of others. Definitions of national economic security which require the subordination or subjugation of other States national economic security interests are not legitimate.

The creation of an international economic security system requires an adequate framework of principles, norms and rules for international economic co-operation.

B. Restrictive, discriminatory and coercive measures are not legitimate instruments of national economic security policies

The interests of international economic security require the renunciation of policies which - in following narrowly defined national economic interests - endanger the legitimate economic security needs of other States.

The use of embargos, sanctions, protectionist trade policies, competitive exchange rate policies and restrictions of technology transfer and credits are incompatible with international economic security.

C. The nature of the socio-economic system and the stage of economic development do not constitute obstacles to international co-operation for economic security

The legitimate national economic security needs of all States - irrespective of the nature of their economic system and the stage of development - are the basis for the creation of an international economic

security system. This system has to be founded on the collective interests. Conflicting economic interests among States must not be allowed to override the collective economic security interests. This approach to international economic security necessitates an adequate framework of principles, norms and rules on which the international economic transactions are based and a strict adherence to such a framework.

The application of confidence building measures in international economic relations measures constitutes an element of confidence and trust thus contributing to economic security.

#### Recommendations

Based on these principles the following set of immediate measures is essential to create international economic security:

- a) The application of comprehensive definitions of national security, including, the rational definition of national economic security needs of States.
- b) The creation of an adequate framework for international economic co-operation (principles, norms and rules for the conduct of international economic transactions in different sectors like trade in manufactures, commodity trade, monetary and finance relations, energy co-operation, food trade) contributing to economic security, stability, predictability and reliability including a system of security guarantees and political commitments of States to the elaboration of an international economic security system.
- c) the reduction and ultimate abolition of restrictive, discriminatory or coercive measures in international economic relations.

- d) the elaboration and implementation of different types of confidence building measures as an element of international economic security.
- e) the strengthening of the institutional framework for multilateral economic co-operation.
- f) the elimination of existing imbalances in international trade and monetary relations.
- g) the elaboration of regional and global economic security arrangements.
- h) the elaboration and application of measures in order to stabilize commodity markets and prices and related export earnings.
- i) the stabilization of exchange rates and the introduction of measures to prevent erratic fluctuations.
- j) the elaboration of measures to improve market access for exports and to reduce protectionist barriers.
- k) the elaboration of measures of stabilize the energy co-operation and to create greater security and predictability of supply, demand and price trends.
- l) the elaboration of comprehensive system of multilateral co-operation in science/technology.
- m) the review and consequent reduction of military budgets based on an realistic and comprehensive evaluation of national economic security interests and a reasonable assessment of external and internal threats to national economic security.
- n) the identification and review of foreign economic policies, justified by one-sided and narrowly defined national economic security needs, and of their implications for the international economic security.

Mr. DE SOTO

Alvano

Deo would like  
you to know of this  
approach of the Belgians ①  
(which cannot be accommodated)  
in case they approach  
the SG directly.

AS saw  
Amb. Dever  
Mon. 26/3  
@ 3.30pm  
y

Glenn Hix  
25/3/67

① Too late. But  
let me know if  
you would like  
more background.

~~Sb will be away;  
I will see Dulc  
next week.~~  
3.30 Mon. 26/3



MISSION PERMANENTE DE LA BELGIQUE  
AUPRES DES NATIONS UNIES

809 UNITED NATIONS PLAZA  
NEW YORK, N.Y. 10017  
TEL.: (212) 682-8100  
D : Alpha.  
S :  
1 annexe

New York, le 19 janvier 1987

DIEC

Monsieur le Secrétaire général,

J'ai l'honneur de me référer à mes lettres no 324 du 8 mars 1983 et no 185 du 6 janvier 1984 par lesquelles je vous faisais part du vif intérêt de mon gouvernement à voir figurer Monsieur Maldaque sur la liste des 24 experts du Comité de la Planification au Développement (CPD) que vous alliez soumettre au Conseil économique et social.

Vous vous souviendrez que, le nom de Monsieur Maldaque n'ayant finalement pas été retenu en 1984, il avait été entendu que sa candidature ferait à nouveau l'objet d'une considération attentive en 1987.

L'ECOSOC devra procéder cette année à la désignation des 24 experts du CPD dont le mandat viendra à expiration le 31 décembre 1989. Le gouvernement belge garde le même intérêt à ce que vous envisagiez de présenter la candidature de Monsieur Maldaque à l'un de ces 24 sièges d'autant que le CPD, depuis sa création, n'a jamais compté d'expert belge.

Mon gouvernement attache également prix au respect du paragraphe 3 de la résolution 1079-XXXIX de l'ECOSOC, qui prévoit expressément la consultation des états intéressés pour la constitution du Comité.

Vous trouverez, en annexe, le curriculum vitae de Monsieur Maldaque.

Je vous prie d'agréer, Monsieur le Secrétaire général,  
l'assurance de ma très haute considération.

E. Dever,  
Ambassadeur,  
Représentant permanent de  
la Belgique.

Monsieur le Secrétaire général  
de l'Organisation des  
Nations Unies.

## Curriculum Vitae

MALDAGUE, Robert, Georges, Joseph, Emile

Né à Jumet le 22 décembre 1930

Commissaire au plan

Professeur à la Faculté universitaire catholique de Mons

Charge de cours à l'Institut d'économie scientifique et de gestion de Lille  
Chef de Cabinet honoraire du Premier Ministre.

Domicile : Nachtegalenhof, 2  
1960 - Sterrebeek  
Téléphone : 731.29.29.

Etat civil : époux de Léa TAYMANS, née à Saint-Hubert le 12.10.1932,  
père de 4 enfants.

Etudes :

- Doctorat en droit à l'Université catholique de Louvain, 1953.
- Licencié en sciences économiques à l'U.C.L., 1955.

Carrière :

- de 1957 à juillet 1965 : Secrétaire, puis Directeur adjoint du CEPES (Centre d'Etudes Politiques, Economiques et Sociales),
- de juillet 1965 à octobre 1968 : Chef du Cabinet économique et social du Premier Ministre,
- d'octobre 1968 à août 1971 : Secrétaire général du Bureau de programmation économique,
- depuis août 1971 : Commissaire au plan.

Enseignement

Professeur à la Faculté universitaire catholique de Mons :

- Cours de : . "Techniques de planification en économie de marchés",
- . "Processus de décision dans la gestion publique".

Charge de cours à l'Institut d'économie scientifique et de gestion de Lille.

Activités parallèles :

- Président de la Commission d'orientation et de Coordination des marchés publics ;
- Chef de la délégation belge au Comité de Politique économique de l'OCDE ;
- Chef de la délégation belge au Comité de Politique économique de la CEE ;
- Membre du Conseil supérieur des Finances ;
- Administrateur de la Société nationale d'investissements ;
- Membre du Conseil d'administration de la Fondation Roi Baudouin.

UNITED NATIONS

INTEROFFICE MEMORANDUM



NATIONS UNIES

MEMORANDUM INTERIEUR

TO:  
A:

The Secretary-General

DATE: 16 January 1987

THROUGH:  
S/C DE:

FROM:  
DE:

Jean Ripert, Director-General for Development  
and International Economic Co-operation

REFERENCE: *[Handwritten signature]*

SUBJECT:  
OBJET:

Assistance to the Palestinian People

At his request, I met with Ambassador Joffe, Permanent Representative of Israel, to discuss the implementation of General Assembly resolution 41/181 entitled "Assistance to the Palestinian people." By way of background, the resolution envisages that you will send a mission to prepare a programme of economic and social assistance and to report thereon to the General Assembly through ECOSOC. To assist in the preparation of this report, I have made preparations to engage the services of a consultant (Mr. John Miles, former Director of the UNRWA liaison office to the UN). It was envisaged that Mr. Miles would visit the area as well as consult with the relevant UN entities.

On instructions, Ambassador Joffe stated that the Government of Israel is not in a position to co-operate with the implementation of the resolution. In particular, Mr. Miles would not be permitted to visit the area in this context; however, consideration might be given to a visit under the aegis of UNDP.

In response, I simply took note of the position of the Government of Israel. I referred to your responsibility to carry out decisions of the General Assembly but assured him of our desire to do so in a way which avoided confrontation. Finally, I said that we would continue to consult closely with the Mission on this matter.

I will be in touch with a representative of your office (Mr. Picco) as well as other interested entities (UNDP and DIESA) and will keep you informed of subsequent developments.

*ash*

UNITED NATIONS

INTEROFFICE MEMORANDUM



NATIONS UNIES

MEMORANDUM INTERIEUR

TO:  
A:

Le Secrétaire général

DATE: 15 janvier 1987

THROUGH:  
S/C DE:

FROM:  
DE:

Jean Ripert  
Directeur général

SUBJECT:  
OBJET: Conférence internationale sur l'Afrique: Le Défi du Redressement  
économique et du Développement, Abuja (Nigéria), 25-29 mai 1987

REFERENCE: \_\_\_\_\_

1. M. A. Adedeji m'a récemment informé de certaines initiatives qu'il a prises pour l'organisation de réunions concernant le Développement africain. L'une d'entre elles serait une Conférence internationale sur l'Afrique, organisée par la CEA en coopération avec l'OUA et la Banque Africaine de Développement. Le Gouvernement du Nigéria a accepté d'accueillir cette conférence et de prendre en charge les dépenses locales correspondantes. M. Adedeji s'efforce d'obtenir des fonds additionnels de pays donateurs et du PNUD, et la réponse initiale semble être positive.

2. L'ordre du jour de cette conférence, qui sera une réunion d'experts, comprendra notamment une évaluation critique des chances réelles de redressement économique et de développement à moyen terme de l'Afrique et un examen de l'environnement historique, politique, social et technologique. Une revue analytique du Programme d'action des Nations Unies pour l'Afrique afin d'identifier d'éventuelles insuffisances dans son "diagnostic sur la situation économique critique" et dans les remèdes proposés, est également envisagée.

3. Il est prévu que le Président en exercice de l'OUA, le Président Sassou-NGuesso du Congo et le Général Babangida, Président du Nigéria, participeront à l'ouverture des travaux de la Conférence tandis que le Président Abdou Diouf du Sénégal participerait à la clôture. La Conférence qui n'a pas pour objet de prendre des décisions formelles consisterait en une discussion sur les thèmes présentés ci-dessus.

4. Le Secrétaire Exécutif de la CEA suggère que vous participez à cette conférence en intervenant à l'occasion des cérémonies d'ouverture ou de clôture. Il souhaiterait en conséquence recevoir une indication de votre part afin d'en informer le Gouvernement du Nigéria pour permettre à celui-ci de vous adresser une invitation formelle. Pour ma part, je me permets de vous recommander de répondre favorablement à cette suggestion si votre emploi du temps le permet. Je compte participer moi-même aux travaux de la conférence. Dans le cas où vous ne pourriez vous rendre au Nigéria aux dates proposées, je pourrais donc vous y représenter.