

Report of the Second United Nations Conference on the Least Developed Countries

Paris, 3-14 September 1990



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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

A/CONF.147/18

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I. BACKGROUND TO THE CONFERENCE

(i) The General Assembly, in its resolution 42/177 of 11 December 1987, decided to convene the Second United Nations Conference on the Least Developed Countries at a high level in 1990. The mandate of the Conference as set out in paragraph 1 of General Assembly resolution 42/177 was to review progress at the country level thus far in the decade; to review progress in international support measures and particularly in official development assistance; and to consider, formulate and adopt appropriate national and international policies and measures for accelerating the development process in the least developed countries during the 1990s in accordance with their long-term national, social and economic objectives. The General Assembly designated the United Nations Conference on Trade and Development as a focal point for the preparations for the Conference and requested the Secretary-General of the United Nations to designate the Secretary-General of UNCTAD to serve as Secretary-General of the Conference.

(ii) In the same resolution the General Assembly accepted the generous offer made by the Government of France to host the Conference.

(iii) The General Assembly, also in its resolution 42/177, decided to convene one session of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, followed by one session of the Intergovernmental Group of the Least Developed Countries, which would serve as Preparatory Committee for the Conference.

(iv) The Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, which was held from 22 to 31 May 1989, was devoted to assessing progress in the socio-economic situation of the least developed countries during the 1980s in the light of ongoing national and international measures; consideration of the requirements of the least developed countries that are of particular relevance to their development and that call for strengthened efforts during the 1990s; and consideration and identification of appropriate national and international measures for accelerating the development process in the least developed countries during the 1990s. 1/

(v) The Intergovernmental Group on the Least Developed Countries (the Preparatory Committee) which was convened from 26 March to 6 April 1990, building on the work of the earlier meeting, formulated a draft programme of action for the least developed countries for the 1990s which it transmitted to the Conference together with a provisional agenda, provisional rules of procedure for the Conference and recommendations for the organization of work of the Conference. 2/

(vi) In its resolutions 42/177 and 43/186 the General Assembly called upon all Governments, intergovernmental and multilateral institutions and others concerned to take appropriate steps to ensure that adequate preparations were made for the Conference and to participate effectively in the two preparatory

meetings convened by the Assembly, as well as by the Conference itself. In paragraph 2 of its resolution 44/220, the General Assembly in addition called upon all Governments, intergovernmental and multilateral institutions and others concerned to support the least developed countries in making their own preparations.

(vii) Organs, organizations and bodies of the United Nations system participated actively in the above-mentioned meetings and in the Conference itself. They contributed, within their field of competence, reports containing a review of the implementation of the SNPA and proposals for further action, as inputs to the preparations for the Conference.

(viii) States members of UNCTAD also participated actively in the preparatory meetings and in the Conference itself. Each least developed country submitted a country presentation describing the socio-economic situation of the country concerned during the 1980s and its aspirations, plans and strategies for the 1990s. 3/ The Ministers of the least developed countries, having met in Dhaka, Bangladesh, from 10 to 12 February 1990, adopted the Declaration by the Ministers of the Least Developed Countries which formed part of the basic documentation before the Preparatory Committee. 4/ Preparations for the Conference at the regional level were undertaken notably by the Conference of Ministers of African Least Developed Countries, which devoted its ninth and tenth meetings in 1989 and 1990 to the preparations of the Conference, as well as the Intergovernmental Meeting on the ESCAP LDCs held in Bangkok, from 19 to 23 February 1990, and sessions of ESCAP, ECLAC and ESCWA.

(ix) As part of the Conference preparations a number of issue-oriented meetings were also convened. The meeting of Eminent Persons on the Least Developed Countries, convened at the Hague from 15 to 16 September 1989, focused on the identification of the constraints and bottle-necks which had hindered the LDCs' development efforts during the 1980s and on the national and international policy measures required to accelerate LDCs' development process in the 1990s. 5/ The High-level Experts' Meeting on the Role of Enterprise Sector in the Development of the Least Developed Countries, held in Helsinki from 4 to 6 April 1989, focused on the contribution of enterprise sector in the development of the LDCs and on ways and means of strengthening the enterprise development in these countries. 6/ The Meeting on the role of Non-Governmental Organizations in the Development of the Least Developed Countries, held in Kathmandu from 8 to 10 November 1989, focused on ways and means of enhancing the effectiveness of NGOs in achieving the development objectives of the LDCs. 7/ The High-level Experts' Meeting on the Role of Women in the Development of the Least Developed Countries, held in Miami from 29 to 31 January 1990 reviewed the contribution of women to the formal and informal sectors in the LDCs; the socio-economic constraints which they faced and the ways and means of strengthening their role in development in the LDCs. 8/ The Symposium on Trade, Technical and Economic Cooperation between Least Developed Countries and the Countries of Eastern Europe, held in Moscow from 28 February to 2 March 1990, reviewed and assessed trade, technical and economic cooperation between the LDCs and the countries of

Eastern Europe during the 1980s and considered priority areas for action and international support measures in favour of the LDCs in the 1990s. 2/ The results of the above meetings constituted an important input to the preparations for the Conference.

II. DOCUMENTATION

(x) In addition to the report of the Preparatory Committee and the regional meetings referred to in paragraph (ix) above, the Conference had before it the following documents as a basis for its work:

- (a) The draft text of the Programme of Action for the Least Developed Countries for the 1990s, formulated by the Preparatory Committee (A/CONF.147/4);
- (b) A text prepared by the Chairman of the Preparatory Committee, at the request of that Committee, entitled "Assessment of the socio-economic position in the 1980s of the least developed countries", together with amendments to it proposed by the Group of 77, members of Group B and China, annexed to the text as an integral part of the assessment (A/CONF.147/4/Add.1);
- (c) The country presentations by individual least developed countries in the series UNCLDC II/CP.1-42.
- (d) The Declaration of the Ministers of the Least Developed Countries at the Meeting in Dhaka, Bangladesh (A/CONF.147/PC.6 and Add.1);
- (e) A document submitted by the Government of France containing French proposals to assist the least developed countries (A/CONF.147/PC.7 and Corr.1);
- (f) Contributions from United Nations organizations and other competent intergovernmental and regional organizations (A/CONF.147/PC.3 and Add.1-2 and A/CONF.147/DR/3/Add. 5, 6, 11, 15 and 16);
- (g) "Elements for a programme of action for the 1990s for the least developed countries"; Note prepared by the UNCTAD secretariat (A/CONF.147/PC.5);
- (h) "Background information on human rights and related issues in relation to the draft programme of action". Technical note by the UNCTAD secretariat (UNCLDC II/12);
- (i) The report of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries (A/CONF.147/DR/6 and Corr.1 (Arabic only)).
- (j) A series of background documents (for details, see the check list of documents in annex IV).

Notes

- 1/ For the report of the Meeting, see A/CONF.147/PC/2.
- 2/ For the report of the Preparatory Committee, see A/CONF.147/2.
- 3/ UNCLDC II/CP/1=41.
- 4/ A/CONF.147/PC/6.
- 5/ UNCLDC II/1.
- 6/ UNCLDC II/2.
- 7/ UNCLDC II/3.
- 8/ UNCLDC II/5.
- 9/ UNCLDC II/6.

Part One

PROGRAMME OF ACTION FOR THE LEAST DEVELOPED
COUNTRIES FOR THE 1990s

PARIS DECLARATION AND PROGRAMME OF ACTION OF THE SECOND UNITED NATIONS
CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

PARIS DECLARATION

We, the participants in the Second United Nations Conference on the Least Developed Countries, meeting in Paris from 3 to 14 September 1990, have agreed on concrete measures under a Programme of Action in order to revitalize the development of these countries.

By this Declaration, we solemnly commit ourselves to implementing this Programme throughout the coming decade.

We believe that the deterioration in the economic, social and ecological situation of most of the least developed countries during the 1980s is not irreversible. It can be reversed if these countries and all their partners, taking advantage of the new climate of confidence in international relations, combine their efforts in a spirit of genuine solidarity, particularly through new forms of cooperation, so as once again to give the least developed countries the prospect of sustained and sustainable development within the context of growth in the world economy.

This Programme of Action demonstrates our unanimous determination to promote an ambitious development policy. Its success rests on the effectiveness of national policies, a favourable international economic climate and a strengthened partnership based on mutual commitments:

- By the Governments of the least developed countries, which have primary responsibility for their development, to define and implement appropriate policies ensuring the involvement of populations in the decisions taken, the efforts called for and the results obtained;
- By their partners, to make available adequate resources in support of these policies and efforts, to improve the quality of this assistance and to match it more closely to needs.

In order to inspire national action by the least developed countries in their struggle against poverty, we have defined five priority areas in our Programme of Action:

- To conduct a macro-economic policy, taking account of market signals and aimed at accelerating long-term growth and development, showing concern for the situation of the most vulnerable groups of the population;
- To develop human resources, by making populations, both men and women, the actors and beneficiaries of development, by respecting human rights and social justice, and by applying effective population, health, education, training and employment policies;

- To reverse the trend towards environmental degradation, to manage the environment with a view to the effective and durable utilization of natural resources and to reinforce action to deal with disasters;
- To promote an integrated policy of rural development aimed at increasing food production, enhancing rural income and expanding the non-agricultural sector;
- To develop a diversified productive sector based on private initiative, efficient public enterprises, regional cooperation, increased access to the international market and international action in the field of commodities.

In order to help achieve these priorities, we agree on the need to reinforce the efforts of the least developed countries with external support measures.

Complementing national efforts to mobilize domestic savings and to create a favourable climate for foreign investment, we recognize the essential role of official development assistance for the least developed countries. Its amount should be substantially increased. The bulk of assistance should be provided in the form of grants and it must be managed effectively and with transparency.

We are determined to pursue our efforts to adopt and implement a variety of measures in the context of the international debt strategy in order to ensure that the various activities initiated to revitalize growth in these countries are fully effective.

We are also determined to contribute to the improvement of the international economic climate and to the integration of the least developed countries into the international trading system so as to associate them better with the benefits of trade expansion.

We call upon the competent non-governmental organizations to combine their efforts with those of the Governments of the least developed countries and the international community so as to contribute to the success of the Programme of Action.

In order to monitor the effective implementation of our commitments, we agree on a system of national, regional and global follow-up to ensure the operational, adaptable and evolutive character of the Programme of Action; we intend to associate with it all Governments, international institutions - primarily UNCTAD - regional development organizations and non-governmental organizations.

Refusal to accept the marginalization of the least developed countries is an ethical imperative. It also corresponds to the long-term interests of the international community. In an increasingly interdependent world, the maintenance or deepening of the gap between the rich and poor nations contains serious seeds of tension. Our world will not enjoy lasting peace without respect for the United Nations Charter, international commitments and shared development. These are the objectives of our Programme of Action.

PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s

Assessment of the socio-economic situation in the 1980s

1. In 1981, the Substantial New Programme of Action for the 1980s for the Least Developed Countries (SNPA) was adopted in Paris by the first United Nations Conference on the Least Developed Countries. Its aim was to transform the economies of these countries towards self-sustained development and enable them to provide at least minimum standards of nutrition, health, housing and education as well as job opportunities to their citizens, and particularly to the rural and urban poor. However, despite national and international efforts on behalf of these countries, the social and economic situation of the LDCs as a whole worsened during the 1980s.
2. The SNPA had set an annual GDP growth target of 7.2 per cent for the LDCs: the actual average rate has been 2.2 per cent, with negative growth rates in some countries. The SNPA had set an annual growth target of 4 per cent for agricultural production: the actual rate has been 2 per cent. The SNPA had called for manufacturing output in the LDCs to grow at an annual rate of at least 9 per cent: the actual rate has been 2 per cent, less than half of the growth rate reached during the 1970s. The SNPA had called for official development assistance (ODA) to LDCs to reach 0.15 per cent of donors' GNP: while some donors achieve this target, or doubled their ODA, the average contribution represents 0.9 per cent of their total GNP. At the same time, the marginalization of the LDC group in the world economy has in fact become more accentuated, with their share in world exports amounting to merely 0.3 per cent in 1988, as compared to 1.4 per cent in 1960.
3. But there have been a few exceptional cases: several LDCs managed to achieve GDP growth rates above the rate of population growth. In a handful, agricultural or manufacturing output rose at relatively rapid rates. In a few, gross domestic savings rates exceeded 10 per cent. Nevertheless, apart from the fact that in these cases non-traditional items were their main source of foreign-exchange earnings, these LDCs do not present any other major common characteristic, be it continental location, size of the country, geographical situation, environmental strength, or even relative weight of the debt and debt-service burden.
4. In sum, therefore, the 1980s can be considered in general as a period of set-backs. Most LDCs have had to cut back imports and to undergo a process of painful adjustment with austerity. The fall in net investment (to about one quarter of its level at the beginning of the 1980s) and the deterioration of productive capacity and physical infrastructure have impaired LDCs' ability to resume growth and development and to meet the basic needs of their population. Their serious economic problems have been aggravated, and the modest gains of past economic development eroded. Particularly worrying was the rapid deterioration in the social conditions in the LDCs, where there has been an increase in the absolute number of illiterates and a rise in the incidence of child malnutrition. On the other hand, there was some improvement in indicators of average life expectancy at birth, infant mortality and immunization coverage.

5. There was a broad consensus on the factors which contributed to this worsening state of affairs. These included national problems, including the interaction of population growth, poverty, and environmental degradation; policy shortcomings; the problems associated with the design and implementation of structural adjustment programmes; natural disasters; and adverse external conditions, such as depressed commodity prices, difficulty of access to markets and lower-than-expected aid flows. In addition, destabilization originating from outside had an adverse effect in some countries.

A. National policies and measures

6. Fundamental to the problems faced by the LDCs in achieving sustained long-term growth and sustainable development in the 1980s were rigidities in their economies, fiscal imbalances, monetary (and in some cases political) instability and pricing policies. While much weight was put on the role of the State in development, insufficient attention was paid to individual initiative and enterprise. The experience gained in implementing development plans to transform the social and productive basis for development confirmed the need to improve macro-economic policies, implementation mechanisms and institutions, and to put in place policy measures which would enable LDCs to adjust better to external shocks. In some countries, internal disturbances and instability, sometimes aggravated by destabilization originating from outside, also had an adverse effect, particularly where scarce resources otherwise available for economic and social development were diverted for other purposes.

7. For many of the LDCs only one or two sectors contributed to economic growth, domestic revenue and foreign-exchange earnings, so rendering their economies heavily dependent on, and vulnerable to adverse changes in, the international economy. To achieve broad-based growth, LDCs therefore needed to diversify their productive bases - a process which required structural change, and corresponding capital inputs, which were not available domestically, nor in many cases forthcoming from foreign private investment.

1. Structural adjustment programmes

8. Many LDCs introduced structural adjustment programmes particularly in the latter part of the decade. These were usually supported by IMF and/or the World Bank, in order to achieve short-term economic stabilization and to promote long-term development. However, the success rate in the 1980s was mixed. A number of these programmes could not be implemented fully or in a timely fashion, for a number of reasons. These include weakness in the design or implementation of early programmes, inadequate attention to the specific developmental characteristics of individual LDCs, inadequate external support and too much emphasis on measures to restore economic and financial stability, with too little on the need to maintain an essential minimum of investment in key areas. More recent structural adjustment programmes, profiting from this experience, are showing more promise, although the benefits of these programmes have yet to be fully realized and evaluated.

9. The expectations of stimulating traditional exports, inter alia, through devaluation, have not always materialized mainly because of over-supply conditions for the commodities concerned in the world market. While some

efforts were made to increase government revenue by reforming the tax system and increasing the efficiency of collection, these objectives were more difficult to accomplish than expenditure cuts, particularly on development investment and social services.

2. Agriculture

10. Agriculture, the most important sector of the economies of the LDCs, played a key role in providing food, employment, raw materials for industry, and export revenues. While some progress was noted, agricultural performance during the 1980s was generally disappointing, since food production lagged behind population growth in many cases. The reasons for this included marketing price and land-reform policies, inadequate and unsuccessful investment, damage done to the environment, natural disasters (flood, drought, locusts); bottle-necks in transport, seeds and fertilizers; and shortage of credit. External trade restraints, discussed later, were also a serious deterrent to agricultural production and diversification. These factors also affected rural development plans adversely.

3. Human resources

11. In most LDCs, the high rate of population growth was a fundamental problem adversely affecting efforts to alleviate poverty, the efficient allocation of resources, the adequacy of social services, food security and the quality of the natural environment. During the 1980s, limited investment led to cuts in expenditure on health and education which often weighed hardest on the most vulnerable groups, such as children, the aged and the urban and rural poor. The experience of this period also underscored the importance of adequate participation in the decision-making process at all levels, thus further promoting the economic, social, cultural, civil and political rights of the people and thereby allowing their natural talents to flourish.

4. The role of women

12. Despite the efforts undertaken by various national and international bodies, women continued to face the following obstacles which prevented them from being full agents and beneficiaries of development, such as: attitudes which tended to perpetuate the inferior status of women; the unequal access of women to education, training employment, earnings and to the means of production; the inadequate participation of women in decision-making; and inadequacies in government policies and structures with regard to the integration of women in development.

5. Environment

13. Sound environmental management in the LDCs during the 1980s also suffered, largely on account of lack of resources devoted to this purpose. In the majority of LDCs, most of the pressing environment problems resulted directly from endemic poverty and population pressure. These have often compelled the poor to adopt unsound farming, grazing and fishing methods, or to settle on ecologically fragile marginal lands. To these may be added a general low level of awareness among the people in LDCs of the issues relating to environment, particularly in rural areas.

6. Natural disasters

14. Natural disasters continued to cause heavy losses of human lives and property, with particularly severe and lasting impact on the national economies of the LDCs. Where natural disasters occurred, effort was often concentrated on immediate disaster relief without fully addressing the requirements of long-term development, including disaster prevention measures.

7. Institutional and physical infrastructure

15. Eighty per cent of the population of the LDCs lives in rural areas. The diminishing capacity of the agricultural sector to sustain a growing population triggered a rapid urbanization process, placing an unbearable burden on the urban infrastructure. Income redistribution, land reform and decentralization were viewed as policy options based exclusively on equity considerations, rather than as inescapable development imperatives, having profound efficiency implications. Some LDCs had begun decentralization programmes at the village and district levels, and administrative reforms had been launched to revitalize public sector operations and staffing.

8. The enterprise sector

16. During the 1980s, private sector development began to play an increasing role despite the lack in many cases of an appropriate legal and institutional framework for the conduct of private entrepreneurship. There was greater recognition that the operation of public enterprises in the LDCs and the role of private initiative and competition should be approached in a more balanced and pragmatic manner. Measures have been taken to improve the efficiency of the parastatal sector including by reducing subsidies, but given the weakness of many institutions, further sustained efforts will be required. In some cases, programmes of divestiture have been implemented, but have encountered constraints owing to the small size of the investing public and the undeveloped nature of capital markets, associated with the low level of domestic savings and the lack of foreign investment.

B. External Environment

1. Trade

17. In the field of trade, the international economic environment of the 1980s has been difficult especially for the LDCs, given the heavy dependence of most LDC economies on the export of a handful of commodities. With their very weak manufacturing base, exports were almost exclusively of unprocessed primary commodities. The prevailing trend over the 1980s of a decline in world prices for raw materials of interest to the LDCs weakened the LDCs' export earnings and their import and debt-servicing capacity. Since prices of goods imported by the LDCs continued to rise, the terms of trade of the LDCs worsened significantly, causing a significant trade loss. The two main international compensatory financing schemes, the IMF Compensatory and Contingency Financing Facility (CCFF) and the EEC STABEX arrangement (enlarged to include the non-ACP LDCs) helped to reduce the adverse impact on many LDC economies, but coverage of such schemes was limited. Furthermore, the IMF-CCFF has in recent years been less used on account of the conditionalities attached to it and the non-concessional terms it provides.

18. Special tariff preferences have been granted to LDCs and extended during the 1980s. However, trade barriers have affected actual and potential exports and discouraged diversification. Thus, certain LDC exports (especially textiles, vegetable oils, tobacco and sugar) faced tariff and non-tariff barriers in various parts of the world. In addition, some LDCs were excluded by certain importing countries from the full benefits of the generalized system of preferences (GSP) and the "Special measures in favour of LDCs" adopted at the Tokyo Round. Moreover, consumer prices for tropical products have been kept relatively high in GSP donor countries through the application of high internal taxes. And in a large number of GSP schemes, semi-processed forms of products tend to be subject to considerably higher tariffs than the primary form, with ensuing disincentives for LDCs to process primary products for exports. Furthermore, more than 15 per cent of LDC exports, especially clothing, were subject to various non-tariff measures. Many LDCs lacked the expertise to derive full benefit from the various GSP schemes. Others, while aware that their products could find additional markets, lacked the resources to improve the quality and appearance of such products to the required standard. Moreover, cooperation between the LDCs and other developing countries, particularly at regional and subregional levels, did not develop as rapidly as hoped.

2. Resource flows

19. The 1980s have been marked by a slow-down in the rate of increase of ODA and the drastic fall in private flows such as export credits and direct investment, with a virtual stoppage of commercial lending. As LDCs' resource needs grew substantially during that period, in particular in connection with additional financial requirements to support rehabilitation and adjustment programmes and growing debt-service obligations, the volume of ODA has been generally insufficient, taking into account the virtual disappearance of private flows. Although a number of donor countries met or exceeded the 0.15 per cent aid target, or increased very substantially their aid to LDCs, donors' ODA/GNP ratio remained at the average of 0.09 per cent throughout the 1980s. Increased ODA flows to the LDCs has been limited by budgetary restrictions in donor countries. In some cases, shortcomings in LDC capacity to implement projects and programmes have hindered further the supply of ODA to certain LDCs in adequate volume. Moreover, some major international institutions have not yet recognized the LDC category and this militates against their designing programmes and measures targeted at this category of countries. On the other hand, new concessional facilities of special importance for LDCs, such as the Structural Adjustment Facility (SAF) and Enhanced Structural Adjustment Facility (ESAF) of IMF and the World Bank Special Facility for Sub-Saharan Africa (SFA), have been set up recently.

20. Among the problems identified by donors and/or recipients were cumbersome procedures, protracted negotiations, failure to identify or agree on priorities, too much tied aid, difficulty of meeting local costs and insufficient use of local products or skills. The adverse external environment also affected the ability of the LDCs to generate resource flows internally. The 1980s witnessed a significant depletion in the savings capacity of the LDCs in the face of rising population, declining economic growth and foreign-exchange constraints.

3. LDC debt problems

21. External debt servicing emerged as a major problem for most LDCs during the 1980s. By the end of 1986, total accumulated external debt of the LDCs represented over 60 per cent of their combined GDP; and service payments alone absorbed about 30 per cent, and in many cases as much as 50 per cent, of their exports of goods and services. Over one third of ODA to the LDCs (mainly from IFIs) was provided in the form of loans, albeit on highly concessional terms, with consequent debt implications for the LDCs. Increasing debt-service obligations to multilateral institutions and the weight of debt to private (commercial) creditors constituted a considerable burden on LDCs.

C. Conclusions

22. During the latter part of the 1980s, major policy reforms were initiated by many LDCs to carry out structural transformation of their domestic economies, to reduce or arrest budgetary and/or balance-of-payment deficits, to improve the efficiency of utilization of resources, to promote mobilization of domestic resources, and to enhance the contribution of important sectors of their economies to GDP. More than half implemented stabilization and adjustment programmes with the support of IMF and the World Bank, and others have pursued reform programmes outside the IMF framework. These programmes place a heavy accent on introducing greater exchange rate flexibility and demand measures geared towards ensuring fiscal and monetary discipline. Many have also adopted major reforms under the aegis of the World Bank, principally directed towards improving the efficiency of public enterprises, expanding the role of private sectors in the domestic economy, and strengthening the directly productive sectors, particularly agriculture, through price incentives. There was an increased recognition of the need for sound domestic policies, including a stable and growth-oriented macro-economic framework and greater use of market signals, care for the environment and creation of a climate in which individual initiative could flourish, as well as the need for sustained, adequate and predictable external resources.

23. As regards the donors, a number took steps over the 1980s to improve the terms of their aid, and some also increased its real volume as a percentage of their GDP. Many donor Governments have cancelled ODA debt by means of retroactive terms of adjustment in pursuance of Trade and Development Board resolution 165 (S-IX), and the Toronto measures agreed by all Paris Club creditors marked a step forward in respect of official debt relief. The EEC STABEX scheme was liberalized and extended to non-ACP LDCs. GSP schemes were introduced in the 1980s, and some aspects of the rules of origin liberalized. Lomé Convention preferences - more favourable than those prevailing under the GSP - were applied to about two thirds of the LDCs and are being extended to cover all LDCs.

24. Some improvements were also observed over the 1980s in the mechanisms for distributing and coordinating aid. The establishment of the Country Review Mechanism was one of the major achievements of the SNPA. Other improvements were the extension of the time horizon and the inclusion of social considerations in the World Bank Consultative Group process. The new round-table format was also welcome, and the policy dialogue at round-table meetings has led to a better understanding of LDC policy frameworks and a better appreciation of their development assistance needs.

25. The assessment undertaken of the LDCs performance in the 1980s underlines the need for greater commitment to the formulation and implementation of a more coherent action-oriented programme for these countries in the 1990s, based on a strengthened partnership between the LDCs and their development partners. The chapters below set out in detail the proposed content of this programme of action.

The Programme of Action

I. INTRODUCTION

1. In this increasingly interdependent world, we all share a joint responsibility for creating favourable international economic conditions and in strengthening international cooperation which will help create an environment for sustained economic growth and development.
2. This growing interdependence challenges us all to forge an understanding of the principles which will lead to accelerated economic growth, sustained and sustainable development, and reversal of the decline in economic well-being experienced by many in the 1980s. The least developed countries have structural problems which are unique in their nature and degree: they are therefore deserving of special international support.
3. The prime objective of the Programme of Action for the LDCs during the current decade is to arrest the further deterioration in their socio-economic situation, to reactivate and accelerate growth and development in these countries and, in the process, to set them on the path of sustained growth and development. The Programme of Action outlines a number of principles which should constitute the basis for action for the LDCs, their development partners, including international organizations, financial institutions and development funds, to help a fundamental growth-oriented transformation of the LDC economies. Concerned non-governmental organizations, including particularly indigenous NGOs, are also requested to participate in the Programme of Action for the development of the LDCs. Men and women should participate equally in all development activities and at all levels of the decision-making process.
4. These principles imply the acceptance of a partnership which depends upon mutually reinforcing action, with each country contributing to the common objective to spur and sustain growth in the LDCs. While the LDCs have the primary responsibility for their development, each development partner should contribute to the common objective fully, taking into account its capacities and weight in the world economy. The Programme also seeks primarily to provide an efficient operational framework and identifies areas in which the LDCs, their development partners and international organizations need to take urgent and concrete action based on the principles, policies and commitments enumerated below.
5. While much remains to be done, there is no doubt that awareness of the special requirements and problems of the least developed countries is more manifest than in the past. This Programme of Action is aimed precisely at translating such awareness into concrete and optimal results.

II. BASIC PRINCIPLES

Principle No. 1: Success depends on a shared responsibility and a strengthened partnership for the growth and development of LDCs

6. The overriding objective of reactivating and accelerating growth and sustained development requires strengthened joint efforts, by LDCs and their development partners, to implement sound strategies. The development partnership is based upon an open dialogue which creates a mutually reinforcing process of national initiative from the LDCs and international support provided by the international community.

7. In this partnership the LDCs have the responsibility for elaborating and implementing effective development strategies and policies conducive to broad-based growth, adapted to their individual characteristics and responsive to the real needs of the population. This implies that development partners provide adequate support to LDCs' endeavours, based on these policies, taking into account the LDCs' structural handicaps and weaknesses. There are also unique opportunities and benefits to be gained through greater cooperation with other developing countries.

8. It is essential that all countries work together to develop more favourable international economic conditions and a more open trading system, recognizing that the results of this process will be a reflection, inter alia, of their respective weight in the world economy and world trade.

Principle No. 2: The least developed countries have the primary responsibility for the formulation and effective implementation of appropriate policies and priorities for their growth and development

9. Specific priorities and means to implement them will necessarily vary among LDCs according to their unique endowments and needs. However, national strategies should revolve around these major common policy axes:

(a) Creation of a domestic economic environment which is conducive to sustained growth and sustainable development in the LDCs and a stable and growth-oriented macro-economic framework;

(b) Structural adjustment should seek to accelerate the transformation of LDC economies and overcome their particular structural problems in a manner consistent with, and supportive of, medium-term plans and long-term economic and social objectives, bearing in mind the need for development with a human face;

(c) Identification and promotion of long-term, sectoral priorities designed to expand, strengthen and modernize the productive base, paying greater attention to market signals, while pursuing a sound management of the natural environment, taking into account the specific causes and individual characteristics of the LDCs;

(d) Greater scope for the private sector and more efficient management of public sector enterprises, inter alia, by subjecting them to competition;

(e) Adoption of policies to reduce poverty by creating employment opportunities and broadly-based growth, making more widely available the opportunities for, and the benefits of, the improved productive capacity, pursuing appropriate demographic and population policies, and enhancing the access to productive activities; and by initiating appropriate social programmes in such important areas as health, education, and nutrition of vulnerable groups, in particular women and children;

(f) Building institutions based upon principles of democracy and equity that allow for broad-based popular participation in the development process.

10. These policy axes require a strengthening of human and institutional capacities for an effective management of the development process. Governments should provide the appropriate framework so that all actors in society, especially peasant farmers, entrepreneurs, workers, NGOs, and local and regional entities, can make their own distinctive contribution.

Principle No. 3. The strengthened partnership for development
necessitates adequate external support from the LDCs'
development partners

11. The international community should assist the least developed countries in pursuing effective policies of development, and its commitments should be based on the following axes:

(a) Extending support to policies that promote long-term growth and structural adjustment programmes adapted to the particular needs and circumstances of the LDCs, bearing also in mind the need to restore stability in the macro-economic framework;

(b) Extending support to sectoral policies and programmes designed and implemented for strengthening and diversification of the LDC economies, in particular through expansion and modernization of their productive base;

(c) Substantial support would also be extended to the LDCs to enable them to address environmental concerns effectively in the context of their accelerated development;

(d) Specific initiatives as discussed later and including, but not restricted to, human resource development, land reform and rural development, rehabilitation and expansion of the productive base, more efficient management of the public sector, greater scope for the private sector and advancement of women;

(e) Development partners should assist the least developed countries by providing adequate concessional development assistance in the form of finance and transfer of appropriate technology and skills and other complementary supports in the areas of access to markets for their exports, debt relief, assistance in the field of commodities and compensatory financing.

Principle No. 4: Commitments undertaken should be measurable and sufficiently transparent to enable monitoring and assessment of the Programme of Action for the 1990s

12. The approach to the development of the LDCs calls for commitment and strengthened joint efforts on the part of both LDCs and their development partners to render the Programme of Action operational, implement its constituent parts and ensure coherence and complementarity between national and international efforts. In this context, sound predictable structural adjustment policies and the predictability and adequacy of resource flows will be a crucial component in the success of the implementation of the Programme, and hence the inclusion of measurable commitments and targets for resource flows and criteria and performance indicators for policies at the national and international levels. Specific follow-up mechanisms at national and international levels should constitute an integral part of the Programme of Action.

III. GLOBAL FRAMEWORK

A. The macro-economic policy framework

13. The objective of macro-economic policy is to create a favourable environment and constitute a basis for sustained economic growth and the long-term development of the economy. The macro-economic policy framework should provide the basis to overcome the structural bottle-necks of the least developed countries, lead ultimately to their transformation and contribute to the eradication of poverty. Pursuit of such policies would be greatly assisted by efforts of the international community to encourage an international economic environment conducive to such change and the provision of adequate external support. Assistance should be made available to the least developed countries to help them face their critical development needs and strengthen their institutional capacity to design and implement their macro-economic framework and policies.

14. For the efforts of the LDCs to be successful, there is a need for all countries to implement national and international policy measures to improve the environment for accelerated and sustainable development. Major market-economy countries should continue to adopt coordinated policies to promote stable, sustainable, non-inflationary growth, enhance the positive impact on development of measures to deal with their mutual imbalances and strengthen mechanisms for the ongoing process of multilateral surveillance of economic policies.

15. A growth-oriented macro-economic framework should be consistent yet have room for flexibility as regards types of instruments to be used and the manner of their application, taking account of changing circumstances and/or the structural rigidities of a particular economy. The policy package should be adapted to the specific problems and needs of individual LDCs and the resource parameters. It would be important to reconcile the requirements of a long-term development strategy with the need to re-establish macro-economic balance rapidly: adjustment financing is necessary but there should also be adequate financing and support at the sectoral level in the social and economic fields.

16. The following policy guidelines should be borne in mind in the design and implementation of the LDCs' macro-economic programmes, including those negotiated by individual countries with multilateral financial institutions such as IMF and the World Bank:

(a) Policies and measures should focus on the basic transformational needs of LDCs and aim at the acceleration of long-term growth and development in LDCs;

(b) Particular attention needs to be paid to the linkages between the different economic activities, as well as to the interaction of sectoral reform with broader macro-economic objectives. Some degree of selectivity as regards macro-economic instruments needs to be introduced or maintained so as to ensure an efficient allocation of resources among alternative activities. The operation of efficient markets, within a rational institutional setting, and the use of price signals to guide resource allocation are important factors;

(c) It is also an objective of macro-economic policy to establish external, monetary and fiscal stability, and wherever this has to be restored, there should be flexibility in the time span of adjustment and the sequencing of reforms. However, early recognition of the need for adjustment and quick action will facilitate a return to long-term growth and stability. The design of structural adjustment policies should take into account social factors, and development partners should support efforts to protect the poorest and most vulnerable groups in a manner consistent with the overall programme;

(d) A stable and realistic exchange rate will support macro-economic objectives and may contribute to balance in the external accounts. It can help stimulate a vigorous and competitive export sector when combined with other appropriate policy initiatives, including measures to reduce domestic structural rigidities and to diversify exports, bearing in mind the international supply and demand factors affecting traditional exports;

(e) There are a number of initiatives and conditions which will encourage necessary investment, whether from domestic or foreign sources. The most important are policies to promote savings through positive real interest rates, and a stable domestic environment, including appropriate legal and administrative institutions. It is also essential to have an appropriate system of taxation, a predictable and stable regulatory and institutional setting, particularly for the financial sector, and an enabling environment for dynamic and competitive private and public enterprise sectors. Investment by the public sector in the physical infrastructure and in social services, especially education, is equally important. The appropriate mix of the above will vary according to the circumstances of individual countries, but the importance of mobilizing the maximum investment, efficiently and at remunerative rates of return, should be emphasized;

(f) Where entrepreneurial capacity and private capital are scarce, the public sector will still play a significant role in LDCs' economies, although as constraints are overcome its significance may diminish. Consequently its efficient management would contribute to both fiscal balance and economic development. The LDCs should adopt measures to secure effective functioning of public enterprises, including where necessary improved policy mandates, objectives, accounting and institutional procedures, and the opening up to

competition. The indigenous enterprise sector should be encouraged to play an important role in modernizing LDC economies and achieving national development objectives. Options such as opening up competition to and within the private sector, or cooperatives and gradual privatization will be considered. LDCs will also take measures to create an appropriate legal and institutional framework to encourage entrepreneurs on the one hand and to enable them to make a positive contribution to the social and economic development of the LDCs on the other;

(g) Subsidies and other such measures are useful in some circumstances but should be used after careful examination of other options. When used, it is important that they be carefully targeted, spur growth in specific areas, minimize any consequent distortions and avoid the perpetuation of inefficient, uncompetitive activities. Their continued need and level should be subject to ongoing review;

(h) Price controls which discourage production and investment should be phased out, while other measures to compensate the poor for undue harm should be considered;

(i) Measures to improve income distribution by removing distortions in the tax system, land reform where appropriate and employment creation are essential complements to sustainable macro-economic policies, as they have direct repercussions on the ability and motivation of the population to participate fully in national development endeavours. The provision of basic education, health care and nutrition are critical elements in enabling the disadvantaged and the poor to have the skills, health and knowledge to take advantage of these opportunities and to withstand the effects of natural disasters; and

(j) Performance criteria applied to LDCs by multilateral lending institutions should continue to be adapted to the particular circumstances of these countries and should give due priority to the overriding policy objective of the LDCs, namely the acceleration of economic growth and long-term development. The programme agreed with multilateral institutions should constitute a coherent strategy for achieving balance and promoting this growth. Performance criteria could embody variables relating to both the external and fiscal balances and inflation rates on the one hand and desirable rates of economic growth and investment on the other. These criteria should reflect explicit assumptions regarding the external environment which affect the ability of the LDC concerned to achieve its goals. Changes in the external environment may render it necessary to review the appropriateness of the policies, time-frame or sequencing, in which case it is also envisaged that development partners would review their external support and the adequacy of resources. Development partners should bear in mind the possible consequences of their national policies on the international environment and the potential for either rendering it more difficult for or helping the LDCs in the adjustment process.

B. Financing growth and development

17. Economic growth and long-term development cannot proceed without sufficient resources - domestic and external - to finance investment. Significant additional financial resources will be needed to achieve the objectives of the Programme of Action. The availability of these resources

depends heavily upon the implementation of the necessary policies to encourage savings and foreign investment, the provision of adequate development assistance and a supportive external economic environment. The magnitude of this task is highlighted by some projections which indicate that, even with an appropriate policy environment, a considerable increase in domestic savings and development assistance would be needed for LDCs to reach a modest per capita growth.

1. Domestic resources

18. The mobilization and effective use of domestic savings is one of the imperative elements for sustained and equitable development. Governments of LDCs should endeavour to develop an appropriate network of financial institutions and incentives to encourage private savings; ensure an optimal allocation of resources and strengthen the management of public expenditure, including that by parastatals; implement a monetary policy conducive to price stability and confidence; establish a realistic exchange rate; provide investment guarantees and support joint financing facilities, and broaden the tax base without discouraging savings and investment. These policies, and a stable domestic environment and appropriate legal and administrative institutions, will promote domestic savings, reduce capital flight and encourage the repatriation of flight capital.

2. External resources

19. Given the magnitude of the LDCs' development needs and their limited capacity to generate an investible surplus, the volume, timeliness and terms of external financial resources will be critical and should correspond to the LDCs' immediate short-term and long-term development needs. Foreign assistance should serve to promote domestic growth and long-term economic development and transformation so that eventually the LDCs could reduce their dependence on aid.

(a) Volume

(i) Official flows

20. External financial support to complement domestic efforts and appropriate policies should be both sufficient in terms of volume and efficient in terms of allocation according to LDCs' individual development needs and priorities. A significant and substantial increase in the aggregate level of external support should be made available.

21. The international community, particularly the developed countries, collectively commits itself to such increase. All donors should contribute to it.

22. The efforts made by donors to reach the target of 0.15 per cent of GNP devoted as ODA to LDCs and, for some of them, to well exceed it, are welcomed. Other donors have more than doubled their ODA to LDCs during the 1980s. Such efforts are also welcomed.

23. In order to reach, as soon as possible, a flow of concessional resources commensurate with the increase called for above, donor countries will seek to implement the following:

(a) Donor countries providing more than 0.20 per cent of their GNP as ODA to LDCs: continue to do so and increase their efforts;

(b) Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent by the year 2000;

(c) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target within the next five years or to make their best efforts to accelerate their endeavours to reach the target;

(d) During the period of the Programme of Action, the other donor countries: exercise individual best efforts to increase their ODA to LDCs with the effect that collectively their assistance to LDCs will significantly increase.

24. Taken together, these efforts should provide the adequate external financial support needed for the implementation of the Programme of Action for the Least Developed Countries for the 1990s and help the LDCs meet their external capital requirements for accelerated growth and development.

25. There is a need to increase substantially the overall volume of concessional multilateral assistance and, in view of its importance, the international financial institutions and regional development banks and other development funds are invited to take fully into account the special economic and social conditions of the LDCs. Where appropriate they could establish special programmes. These institutions have a crucial role to play in the design and implementation of economic programmes and could undertake to provide increased concessional aid to these countries. Ways and means to increase the flow of resources should be considered as a matter of priority. The recent increase in the International Development Association (IDA) resources available will be an important component of this flow of resources. The increased resources channelled, in grant form, through the Fourth Lomé Convention will also be important.

26. Developed countries should channel a substantial part of their resources to those United Nations organizations and bodies which have programmes of special interest and benefit to LDCs. It is noted that UNDP through the SMF, UNSO and the UNCDF have developed programmes focused specifically on the LDCs, while UNDP, UNFPA, IFAD, WFP, UNESCO, UNIDO, FAO and UNICEF have implemented specific programming criteria to ensure LDC needs are given priority attention. Other United Nations development agencies are invited to institute specific programmes and measures to respond effectively to the needs and requirements of the LDCs.

27. The United Nations development system should respond effectively to the needs and requirements of the LDCs, taking into account their different and complex conditions. In this context, reaffirming General Assembly resolution 44/211 on "comprehensive triennial policy review of operational activities for development of the United Nations system", the Conference

requests the United Nations and other specialized agencies to proceed with its expeditious implementation. In this regard the recent decision of UNDP to assign 55 per cent of the Indicative Planning Figure (IPF) to the LDCs, in the course of the Fifth Cycle, is welcomed. The relevant national authorities are invited to consider:

- (i) further encouraging the work of the United Nations Capital Development Fund and increasing its overall funding by 20 per cent a year over the 1990s; and
- (ii) giving more support to the work of the International Institute of Development Law, including LDC needs in the training of negotiators.

28. Development partners of LDCs should also continue to provide emergency assistance to LDCs afflicted by food shortages, natural calamities and other emergencies. In observing the International Decade for Natural Disaster Reduction (IDNDR), the international community should give priority attention to the solution of problems caused by natural disasters in the LDCs.

29. The assistance provided to the least developed countries for programmes for environmental protection should, as much as possible, be additional.

(ii) Private flows

30. Many LDCs have adopted policy reforms to make their investment climate more conducive to foreign investment. However, the results are in some cases still meagre.

31. In order to enhance the volume of external financial flows, supportive action to expand private, non-debt-creating flows - i.e. direct or portfolio investment - needs to be taken. Both the least developed countries and developed countries should consider early implementation of policies to encourage investment, including membership of the Multilateral Investment Guarantee Agency (MIGA), conclusion of investment protection and double taxation agreements, and examine the possibility of assisting the wider utilization of programmes available under MIGA. Technical assistance in the establishment of financial sector policies and institutions will also be particularly important.

(b) Aid modalities and aid effectiveness

32. For development assistance to be effective it will need to respond to the overall development objectives of the LDCs and be provided in the context of a supportive domestic economic framework. Further steps should be taken by the development partners to provide bilateral ODA to LDCs in the form of grants and/or to provide loans on highly concessional terms. The timeliness and the terms of such aid should correspond to the LDCs' short-term and long-term needs, including the growing requirements of their adjustment efforts.

33. Institution building and human resource development should be integral elements of all aid activities. Technical assistance should be provided in the context of an overall programme tailored to the needs and situation of the particular country and should aim to strengthen the capacity of the recipient to formulate and implement policies, programmes and projects to address the structural rigidities of its economy. Efforts to increase absorptive capacity

should be an integral part of these programmes. Donor agencies should review thoroughly their technical assistance programmes to ensure they retain their original purpose of building LDC capabilities, use local consultants where possible and offer possibilities for joint international action in support of improved management capacity and development of infrastructure.

34. The effectiveness of foreign assistance would be enhanced by the following measures undertaken by development partners and recipient country authorities as appropriate:

- (a) Improved coordination of multilateral and bilateral aid;
- (b) Untying of aid to the maximum extent and priority for purchasing from local sources;
- (c) Simplification of procurement, including tendering;
- (d) Greater flexibility in assistance for adjustment programmes such as balance-of-payments support or rehabilitation of infrastructure and sectoral programmes;
- (e) More grant aid or higher concessionality;
- (f) Greater local and recurrent cost support;
- (g) Multi-year programming of technical and financial assistance, as appropriate, in line with structural adjustment programmes;
- (h) Joint programming by donors;
- (i) Timely and predictable disbursement;
- (j) Institutional aid for better management and coordination of resources;
- (k) Increased decentralization and further delegation of authority to the field level; and
- (l) Improved negotiations between recipient and development partners to reach a consensus on programmes and projects financed by the latter.

35. Capital and technical support for small-scale activities can be a particularly effective way to benefit lower-income groups and contribute to poverty alleviation. It fosters local participation in the national economy, and improved access to productive facilities or social services helps these groups realize their potential. The role of NGOs in development assistance is recognized and they can play a useful role in extending assistance to and within the LDCs in close coordination with national authorities. Their contribution would be most effective if made within the framework of goals, policies and priorities outlined in national plans and programmes. In this context, a positive role can be played by indigenous NGOs.

C. External indebtedness of the LDCs

36. Many LDCs face serious debt problems and more than one half are considered debt distressed. As a group, their total debt in 1989 was \$70 billion and annual debt service was about \$4 billion. This debt service represented approximately one quarter of their annual exports of goods and services. The debt overhang continues to be a major hindrance to their development plans making economic adjustment with growth extremely difficult and risks undermining the essential political commitment to reform. Any further aggravation will have serious consequences.

37. The serious debt problems of the LDCs necessitate strengthened efforts on the international debt strategy. This strategy should include concrete measures to alleviate the debt burden and increase concessional financing, in support of appropriate economic policy measures, which will be critical to the revitalization of growth and development. While progress in the debt strategy has occurred in the past several years, serious consideration should be given to continuing to work towards a growth-oriented solution of the problems of developing countries with serious debt-servicing problems, taking into account the particular problems faced by LDCs.

1. ODA debt

38. In 1988, bilateral concessional debt from all donors still accounted for around 40 per cent of total debt outstanding. About half of this debt is owed to OECD countries. Many countries have responded to Trade and Development Board resolution 165 (S-IX) of 11 March 1978 by cancelling or providing equivalent relief for official development assistance debt. While much progress has been made, a number of donors have not yet implemented such measures. All donors are urged to implement such measures as a matter of priority, in such a way that the net flows of ODA should be improved for the recipient.

2. Other official bilateral debts

39. Approximately \$7 billion of the LDC debt is in the form of non-concessional bilateral credits from OECD countries. Although the value of this debt is relatively low, it has, even after the comprehensive reschedulings agreed for many LDCs, accounted for one fifth of the LDC debt-service payments. Thus further relief of such debts can be very important for those debt-distressed countries. The Paris Club is invited to continue to apply Toronto Terms, which can provide relief through a reduction of the principal or interest rates, or extended repayments period. The Paris Club is invited to consider the application of Toronto Terms to all LDCs seeking to reschedule their official debts according to its established procedures and criteria.

40. The relevant authorities are encouraged to continue discussions, as a matter of priority, to address the debt burdens and maximize the effectiveness of measures to alleviate them and the development problems arising therefrom. The Paris Club is urged, taking into account the July 1990 Houston Summit Communiqué, to review implementation of the existing Toronto options that apply to LDCs and also to review additional options which may be necessary.

The discussions could include proposals made by some Governments which would involve further measures to reduce the debt burden of the LDCs. Such measures would be considered in the context of adjustment programmes for long-term growth and development based upon sound economic policies being implemented by the LDCs concerned.

41. In addition, some sources have estimated that close to \$3 billion was owed in 1988 by LDCs to non-OECD creditor countries. They are also encouraged to reduce the burden of non-concessional debt to LDCs by adopting measures in keeping with their economic capacities.

3. Debt and the multilateral institutions and development funds

42. During the 1980s the debt - non-concessional and concessional - owed by the LDCs to multilateral institutions had increased to about \$24 billion by 1988 and represented over one third of their debt service. Non-concessional debt was approximately \$4 billion of this total, and particularly this part of multilateral debt causes serious difficulties to many countries.

43. The multilateral institutions and development funds have remained an important source of new money for LDCs largely through the Enhanced Structural Adjustment Facility (ESAF), IDA and the development funds of development banks. They can make an important contribution to alleviating the debt burden. More recently, resources of the international financial institutions, including the Debt Reduction Facility of the World Bank, have been made available for debt or debt-service reduction programmes undertaken in the context of an economic adjustment programme. Also the funds made available for structural adjustment under the Fourth Lomé Convention serve this purpose.

44. With regard to multilateral debt, a number of measures such as interest-rate subsidies or refinancing schemes funded by reflows or special trust funds have been proposed. The supplementary credit scheme recently established by the World Bank has provided relief to eligible countries in respect of non-concessional World Bank debt. Bearing in mind the need to preserve the sound financial basis and credit rating of these multilateral institutions and development funds and the revolving nature of their resources, all the institutions concerned, particularly those providing non-concessional credits, are invited to give serious attention to measures to alleviate the burden of the debt LDCs owe to them. In this process, particular attention should be paid to the conditions to be attached to such measures, to the provision of additional concessional resources and to the needs of individual LDCs.

45. Those LDCs with overdue obligations to multilateral institutions will need access to finance, possibly aided by support groups, to help clear arrears and finance necessary programmes of structural adjustment. This would enable countries to regain creditworthiness, reschedule debts and facilitate ODA flows. In this regard, the recently agreed revision to the IMF arrears strategy is to be welcomed. Donors should consider extending the necessary help in this regard.

4. Commercial debt

46. The private commercial debt owed by LDCs amounted to nearly \$3 billion in 1988 and represented some 10 per cent of debt service. The Debt Reduction Facility of the World Bank provides resources to IDA-only countries for debt and debt-service reduction, in a manner similar to the Brady Plan. In future, greater use could be made of this facility and similar mechanisms, including debt buyback and conversion schemes which are also useful tools in managing the debt burden. They may bring additional benefits when coupled with other objectives such as reconstruction, environment, and assistance for the poor and children. Donors, commercial banks and NGOs are encouraged to consider these and other mechanisms to alleviate the commercial debt burden.

47. Other measures, such as improving market access and export development, the creation of conditions - both by developed countries and by LDCs - conducive to non-debt-creating flows such as direct investment, and technical assistance in the management of debt, can also be very helpful.

D. External trade

48. It is essential that all countries contribute to developing a more open, credible and durable multilateral trading system, recognizing that the results of this process will be a reflection, inter alia, of their respective weight in world trade. Such an improved system can effectively promote growth and development, particularly through improvements in market access. A successful conclusion to the present Uruguay Round of GATT negotiations would hold the prospect of significant market liberalization from which all would benefit, including LDCs. Urgent steps are needed to provide improved market access for products originating from LDCs. In this regard, there is scope for further improvement of the GSP schemes and improved utilization of the benefits conferred. Important supportive measures in favour of LDCs could be taken, inter alia, in such areas as duty-free treatment for their exports, exemption from quotas and ceilings and use of simplified and flexible rules of origin or derogations therefrom. All countries should strive to realize the principle stated in the Punta del Este Declaration that special attention should be given to the particular situation and problems of the least developed countries and to the need for positive measures to facilitate expansion of their trading opportunities.

1. Diversification

49. A greater diversity of exports would strengthen the domestic economy, as well as provide greater stability and predictability in export earnings. LDCs are encouraged to adopt the policies and measures which could stimulate new export sources. Development partners should also extend help, inter alia through technical assistance in export development, promotion and diversification, including help to LDCs to participate in trade fairs, and through establishment of import promotion facilities. This could be done bilaterally or through organizations such as the International Trade Centre UNCTAD/GATT. A number of development partners have programmes to promote awareness and use of GSP schemes, and these are to be encouraged and to be emulated by others. Exports could be further promoted through the improvement of the quality and packaging of products, using appropriate advertising

techniques and with improved management and export marketing. The experience and expertise of other developing countries could be valuable for LDCs in their efforts to promote a dynamic export sector.

50. Import procurement operations are an important and integral part of international trade, and LDCs stand to gain from saving valuable foreign exchange by prudent sourcing of imports. Assistance towards import management and planning would contribute considerably in this respect.

2. Access to markets

51. Within the framework of the multilateral trade negotiations (MTNs) of the Uruguay Round, special attention should be given to LDC needs and to the following:

(a) Advanced implementation of MFN concessions of particular interest to LDCs made by the contracting parties to the GATT;

(b) Enhanced access for products of LDCs through (i) the elimination, where possible, or substantial reduction of tariffs; and (ii) the elimination, where possible, or greatest possible reduction of non-tariff barriers;

(c) Special consideration regarding the application of strengthened GATT disciplines;

(d) Phased implementation by LDCs of the results of negotiations in the field of TRIPs (trade-related aspects of intellectual property rights) and of TRIMS (trade-related investment measures) and in the field of international trade in services;

(e) Possible modalities for special treatment for tropical products of special interest to LDCs; and

(f) The fullest possible liberalization of trade in textiles and clothing for LDCs in the context of the arrangements being negotiated in the Uruguay Round.

52. The Declaration of Punta del Este provided for an evaluation by the Group of Negotiations on Goods (GNG) of the results attained in the MTNs for developing contracting parties. In this context, the GNG is invited to give special consideration to least developed contracting parties.

53. There exists scope for the improvement of GSP schemes. Areas of interest to LDCs include: increasing the range of products covered or the tariff concession; applying flexible rules of origin; special terms or exemptions from quotas or ceilings; and greater long-term stability and predictability in the management of GSP schemes.

54. GSP schemes are often quite complex and administratively cumbersome: developed countries are strongly urged to take steps to simplify procedures, where appropriate. They could also help LDCs take fuller advantage of the GSP schemes, as in many cases the LDCs find it difficult to exploit fully the GSP opportunities owing to their weak and narrowly-based economies. LDCs, for their part, should also make greater efforts to utilize existing

GSP schemes more fully. This underscores the need for parallel progress in institution-building, the development of the export sector and development-partner assistance to help export promotion and diversification.

55. Preferential measures in favour of LDCs need to be considered in the context of bilateral arrangements with their neighbours, as well as in regional and subregional groupings of developing countries, taking into account the interests of LDCs during implementation of other regional integration schemes by developed countries.

3. Commodities

56. Commodity exports play a key role in the economies of the LDCs, making a crucial contribution to export earnings and investment, but the decline in many commodity prices in the 1980s caused significant difficulties. Improved access under the multilateral trading system, diversification and further local processing yielding higher value added would all help to diminish this dependence. The international community could consider assistance and other forms of multilateral cooperation in the field of commodities to improve transparency and market access, reduce trade distortions and improve the dialogue on supply and demand conditions. In this regard, efforts to revitalize and improve the functioning of existing commodity arrangements which are consistent with long-term market trends should be supported. The discussions in the United Nations General Assembly this autumn on the report by the United Nations Secretary-General's Expert Group on Africa's Commodity Problems (UNCTAD/EDM/ATF/1) will be of particular relevance to LDCs and their development partners.

57. Following the entry into force of the Agreement establishing the Common Fund for Commodities, members of the Fund should cooperate to make the Fund operational. Pledges to the Second Account are required so that the Fund can provide urgently a strong stimulus to international commodity cooperation in such areas as diversification, research and commodity development measures, as well as market promotion activities. In considering projects eligible for Second Account financing, the members of the Fund are urged to give special attention to the needs of the LDCs with high dependence on commodities for their export earnings as well as priority to those few commodities which are of particular interest to LDCs.

4. Compensatory financing

58. In the long term, it is crucial that the LDCs find the means to diversify their exports. In the short term, however, the volatility of commodity prices means that there is a need for compensatory finance and appropriate producers' policies to help absorb the shock of sharp swings in export receipts so that LDCs can maintain a stable economic policy framework. In the future review of the IMF Compensatory and Contingency Financing Facility (CCFF), member Governments may wish to explore ways in which the resources of the Facility could be used more frequently, in support of LDCs' external finances. Such a comprehensive approach could serve to facilitate LDCs' access to the Facility on terms and conditions appropriate to their economic circumstances. Donor countries could consider complementary bilateral assistance on concessional terms when LDCs draw resources from the contingency finance portion of the CCFF. Similarly, accelerated drawings under ESAF programmes in response to unforeseen adverse external developments may now be considered within IMF.

Also, assistance from the World Bank unit responsible for helping commodity-exporting developing countries - for example with training in coverage techniques, contract negotiations and technical assistance - could help LDCs to minimize the risk of export-earnings fluctuations.

59. The commodity-related shortfalls in export earnings of the LDCs are an important obstacle to their development efforts. Therefore, there was a recognition that the compensatory finance questions deserve full consideration, in particular as they relate to the LDCs. In this context, the value of the existing arrangements such as the EEC STABEX and the programme of Switzerland was recognized by the recipient countries. Other developed countries are urged to keep under review measures including, as they deem appropriate, establishing schemes similar to those of the EEC and Switzerland, to address the problem of export-earnings shortfalls of the LDCs. In the future a more general review of compensatory financing mechanisms should be undertaken.

E. Strengthening economic and technical co-operation
between LDCs and other developing countries

60. Strengthened cooperation between LDCs and other developing countries, as appropriate at regional and subregional levels, can play an important role in the development efforts of the LDCs during the 1990s. Arrangements in this connection should aim at providing greater and preferential access of LDC products to regional markets, importing LDCs' products on a long-term secured basis, providing financial and technical assistance for the benefit of LDCs, enhancing exchange of information and know-how, increasing collaborative ventures and, as regards land-locked LDCs, facilitating the flow of goods in transit. Some developing countries have programmes and expertise of interest which are being used by LDCs. Development partners are requested to fund projects to bring this assistance to them. Technical cooperation among developing countries is highly recommended as a mechanism to strengthen the LDC development efforts.

61. Consideration should be given to better implementation of the provisions already included in the relevant articles of the Global System of Trade Preferences Agreement, giving more favourable treatment to the LDCs and stipulating that they shall not be required to make concessions on a reciprocal basis. In order to alleviate transit problems of land-locked least developed countries, transit countries should provide transit facilities. Concerted efforts between land-locked least developed countries and transit countries should be continued at bilateral and subregional levels, to simplify the transit procedures. Provisions should also be made for freight incentives for island least developed countries. All these measures would contribute to promoting international trade links in the 1990s, and development partners are called upon to participate in these efforts.

62. There are a number of multi-country programmes which could be very important to many LDCs, in particular arrangements for joint exploitation of common river basins or other resources. These and other multi-country efforts should be considered for support from the international community, especially where the investments may be too large for national Governments and where they hold the potential for significant economic and structural change.

IV. MOBILIZING AND DEVELOPING HUMAN CAPACITIES IN THE LEAST DEVELOPED COUNTRIES

63. Men and women are the essential resource and beneficiaries of the development of the LDCs. The mobilization and development of these human resources in the least developed countries are a crucial factor in promoting sustained and increasingly self-reliant socio-economic development. Policies for mobilizing and developing the human resources of the least developed countries during the 1990s should focus on two main areas: (i) the full involvement, integration and participation of all groups, especially women, in the development process; and (ii) the strengthening of human capital, in particular through access of the population to basic and adequate social services, with special priority for education. The creation of an environment conducive to releasing the full energies and potential of all men and women to contribute to the improvement of the societies of the least developed countries is a prerequisite for widening and developing the productive base and hence the attainment of sustained development. As investment in human capital needs substantial resources, LDCs themselves should seek to direct more resources to social services; but, as the least developed countries face severe budgetary constraints in social services, the international community, in allocating the significantly and substantively increased external financial support, is called upon to give adequate attention to financial and technical assistance to the efforts of the least developed countries in this area.

A. The involvement of the actors

64. Development should be human-centred and broadly based, offering equal opportunities to all people, both women and men, to participate fully and freely in economic, social, cultural and political activities. All countries should, therefore, broaden popular participation in the development process and ensure the full utilization of human resources and potential. Respect for human rights, individually and as a group, as enshrined in the United Nations Charter and the Universal Declaration of Human Rights, constitutes a universal obligation and stimulates the creativity, innovation and initiative necessary for socio-economic development. Its fulfilment, along with democratization and observance of the rule of law, is a part of the process of development. Each particular country may therefore freely determine its own ways of advancing towards this established objective. It also entails a realization that any progress in this direction should be encouraged and supported by the international community, through development cooperation efforts among development partners.

65. It is important to promote measures aimed at increasing the motivation and the opportunities of all social and economic actors, public as well as private, to participate fully in the development process of the LDCs. Participatory development should be enhanced through, inter alia, measures aimed at developing and improving institutional capabilities and efficiency in public administration, ensuring an optimal balance between the public and private sectors (enterprises, cooperative sector, informal sector) in order to foster productive activities, allowing natural talents to develop and flourish, fully integrating women into the development process, and encouraging bona fide NGOs, particularly the indigenous ones and grass-roots organizations, in their local, community-based initiatives.

1. Improving institutional capabilities

66. Good governance is essential for economic and social progress for all countries. The LDCs need to undertake policies and measures with technical and financial international support, aimed at strengthening the ability of their institutions to operate efficiently. These institutional capacities are vital for the formulation and management of macro-economic and sectoral policies, the design, management and evaluation of their development programmes and projects, as well as for the creation of an environment propitious to the development and sound management of the public and private sectors. In this regard, in many least developed countries the incentives and remuneration of those in the civil service have declined to unrealistic levels, thus affecting adversely the effective discharge of their duties. Measures and policies to be undertaken by LDCs would include: (i) building and maintaining management training institutions at national and subregional levels; (ii) providing adequate incentives to attract and retain trained personnel in the public service and other development institutions; (iii) building endogenous capacities to assess, adapt and internalize science and technology. The implementation of these policy measures requires extensive international support, including provision of technical assistance and financial resources.

67. The improvement and expansion of LDCs' institutional capabilities and efficiency, further decentralization, democratization and transparency at all levels within the decision-making system are required in order to increase responsiveness to the needs of the population, enhance the effectiveness and relevance of development activities, ensure the rational and equitable utilization of resources, and facilitate local participation in the implementation of development activities.

2. The role of public enterprises

68. There is a need for pragmatic approaches to balance public and private-sector involvement in the development of the LDCs. While measures should be taken to foster entrepreneurial capacity and private capital, which is scarce in LDCs, public enterprises will continue to play an important but supportive role.

69. The prime objective of policies affecting the public sector should be a marked increase in the efficiency and productivity of State enterprises, enabling them to operate on a competitive basis relying on market signals. LDCs should continue to evaluate the performance and viability of public-sector enterprises and, where appropriate, take the necessary measures, including consolidation, privatization, and/or dissolution. Where public-sector activity is deemed essential, pertinent measures should include the establishment of clear mandates, objectives and accounting procedures, the enforcement of financial and managerial discipline, the creation of an adequate incentive and career structure to attract, train and retain qualified staff, and the adoption of measures to enhance the accountability and managerial autonomy of management boards. National initiatives in the public-sector area should be supported by technical assistance from development partners, including UNCTAD and other international organizations in their respective fields of competence.

3. The role of the LDC private-enterprise sector

70. Private enterprises, as well as industrial and rural cooperatives, can play a greater role in transforming LDC economies and achieving national development objectives. The development of entrepreneurship should be stimulated and motivated by policies aimed at creating a more favourable economic environment for the local initiatives of the private sector. The LDCs would need to take measures aimed at creating an appropriate legal and institutional framework for the conduct of activities by the private entrepreneurs, which might include, inter alia, appropriate fiscal, financial and credit policies, as well as legal provisions promoting, fostering and protecting private investment. At the same time, LDCs should establish a monitoring and regulatory framework to bring about the private sector's positive contribution to the economic development and social welfare of these countries. Such measures are important in order to attract foreign companies to invest to any significant degree in the economies of the LDCs. Investment by foreign enterprises can provide a significant range of new skills which can over time facilitate the progressive integration of areas of economic activity of the LDCs into the international economy.

71. Specific programmes for private enterprise development should address promotion of domestic and foreign direct investment, management training, promotion of non-traditional exports, promotion of small-scale ventures and micro-enterprises, including those within the informal sector, and the development of entrepreneurial skills. In this connection, more attention also needs to be paid to the promotion of small-scale enterprises which base their productive activities on local raw materials in order to ensure a positive contribution to the economic development and social welfare of these countries.

4. Full participation of women in the development process

72. Appropriate measures should be taken by the least developed countries fully to mobilize and involve women, both as agents and beneficiaries of the development process. Their role in development should be strengthened, inter alia, through better access to health care, including voluntary family planning, education and training, and to rural credit. LDCs are invited to ratify and implement all United Nations conventions against all forms of discrimination towards women.

73. The development and mobilization of women as an important component of overall human resources, within the circumstances peculiar to each least developed country, especially in the following areas would greatly enhance the development prospects of their countries:

(a) Encouraging the media and various systems of education to convey information giving a realistic and positive image of women;

(b) Promoting the establishment of women's associations in order for women to be conscious of their rights and to defend these rights themselves;

(c) Creating greater awareness among men and associating them with the elaboration and implementation of measures to promote the role of women;

(d) Ensuring women's full participation in the decision-making process, particularly in the design and evaluation of projects, and the administration of funds intended to promote the role of women in development.

5. The role of non-governmental organizations

74. The effectiveness of NGOs in promoting participatory development, which in recent years has been increasingly recognized, can be enhanced. While preserving their independence and distinctness, NGOs should abide by national laws and regulations. Their specific role in formulating programmes and projects in support of the strategies, priorities and policies designed by national Governments aimed at improving the well-being of all citizens should be encouraged.

75. Developed-country NGOs continue to make an important contribution in respect of institution-building of LDC NGOs. They should, wherever possible, establish relations of partnership, and cooperate with local NGOs, and recognize and be sensitive to concepts, ideas and cultural values of the LDCs. Developed-country NGOs also have an important role to play in mobilizing support, in their respective countries, for the strengthening of LDC NGOs and non-governmental activities, as well as in sensitizing public opinion, thus influencing policies concerning major international issues affecting the development of the least developed countries.

B. The strengthening of human capital

76. Three areas play a key role in strengthening the human capital in the least developed countries: population policies; health services; education and training. Furthermore, action on these three areas has a direct and positive impact on the status and role of women and on their contribution to improvement of social and economic conditions in the least developed countries. LDCs are invited to ratify and implement the United Nations Convention on the Rights of the Child. Within the framework of the follow-up to the Programme of Action, it is expected that each individual least developed country, within each overall development plan, will formulate measures and programmes with social objectives and targets corresponding to its specific situation and needs. The bilateral agencies, as well as the United Nations and other international organizations, would be called upon to assist the least developed countries in designing and implementing programmes in this regard and to provide financial and technical support accordingly.

1. Population

77. In a number of least developed countries, the high rate of population growth is a fundamental problem, adversely affecting their efforts to alleviate poverty, the allocation of economic resources and the quality of the natural environment. The least developed countries concerned will further intensify their efforts to achieve, as appropriate, population growth rates which strike an optimal balance in the interrelation between their population, their natural resource base and the environment, taking into account traditions and values, as well as economic imperatives.

78. Population policies should be considered an integral part of national development strategies. These policies must be linked to programmes on child survival, health, education, housing and employment. Measures should be taken

with a view to the creation of instruments required to monitor population developments, the incorporation of population issues into development programmes, as appropriate, and stronger political and financial support for national population policies and programmes. Least developed countries' efforts should be supported by financial and technical assistance from international organizations, in particular the United Nations Fund for Population Activities (UNFPA), and donor countries, respecting the sovereignty of LDCs. Governments should launch vigorous innovative and comprehensive information and education programmes on voluntary family planning, taking into account the specific concerns of women and children, and provide voluntary family planning services utilizing, where appropriate, the approaches and financing of other actors in the field. These programmes should be disseminated through the mass media, as well as in schools, universities, health centres and work places.

2. Education and training

79. Each least developed country should formulate a strategy with the support of UNESCO and other relevant organizations, where appropriate, for improving the education and training standards of its population, taking into account ongoing educational reforms in many LDCs, specifying both intermediate steps and approximate time-frames for attaining these goals. These strategies should entail measures aimed at redefining educational policies in the light of the country's broad development objectives, improving administrative and financial management of educational systems, boosting the quality of vocational training and giving priority to the development of basic education, in particular universal primary education. The recommendations adopted by the World Conference on Education for All in 1990 are particularly relevant in this regard. Special attention should be given to the securing of sufficient resources for recurrent expenditure, particularly on teaching materials and for the training of trainers, and to the designing of curricula which meet the specific needs of all sectors of the population of the least developed countries.

80. The least developed countries will have to make sustained efforts to stop and reverse the progressive erosion affecting the education sector and renew their commitment to combating illiteracy, particularly among women. Furthermore, the objective of universal primary education implies the reduction, and ultimately the elimination, of disparities in education levels between rural and urban areas as well as in schooling levels. Special emphasis has to be given to improved access for girls and women to education facilities. Secondary and higher education systems need to be reformed in order to cope with the growing transformational needs of the LDCs' economies, thus gradually reducing the unemployment of graduates. In this context, incentives should be introduced with a view to increasing the attractiveness of critical subjects, including management skills, engineering, agricultural science and technical occupations. The educational system should thus be better aligned to professional life and oriented towards forming producers.

3. Health and sanitation

81. Without profound improvements in the health standards prevailing in the least developed countries, other measures of social and economic development will remain to a great extent ineffective.

82. Priority tasks in the least developed countries' efforts to attain the objectives of the Global Strategy for Health for All by the year 2000, as adopted by WHO, should be the strengthening of primary health care, the implementation of expanded immunization programmes, diarrhoeal disease control, malaria control, efforts to combat AIDS, and the reduction of infant and child mortality, as well as maternal morbidity and mortality. The WHO/UNICEF goals and strategies for the 1990s should serve as important priority guidelines. The promotion of child survival through the measures of Universal Child Immunization (UCI) and universal access to Oral Rehydration Therapy (ORT) will serve as important measures in achieving the goal of reducing infant mortality by half before the end of the 1990s. Other goals for the 1990s should include the reduction by half of malnutrition in children under five, the eradication of poliomyelitis, as well as the elimination of neonatal tetanus. Each least developed country, assisted by WHO and other relevant organizations, should define a country-focused health policy, taking into account the above priorities, and identify its needs in terms of basic equipment adapted to local conditions, so as to facilitate and coordinate donors' responses to meet these needs. Also, donors and relevant international organizations should continue to provide technical and financial support to national and regional programmes, notably in respect of training, research and control of major endemic diseases.

83. Government efforts in the health sector will lay greater emphasis on preventive measures, including health education, the provision of safe drinking water and sanitation and the improvement of maternal and infant care. As regards this last point, safe motherhood programmes should be implemented, including adequate care and nutrition during the period of pregnancy, at childbirth and at lactation. More available resources should be allocated to primary health care centres, with a special emphasis on the rural network of the primary health care system. In the provision of health care services and products, the approaches and financing of other actors should be encouraged, where appropriate. The potential for increasing the active involvement of the population in rural primary health care should be examined.

V. DEVELOPMENT, PARTICULARLY EXPANSION AND MODERNIZATION OF THE ECONOMIC BASE

84. The development, expansion and transformation of the economic base are critical factors for the sustained and sustainable development of the least developed countries. A crucial task for the LDCs will be to mobilize fully the complete range of skills available in their societies to achieve these objectives. In this regard, particular attention must be given to the most effective assignment of responsibilities to allow substantial progress towards durable development. The government sector will remain central to the process of elaborating national development plans. Governments should create the necessary conditions to encourage development in all sectors of economic life by all actors. An increasing role for the private sector will require Governments to play a more supportive role. An essential task for Governments, therefore, would be to facilitate and encourage the emergence and expansion of the role played by private initiative. The developed countries should extend support to the efforts of individual LDCs in the mobilization of, and in assigning appropriate roles to, the public and private sectors. This approach should contribute to the strengthening of development partnership in the coming years. In order to attain an adequate growth of the economic base, linkages need to be built and strengthened between productive,

service, and infrastructural sectors in the least developed countries. In the efforts made by the least developed countries in this regard, attention should be paid to several key dimensions: (i) production of essential goods and services to meet the needs of the majority of their people; (ii) generation of employment and enhancement of the domestic value added; (iii) a balance between expansion and rehabilitation so as to ensure the utilization of idle capacity; and (iv) the need to overcome difficulties inherent in the monoculture of their economies. These endeavours will entail a greater and more efficient mobilization of domestic resources, in particular human resources, as well as sustained and substantial technical and financial support from the international community.

A. Rural development, modernization of agricultural
production and food security

1. Agriculture

85. The development of the agricultural sector will continue to rank high among the transformational objectives of the least developed countries in the 1990s. Around 80 per cent of the population of the least developed countries live in rural areas, and agriculture is the dominant sector of production. Rural development thus constitutes an indispensable element of any agricultural development strategy. Moreover, expansion of food production and food security continue to be a priority objective of the least developed countries. Towards this end, least developed countries should, with adequate international support, at the minimum strive to increase agricultural and food production at an annual growth rate significantly ahead of population growth if poverty alleviation and eradication, nutritional improvement as well as food security goals are not to be at risk.

86. The development of the agricultural sector will require the formulation, by the LDCs and with the support of the competent international organizations and donor countries, of an "agricultural development strategy". This strategy for development of the agricultural sector requires, among other things:

(a) Adoption of appropriate agricultural price and credit policies, taking into account market signals, as well as the need to ensure adequate incentives for agricultural development; support for farmers' initiatives; LDCs will study the impact on their agricultural production of cereals which are sold at low prices on world markets;

(b) Improving income distribution patterns and broadening income earnings opportunities at the national level so as to strengthen the purchasing power of the low-income strata of the population, and thereby expand the national demand for agricultural goods;

(c) Effective participation by the public sector, in particular with regard to the improvement of the physical and institutional infrastructure on which agricultural production depends directly in order, at any time, to help supply the zones affected by shortages from surplus regions, as well as the formulation and implementation of cooperation arrangements at regional and subregional levels aimed at fostering agricultural development;

(d) The diversification of the agricultural base through the integration of crop and livestock farming and by the promotion of fisheries, livestock, horticulture and forestry, and the improvement of productivity and competitiveness through more effective processing, distribution and marketing from production to consumption or export, especially for products intended for the world market;

(e) The development and application of agricultural research and improvement of the technical skills and know-how of farmers, groups of farmers or agricultural workers through flexible and decentralized agricultural extension systems;

(f) Reform of farming and land-tenure systems, where appropriate, aimed at encouraging investment in land;

(g) Adoption of agricultural techniques and farming practices keeping in mind the preservation and protection of the environment, including stepped-up efforts for afforestation and the prevention of soil erosion arising from land misuse and over-use;

(h) The establishment of agricultural support services - in particular agricultural credit systems, including mutual groupings - storage facilities and other relevant measures to minimize pre-harvest and post-harvest losses.

87. Within their agricultural development programmes, the least developed countries should provide appropriate incentive structures to smallholders, who are the major producers of food crops and who thus have a crucial role to play in the attainment of national food security, as well as gainful employment to landless workers, who represent the large majority of agricultural producers in the least developed countries. Their success, or failure, has a direct impact upon the well-being of the mass of the rural population. Women's role in food production should be similarly strengthened through the recognition of the need for laws and regulations ensuring equal access to more efficient food-processing technologies, credit, land tenure and agricultural training and support services.

2. Development of fisheries resources

88. Fisheries resources - fresh-water and seas - have great potential in many LDCs, and their better management will enhance food security and domestic protein supply, and augment export earnings. Many LDCs have introduced new policies geared to fully privatizing the fisheries sector and the introduction of modern techniques, vessels, storage and repair facilities, as well as upgrading marketing and undertaking comprehensive resource surveys. Competent international organizations are invited to assist LDCs upon request to undertake studies on their marine resources, including renewal, protection and environmentally sound exploitation, conservation, production, infrastructure and marketing, and to identify the human resources needs.

89. The international community is called upon to assist and support the efforts of LDCs to develop and strengthen their overall fisheries policies, including a wider protection of their fisheries resources.

3. Rural development

90. Efforts to promote agricultural production and attain growth with equity should be supported by policies designed to enhance rural development. Indeed, rural development constitutes an essential element of any attempt to raise significantly both agricultural output and farmers' incomes and to induce a process of accelerated structural transformation of the economy of the least developed countries. This transformation should take into account the overriding need to support the often fragile rural environment of LDCs, as well as to ensure that the ecological balance is not further undermined. Policies would relate, inter alia, to the promotion of participatory development through support and encouragement of grass-roots activities, rural cooperatives, and peasants' initiatives, the establishment of agro- and other small-scale industries in rural areas, the introduction or expansion in rural areas of services hitherto available mostly in towns (health, education and training activities, shops), creation or expansion of the rural credit and financial network, and the enabling of the informal sector to play fully its development role in the least developed countries. Rural development, coupled with the implementation of schemes for gainful employment of landless labourers in both agricultural and non-agricultural activities, would slow the exodus of the rural population towards urban areas - an exodus that imposes a heavy burden on the already weak urban infrastructure.

91. Action taken by the least developed countries will need to be supported by sustained financial and technical assistance, as well as by improved market access for their exports. Technical and financial assistance provided by competent international organizations and donor countries should be mobilized around an "agricultural development strategy" for the 1990s, to be defined by each least developed country. The international community will need to assist least developed countries' Governments in developing agricultural support systems and related infrastructure, establishing and consolidating agricultural research systems at national, regional and international levels, and improving farming practices, including soil and water management, measures to control over-grazing, salination and alkalinization of soils, desertification and soil erosion. In addition, efforts should be undertaken to rehabilitate the agricultural sector of those least developed countries whose economies have been ravaged by serious drought, floods, locusts, famine, and other formidable problems. The international community should support bilaterally and through competent international organizations, including the Consultative Group on International Agricultural Research, agricultural research which addresses the particular problems of the least developed countries and strengthens their research and development capacities.

4. Food security

92. The evil of hunger and malnutrition continues to haunt a vast part of mankind. Accordingly, a major policy objective for the 1990s is to achieve food security in LDCs. Projects and programmes to increase food production, processing and storage should be complemented by measures ensuring that the poor have access at all times to enough food of good quality.

93. A well-nourished, active population is essential for economic growth and development. In the long run, chronic and temporary food insecurity will be overcome, mainly through sustained increases in incomes of the rural and urban population, agricultural production and rural development. Meanwhile,

comprehensive food security policies and programmes are necessary to improve the access to food of vulnerable groups. Such programmes would address constraints and limitations on achieving food security in the individual LDC, including macro-economic and trade policy issues, income generation and employment issues and social factors (health, water, nutrition and education).

94. The management of food security should be strengthened in order to ensure coordination for quick delivery of assistance in situations of transitory food insecurity, particularly in disaster-prone countries. Important components of such management plans are information on food deficit and surplus areas provided by existing early warning systems, adequate storage and transport facilities. The international community should extend the necessary support to achieve these objectives.

5. Food aid

95. Food aid should generally be a transitional measure and should be considered as a development tool. Food aid therefore should be provided in situations where real shortage of food exists, including structural food deficit situations and emergency situations. In those situations, food aid can serve as a development tool when used in support of activities such as food-for-work programmes, protection of vulnerable groups particularly during adjustment periods, rehabilitation of displaced populations and establishment of strategic food reserves, including storage facilities, handling and transport, particularly at the local level in order to improve food security and stabilize prices. In times of relatively favourable harvest, multi-year programme food aid could be replaced by other forms of aid, if necessary and justified. To strengthen the contribution of food aid to self-reliant development, measures should be taken in order to prevent perpetual dependence on food aid by counteracting its discouragement of local production and modification of dietary habits. It is necessary, therefore, to devise more innovative ways of adapting food aid to local dietary habits through, for example, greater use of local purchases or triangular transactions based on regional and subregional arrangements. In providing food aid, care should be taken to avoid disruption of international commercial markets.

96. Furthermore, food aid to LDCs should be provided as much as possible on a grant basis. Where the food aid is sold on the domestic market, prices should be carefully established to avoid disrupting local markets and production and normal commercial transactions. Where food aid is distributed free of charge, it should be directed mainly in support of food-for-work projects and nutritional programmes aimed at the poorest and most vulnerable population groups. Countervalue funds generated by the sales of food aid should be properly managed and used mainly to foster agricultural and food production, marketing and processing. Where the reduction of financial support and protection to the agricultural sector in major producer countries might cause a substantial increase in world market prices, temporary measures - i.e. additional financial aid, food aid, taking into account the overall policy and balance-of-payments framework of the country - might be considered to alleviate the adverse effect on LDCs of the increase in prices of imported food. Such measures should be properly monitored to ensure their efficient functioning.

B. Development of industrial, service, scientific and technological base

1. Developing the industrial sector

97. The emphasis of public and private initiative of the least developed countries with regard to non-agricultural sectors should focus on three major objectives: rehabilitation, maintenance and upgrading of existing production facilities; expansion of the productive potential in line with dynamic comparative advantages, available resources and internal and external market prospects; and the diversification of their productive base. On the basis of local endowment, least developed countries should also promote the development of the service sector.

98. In their industrialization programmes, the least developed countries should promote the complementary, simultaneous development of the rural economy so as to ensure sustained purchasing power for the local absorption of industrial output, while establishing an assured supply base of agro (and mineral) inputs for industry. Increased attention should be accorded to regional and subregional markets so as to overcome constraints imposed by small domestic markets and low per capita income. The potential of regional and subregional cooperation to economize on scarce capital and human resources and as a catalyst for economic diversification and achieving regional complementarity in production also warrants close attention.

99. Individual least developed countries have to determine, on the basis of their specific economic base and of world market, regional and subregional prospects for their actual and potential exports, how to reduce the dependence on traditional commodities and enhance the export orientation of their domestic economies. To the extent that such activities are justified by their factor endowments and other natural advantages, least developed countries could explore the possibilities of exploiting niches in export markets and seek to establish links with major marketing chains of the industrialized countries through, for example, joint ventures and international sub-contracting and also with the cooperation of import-promotion organizations in the developed countries. At the same time, LDCs should take steps to strengthen their export competitiveness in cooperation with the International Trade Centre UNCTAD/GATT by way of improving quality and packaging, processing, marketing and distribution. Foreign direct investment (FDI) should be encouraged through effectively functioning legal systems which safeguard property rights, including intellectual property legislation, supportive tax régimes and double taxation agreements. Measures taken by least developed countries to attract FDI would be enhanced by appropriate measures taken by the home countries with a view to encouraging and facilitating investment in the least developed countries. Promotion of competitive industries will need to be underpinned by a positive policy environment, including realistic tax régimes, exchange rates and trade and price policies, and an appropriate regulatory framework and incentive system which encourage entrepreneurship, both private and foreign.

100. Industrialized countries and multilateral financial, development and other organizations, particularly UNIDO, should increase efforts to mobilize their resources in their cooperation programmes for projects designed to develop and strengthen the industrial base of the least developed countries, leading to the emergence of viable industrial enterprises. Cooperation

between enterprises, in particular medium and small-scale enterprises of the developed and least developed countries, can play an important role in the industrialization of the LDCs, in the transfer of technology and in the marketing of products of the LDCs.

2. Developing the services sectors

101. In pursuing their strategies of economic development, the least developed countries should take full advantage of the special role of services in the development process, which permeate the whole economy and provide necessary support for the proper functioning and efficiency of all economic sectors. Importance should be given to the development of key service sectors, including infrastructural and producer services. The possibilities of increasing export earnings through service exports should be explored, bearing in mind that for many least developed countries, possibilities of increasing export earnings from agriculture or industry may be limited.

102. The implementation of services-development programmes would require both internal and external efforts in the improvement of information facilities, and particularly statistics; business and trade legislation; personnel training; mobilization of technology and financial resources.

103. The international community, multilateral financing and development institutions, and in particular UNCTAD and UNDP and regional development banks should mobilize technical and financial resources to implement projects and programmes designed to strengthen the service sector of LDCs and to facilitate their participation in the world trade in services. Special attention shall be given to the particular situation and problems of the LDCs and to the need to encourage positive measures to facilitate expansion of their trading opportunities in this area.

3. Strengthening the scientific and technological base

104. The international community has recognized the fundamental role of science and technology in the socio-economic development of all countries and in particular of the LDCs. The creation of an adequate scientific and technological base is consequently a necessary condition for the medium-term and long-term transformation of the least developed countries. During the 1990s, least developed countries should seek to: (i) place adequate emphasis on science and technology in their national development plans; (ii) enhance endogenous capacity to deal with the development and application of science and technology, particularly by strengthening the national scientific and technological infrastructure, introducing scientific and technological education, improving the quality and quantity of manpower training, linking production with indigenous efforts and devising appropriate mechanisms for the orientation of programmes and the practical application of the results of scientific research; and (iii) find alternatives to the export of traditional raw materials by the development of new products and processes and thus ensure the competitiveness of the least developed countries' exportable goods.

105. Given the special difficulties of least developed countries, due in part to the lack of domestic research and development capabilities, in acquiring modern technology and in strengthening their technological capacities, every effort should be made by the international community to accelerate the technological transformation of least developed countries, and particularly to:

(a) Assist least developed countries to acquire an adequate infrastructure, in order to, inter alia:

- (i) Facilitate the coordinated formulation and implementation of technology plans, policies, laws and regulations;
- (ii) Evaluate and negotiate transfer of technology transactions;
- (iii) Establish focal points in least developed countries between national and international technology suppliers and national technology users, including technology centres, if appropriate;
- (iv) Provide technical assistance, information and training to technology users;
- (v) Support or participate in programmes of research and development of technology in selected areas with the aim of developing indigenous technologies, and promote the adaptation of imported technologies to national requirements;
- (vi) Facilitate the transfer of technology to small and medium-sized enterprises;
- (vii) Exploit the immense economic impact and potential of biotechnologies and other new techniques and technologies, in particular those relevant to food and agriculture, agro-based industries, communications and data analysis methods in the least developed countries;

(b) Give least developed countries the freest and fullest possible access to technologies whose transfer is not subject to private decisions, and facilitate access, to the extent practicable, to technologies whose transfer is subject to private decisions;

(c) Continue to provide and strengthen support for programmes of technical assistance for least developed countries from other developing countries. Possible arrangements for least developed countries to benefit from the cooperative exchange of skills among developing countries should also be considered;

(d) Consider, as part of the process of accelerating the transfer of technology to the least developed countries, an increase in the number of scholarships for studies and training in science and technology;

(e) Assist the least developed countries in the formulation of appropriate laws, regulations and policies relating to the import of technology and promotion of the development of indigenous technologies.

4. Energy

106. In the 1990s energy availability in the LDCs needs to be enhanced in order to overcome their excessive dependence on traditional and non-renewable sources of energy which severely handicap their development. LDCs, with the support of donors, should develop policies focusing on, in addition to

afforestation and reforestation programmes, efficient use and conservation of energy and on the development of their energy capacity, based on viable conventional and alternative energy sources, including hydropower, geothermal, bio-gas, solar, wind and other forms of energy.

C. Infrastructure

107. Investment in productive sectors, particularly in the agricultural sector, needs to be complemented by measures aimed at maintaining and expanding infrastructure, including roads, railways, waterways, airways, communication systems, health care facilities, schools and administration facilities. Due attention needs to be paid to the rapid urbanization process in the least developed countries and to its consequences for socio-economic development, as well as needs of the local communities. Priority should be given to infrastructural projects which directly serve the basic human needs of the local population; in particular for the transportation of agricultural products. The need to minimize or prevent damage from natural hazards should be fully taken into account in strengthening the physical infrastructure. In this context, measures aimed at improving the housing situation and urban development deserve high priority.

108. While the LDCs should seek to strike a balance between new investments and the need for maintenance in the infrastructure sector, specific measures should be designed for: (i) rehabilitation and maintenance of the existing facilities; (ii) creation of new infrastructure facilities; (iii) drawing up urban and housing development plans; and (iv) strengthening institutional capacities in the design and implementation of policies and programmes in the infrastructure sector.

109. The international community and donors and the multilateral financial development institutions, especially the United Nations Capital Development Fund, should provide substantial and adequate support to complement the efforts of LDCs in the area of investment and maintenance of infrastructure.

1. Transport and communication

110. Given the severe difficulties and bottle-necks which the LDCs face, the improvement of the transport sector is vital for the expansion of all the productive sectors and essential social services, for the efficient delivery of humanitarian and emergency relief, as well for facilitating subregional and regional cooperation and integration.

111. To this end, donor countries and multilateral institutions should support the implementation of national and regional transport sector plans, addressing related institutional, financial and technical issues. Such plans may include, inter alia:

- (a) Develop ports, roads, rural tracks and railways;
- (b) Train the required manpower and set up indigenous training institutions;
- (c) Create internal transport facilities, particularly to link remote areas;

(d) Expand and improve transit-transport and port facilities in transit countries to facilitate transport to and from land-locked countries;

(e) Give appropriate attention to the development of coastal shipping services and of river and lake services;

(f) Develop, where necessary, joint shipping companies or merchant fleets;

(g) Overcome congestion of ports;

(h) Take the necessary measures to ensure the management and maintenance of transportation equipment.

112. Equally, attention should be given to the communications sector. The international community, particularly developed countries, should provide technical assistance to the LDCs to enable them to develop and improve their telecommunications systems, including the use of satellites and other technologies, where appropriate. LDCs should devise more effective pricing policies, which reflect economic and social needs.

113. Donors are requested to support and encourage the implementation of joint transport and communications projects between two or more LDCs, particularly when envisaged in the framework of subregional and regional economic integration. ECA and ESCAP should endeavour to devise special programmes tailored to LDCs in the context of the implementation of the programmes and projects of the United Nations transport and communications decade in Africa and Asia.

2. Human settlements

114. The interrelationships between people, resources, environment and development should be a basic concern in developing human settlements and in undertaking development projects. Despite many efforts, the vast majority of the LDC population lack shelter or have shelter unfit for human habitation and their number will increase, particularly as a result of population and urbanization pressure. Unplanned urbanization is simultaneously a threat to the environment and a major obstacle to the improvement of its quality, as well as to the provision of basic services.

115. The present conditions prevailing in the LDCs call for policies that encourage the informal sector and local communities to provide low-cost shelter, with public institutions concentrating on the provision of off-site infrastructure, land registration and credit. Local material should be given preference in constructing low-cost and environmentally suitable human settlements. LDCs should promote innovative measures by which bilateral and multilateral financial institutions would support the human settlements strategies of LDCs and provide resources for construction materials and technology to complement domestic resources. The United Nations Centre for Human Settlements should support the LDCs' efforts aimed at improving the housing situation of their population.

D. Environment and disaster mitigation, preparedness and prevention

1. Environment and development in the least developed countries

116. While the current threats to the global environment are of common concern to all countries, the LDCs' vulnerability is further exacerbated by a specific set of environmental problems such as soil degradation and erosion, drought and desertification, which impair prospects for their development. These environmental problems are closely linked to a number of complex and interrelated factors: these include poverty, underdevelopment, poverty-linked population pressure placing further demands on the natural resource base in a number of LDCs, a narrow technological base, geographical disadvantages, unregulated industrial operations, as well as the illegal transboundary dumping of hazardous waste and radioactive waste. The twin problems of poverty and environmental degradation have to be tackled simultaneously to provide a basis for long-term sustained growth and sustainable development, which are essential and will enhance the capacity of LDCs to protect the environment. One of the main endeavours by LDCs should be to achieve an optimum balance between human demands and the natural resource base for future generations as well as for the present generation and at the same time to maximize the ability of the environment to meet these demands on a sustainable basis. To achieve these objectives, however, due attention needs to be given to these problems in domestic policy-making and additional resources, both in terms of concessional finance and access to environmentally sound technology, should be channelled to LDCs in accordance with General Assembly resolution 44/228 to assist in avoiding further degradation of the local eco-systems, in overcoming environmental problems crucial for development, in combating the negative impact of global environmental problems, and in implementing the measures listed in the following two paragraphs.

117. An integrated and multi-disciplinary approach in this regard should cover, inter alia: (i) incentives to motivate better environmental management and to ensure high efficiency of energy use, as well as to discourage environmental degradation; (ii) education of the local communities in both urban and rural areas, aimed at enhancing awareness of the economic and social benefits of environmental protection; (iii) developing human resources to deal with environmental problems, as an important component of capacity-building in the LDCs; (iv) addressing the intertwined problems of poverty eradication and improvement and management of the environment in an integrated way; (v) facilitating the access to and the transfer of environmentally sound technology to the least developed countries; and (vi) developing new techniques to rationalize the use of traditional energy resources, and developing low-cost alternative fuel sources, in particular new and renewable sources, which could provide an alternative to the use of fuelwood, thus alleviating pressure on the environment.

118. Special consideration should be given to LDCs which are prone to drought and desertification. Improved natural resources management and productivity increases in agriculture and livestock on a sustainable ecologically sound basis are needed in order to protect the productive basis of these countries.

119. There is a need to strengthen human, institutional and technological capacities of LDCs to identify environmental problems, assess the relationship between development and environment trends and prepare national environmental management plans for conservation and protection strategies. Women should be

involved in these plans, especially in forest and land management programmes. They should also be involved in the choice and dissemination of appropriate technologies which would facilitate their household and productive activities while respecting the rhythm of renewal of the natural resource base. National early-warning and forecasting mechanisms, included as part of a wider regional effort, should be strengthened. Women should be associated with the establishment of warning systems and follow-up on natural calamities, as well as of programmes aimed at reducing post-harvest losses and food wastage. The United Nations organizations, including UNEP, WMO, and FAO should give priority attention to the LDCs in their programmes and mechanisms relating to the environment.

120. The United Nations Conference on the Environment and Development, scheduled for 1992, should address, in accordance with its mandate, the environmental and developmental problems of the least developed countries. The Conference should provide for measures to enable the least developed countries to pursue their efforts to incorporate the environmental dimension into their development objectives and policies. Moreover, the Conference should be an opportunity to renew the international community's commitment to support, technically and financially, major projects designed to avoid the recurrence of natural disasters due to environmental degradation.

121. Appropriate and adequate international support is also needed to explore possibilities to protect the least developed countries against the effects of new environmentally negative phenomena, such as climate change, marine pollution and the transboundary movement of wastes.

2. Disaster mitigation, preparedness and prevention

122. Natural and man-made disasters continue to cause heavy losses of human lives and property, with particularly severe and lasting impact on the national economies of the least developed countries. Furthermore, the magnitude of future losses will inevitably increase as population pressure leads to the occupation of even more vulnerable areas. Considerable knowledge exists of techniques for minimizing the impact of disasters that have not yet been systematically applied in the majority of the least developed countries. Each country will need assistance to increase or improve its capacity to identify scenarios, to establish appropriate protective measures and contingency plans, and to ensure that local community leaders and the population in general know how and when to apply these measures. LDCs would continue to undertake measures within their available capacity and with appropriate international cooperation: (i) to alleviate and mitigate the consequences of such disasters; (ii) to limit the extent of their damage; and (iii) to undertake feasible preventive measures. Activities in this regard should be integrated into new development projects.

123. It would be necessary for LDCs to continue efforts to stimulate among their population in general a clear perception of the benefits of disaster preparedness and prevention. Pilot projects to promote a coherent approach to disaster preparedness, mitigation and prevention should be initiated in the disaster-prone least developed countries, in line with the General Assembly guidelines on the International Decade for Natural Disaster Reduction (IDNDR), with adequate international support. Special attention should be given to

women and children because of their vulnerability during disasters. LDCs should receive priority attention in the activities of the IDNDR. In particular, the international community will provide support to the implementation of the programme for the control of floods in Bangladesh, as well as to the project for the establishment of an environment-surveillance mechanism in the Sahara and the Sahel, aimed at the control of desertification in sub-Saharan Africa.

124. Several of the LDCs are or have been affected by refugee and migration problems. In view of the adverse impact of the presence of refugees and displaced persons on the socio-economic infrastructure and development process, the international community and competent international organizations should support the LDCs' efforts in facing these problems.

E. Coping with special problems of certain groups of least developed countries

Land-locked and island least developed countries

125. Altogether, 15 of the 41 least developed countries are land-locked. This geographical handicap adds to their structural deficiencies by impairing the capacity of these countries to conduct and benefit from international trade. Improvement of the physical infrastructure, in particular transport and communications, is vital for the movement of goods and services within a country as well as for the expansion and development of the foreign trade sector. In order to alleviate this geographical handicap, the land-locked least developed countries and their transit neighbours should continue to make concerted efforts, at bilateral and subregional levels, to simplify transit procedures and to improve international trade links in the 1990s, taking into account the relevant resolutions of the United Nations, in particular the Final Act of UNCTAD VII, and the needs and the means at the disposal of the former countries.

126. In addition to the problems inherent in their least-developed status, island least developed countries face obstacles arising not only from their insularity and often archipelagic nature but also from their small size in terms of territory and population and their remoteness from the major economic centres. In order to generate income, Governments will have to promote sectors such as fisheries and services. Island least developed countries should initiate programmes for the development of their internal and external transport links in order to improve their access to world markets. Given the special difficulties of island least developed countries, donors should consider the possibility of extending assistance with a view, *inter alia* to providing greater local and recurrent cost support for development projects and programmes as appropriate.

127. The international community should consider the possibility of assisting land-locked and island least developed countries in their efforts to finance their infrastructure projects which are indispensable for their development.

VI. ARRANGEMENTS FOR IMPLEMENTATION, FOLLOW-UP AND MONITORING AND REVIEW

128. Effective follow-up and monitoring mechanisms should support the development efforts of the LDCs and are a key to the successful implementation of the Programme of Action for the 1990s.

A. The national level

129. A strengthened country review process should continue as the principal means of policy dialogue and coordinating the aid efforts of development partners with the development programmes of the LDCs, as well as mobilizing the required resources for their implementation. Mechanisms such as the UNDP Round Tables and World Bank Consultative Groups, organized by the LDCs with the support of the respective institutions, will continue to constitute the backbone of the process to translate the principles and commitments of this Programme of Action into concrete measures at the national level. The leadership of the LDC Governments is central to this process, assisted by development partners to strengthen their capacity to fulfil this role.

130. The development partners should support agreed objectives and policies designed by the LDCs following consultation and as set out in medium-term programmes. Linkages between the macro-economic framework and sectoral strategies should be central to the process and reviewed and adapted regularly in the light of the evolution of the domestic and international environment while maintaining the overall long-term objectives and strategy.

131. On the basis of each LDC's mutual commitment to a long-term policy framework plan, development partners will undertake to commit adequate financing for the implementation of the plan. This requires that country review meetings, to discuss policy framework papers and national plans, take a comprehensive approach to the financial flows needed, considering, inter alia, the debt of the LDC concerned and the possible need for debt and debt-service reduction.

132. Aid coordination is the key element for maximizing the efficiency of the external support under the leadership of LDC Governments. Efforts should be made to avoid parallel systems of targeting, programming and coordinating the allocation of resources.

133. The country review groups should be organized on a more systematic basis and include all donors concerned. LDCs which do not have regular country review groups should adopt this process. Country review meetings should be convened approximately every one to two years to build and maintain sustained momentum for development progress and improved aid coordination. Mechanisms chosen for these reviews should be fully committed to this time frame. Progress in meeting mutually complementary commitments under the LDC policy framework plan should be monitored prior to each consultative group and round-table meeting in a report prepared by each LDC Government and the World Bank or UNDP as part of the documentation for the country review meeting. Furthermore, the latter should be buttressed by adequate follow-up arrangements, including sectoral and other ad hoc consultations. The conclusions of these meetings should be so formulated as to identify clearly the respective commitments of the participants.

134. A successful country review process requires an effective economic and technical capacity to carry out the necessary policy development and coordination. In particular, the responsibilities of the national planning agency and the finance Ministry should be firmly delineated and made complementary. Similarly, the central point for aid coordination should be clearly identified, vested with adequate authority and strengthened in staff and skills as necessary.

135. In order to improve the capacity of LDCs in aid coordination and management, the overall capacity of the Government has to be improved, for the institutional requirements of aid coordination cannot be isolated from the overall improvements that are necessary in the administrative system of LDCs. Technical assistance - in particular from UNDP and the Special Measures Fund for LDCs - can constitute a key element for supporting this process of institutional building and human resource development: it can greatly help the LDCs to formulate structurally sound and operationally relevant policies, priorities and programmes, including in the field of macro-economic planning. This will provide a better basis for sectoral management and aid coordination, taking into consideration the capacity of individual LDCs, including the administrative capacity.

136. The individual countries should play a leading role in the activities of the local coordinating groups - the principal forums where policies, perceptions and responses are coordinated and agreements are reached on specific programmes and commitments. It would also be useful to develop a structure with the local coordinating group at the apex, supported by sectoral, subsectoral and implementation-related groups. The local coordinating groups could establish linkages with national and foreign NGOs working in the country, not only to avoid duplication in efforts but also to draw on the experiences and insights of NGOs, which work largely at the grass-roots level and with the underprivileged sections of the population, which could then be taken into consideration in related official policies and activities. The process described above is not easy and it might be desirable to focus attention initially on several particular cases until sufficient experience is attained and it is possible to extend the process beyond the initial pilot cases.

B. The regional level

137. Progress in economic cooperation between LDCs and other developing countries, particularly countries in the same region, should be monitored by the United Nations regional commissions in close coordination with UNCTAD. Cluster meetings should be organized regularly, preferably every two years, under the aegis of the regional commissions, and with all countries concerned, in order to improve and strengthen existing cooperation arrangements at the regional and subregional level. The success of SADCC, ECOWAS, CILSS, IGADD and UMA in performing a useful subregional coordinating function is instructive of what can be achieved. The regional commissions should also ensure that the needs and problems of the LDCs are addressed as part of their ongoing work and, in this manner, should continue to contribute to the follow-up process.

C. The global level

138. Arrangements for monitoring, follow-up and review at the global level are an integral part of the overall process, being all complementary and supportive to the above-mentioned arrangements at the country and regional levels. This follow-up at the global level, which should be business-like, should focus on these main elements:

(a) Analysing and comparing the experience and lessons learned from formulating and implementing the policy framework plans and the functioning of the country level coordination arrangements;

(b) Assessing, on a regular basis, the economic and social performance of the LDCs, in the context of the international environment and domestic factors;

(c) Monitoring the implementation of the commitments and measures contained in the programme of action;

(d) Reviewing the assistance of the development partners in responding to the special needs and circumstances of the LDCs; and

(e) Monitoring in particular the involvement of women in the implementation of the Programme of Action.

139. In cooperation with other concerned organizations, organs and agencies of the United Nations system, UNCTAD, as part of its on-going work, should continue to serve as the focal point for the review and appraisal of the implementation of this Programme of Action, the follow-up at the global level, and to provide support at the regional level.

140. The UNCTAD Intergovernmental Group on the Least Developed Countries should conduct a comprehensive mid-term review of the situation of the LDCs and report to the United Nations General Assembly on progress in the implementation of the Programme of Action and consideration of new measures as necessary. At the end of the 1990s the General Assembly may consider holding a third Conference in order to make a comprehensive appraisal of the implementation of this Programme and to decide on subsequent action. Each session of the Trade and Development Board should review progress in the implementation of the Programme as presented in UNCTAD's annual Report on the Least Developed Countries. Sectoral appraisals should also be undertaken at regular intervals by the agencies most concerned.

141. In order to make the necessary links between the follow-up at the national and global level, the UNCTAD secretariat should continue to participate in the UNDP Round Table process. UNCTAD should be invited to participate in the World Bank Consultative Group process if so desired by LDCs. Furthermore participants representing all countries and agencies should be equipped with the appropriate authority.

142. The Secretary-General of the United Nations, in close collaboration with the Director-General for Development and International Economic Co-operation, the Secretary-General of UNCTAD, the Executive Secretaries of the United Nations regional commissions and the lead agencies for the aid groups, should ensure at the secretariat level the full mobilization and coordination

of all organs, organizations and bodies of the United Nations system for the purpose of implementation and follow-up of the Programme of Action. LDC focal points in each United Nations agency should be established where they do not exist and existing ones should be strengthened in order for them to get involved actively in the implementation tasks throughout the 1990s.

143. All development partners, UNCTAD and the United Nations agencies are invited to assist LDCs to undertake consultations among themselves on matters of common interest to them in the context of the implementation of the Programme of Action.

144. On the basis of the work mentioned above, it is recommended that UNCTAD's Special Programme for the Least Developed Countries should be provided with sufficient capacity and resources to enable it to implement effectively its mandate for this Programme on a timely basis. The Secretary-General of the United Nations should make proposals to this end. Also, the Secretary-General of UNCTAD should continue and where necessary expand technical assistance activities for LDCs, in consultation with the Administrator of UNDP and other concerned organizations and agencies.

STATEMENTS MADE UPON THE ADOPTION OF THE PROGRAMME OF ACTION*

1. The representative of the Union of Soviet Socialist Republics confirmed that the USSR was ready to continue its role as a donor of official development assistance to LDCs and furthermore to consent to the proposal in paragraph 23 (d) of the Programme of Action. In this connection he wished to clarify the point that the USSR had not previously committed itself to any particular level of ODA although, in practice, it had reached and exceeded the target of 0.15 per cent of GNP. The USSR should thus be regarded as covered by the provisions of category 4 and would therefore make its best efforts to increase its ODA to LDCs.
2. The representative of Japan said his delegation was pleased to note the emergence of a common understanding that, given the increasing interdependence of the world economy, the accelerated development of the LDCs was a common concern of the international community and that the successful implementation of a new Programme of Action was a key to a more rigorous and well-balanced development of the world economy. In this connection, Japan endorsed the basic framework of "strengthened partnership".
3. In the area of national effort on the part of LDCs, his delegation noted positively the reconfirmed determination to incorporate in their national effort the elements that were most conducive to successful revitalization of the LDCs economies, even where it called for painful efforts. In response to these efforts on the part of respective LDCs, the development partners confirmed their intention to exert their utmost efforts. Drawing from a part of the programme document and building upon it, he pointed out that development cooperation was a process of mutually reinforcing efforts, not a unilateral deed, in which the initiatives came from the developing country, to which the development partner would respond, based on their mutual dialogue, and with the initial success of the endeavour, further strengthen and build on their efforts.
4. Japan had been exerting efforts to expand its ODA with special attention to LDCs, for example, through the doubling programme in the first SNPA. Upon completion of doubling in 1986, Japan in 1988 had started the 4th medium-term OVA plan covering 1988-1992, in which attention was also given to the quality of aid to LDC. To further contribute to the development of the LDCs, Japan acknowledged 0.15 per cent of GNP as a widely accepted goal for the aid flow to LDC and would strive to increase its efforts to help the LDCs, bearing this and other factors in mind.
5. As to the problem of international debt, which required the attention of the international community, it was the view of his Government that Japan's response should be carefully designed so that it would not be counterproductive vis-à-vis the very aim of the stable development of the debtor country, for example, by undermining the smooth operation of the creditor institutions which were important sources of funds for development, or by hurting the credit perception of the country held by the private sector, which was the engine for growth. Japan believed that paragraphs 34 and 44 and other relevant paragraphs should be read in this light.

* Closing plenary meeting of the Conference (14 September 1990).

6. The representative of the United States of America said that his delegation was pleased to join the consensus in favour of the Programme of Action for the Least Developed countries in the 1990s. The United States believed it represented a significant step forward in addressing the serious development needs of these countries.

7. By definition the document represented a fine balance between often conflicting views and incorporated nuances that would probably escape even the most penetrating intellect not steeped in United Nations language and lore. He was encouraged by the strong reaffirmation in the Programme of Action, of the cardinal principle that the LDCs bore the primary responsibility for their own development. Without such recognition, and the action that it implied, there could be no real progress in the LDCs. His delegation was therefore pleased to be able to support the approach that the Conference had taken on resources requirements, as set forth in paragraphs 20-24 of the Programme of Action. The United States had never subscribed to global volume targets for development assistance. Such targets were arbitrary, bearing no relation to needs or development performance. On the other hand, his delegation was of the view that additional official development assistance for the least developed countries would very likely be necessary, and he hoped fully justified over the next 10 years. He emphasized that assistance could only be complementary to sustained and difficult policy measures that must be taken by the LDCs, and sound investments that must be made to achieve their sustainable growth and development. Nevertheless, the United States believed that the formula, arrived at in paragraphs 20-24, was a credible one, and one that did merit the consensus of the Conference.

8. Despite the heavy international burdens that the United States had been carrying, and continued to carry, despite severe strains on its own resources, the United States was prepared to exercise its best effort to provide additional resources to those LDCs that undertook those efforts necessary to achieve the related objectives of sustainable growth, broad-based participation and respect for the rights of their people.

9. As to the particularly sensitive issue of debt, the strengthened international debt strategy was the key to addressing the international debt strategy of developing countries. Much progress had already been made in the context of the strategy, and it was continuing to be implemented effectively.

10. With regard to paragraph 44, which dealt with debt relief measures as they applied to the multilateral institutions, the United States should enter a formal reservation - specifically on the last two sentences. Its reasons were two-fold: first, on substance, the United States opposed any language suggesting - even obliquely - that such institutions should undertake new debt relief initiatives which could have adverse implications for the sound financial basis, and credit rating of such institutions. Secondly, on principle, the United States believed it was inappropriate for the Conference, or any other United Nations forum, to interfere with the independent mandate of such institutions, and to put forward specific proposals for new initiatives. Maintaining the independence, integrity and sound financial standing of the multilateral institutions was a matter of prime importance to all countries above all those depending on future access to development financing.

11. With respect to paragraph 39 dealing with Toronto terms, he was concerned to make the United States position very clear: it believed that this approach to debt rescheduling in the Paris Club had provided significant relief to a large number of developing countries. The United States did not, repeat not, support any change in the existing procedures and criteria in the application of Toronto terms.

12. Finally, as to the concept of "adequacy", as it applied to resource flows, he stated that the term had been used in a number of places in the Programme of Action, describing the expected aid efforts of donors. It was the United States view that "adequate" in this sense was synonymous with the term "appropriate". "Adequate" did not convey an open-ended concept, by which donors would provide whatever resources (financial or otherwise) might be necessary to complement LDCs efforts - without reference to the quality of these efforts - to meet stated objectives. Most often, development performance of individual LDCs would in the United States' view, determine the "adequacy" - that was to say, the "appropriateness" - of the donor response.

13. With the exception of the one reservation he had mentioned, the United States was pleased to join in the consensus for the Programme of Action.

14. The representative of the United Republic of Tanzania, recording his delegation's understanding with respect to paragraph 51 (d) on access to markets, said that the Uruguay Round of MTNs was the most complex and comprehensive of all GATT rounds, covering subjects that affected the development prospects of all countries and particularly those of the LDCs. The results of the Round therefore were of great interest to the LDCs. But those results, particularly in the areas of TRIMS, TRIPs and trade in services, would be relevant to LDCs only if they took into account the developmental, technological needs and public interest in these countries.

15. It was important to also take into account the fact that the LDCs had the least capacity in all the three areas mentioned in paragraph 51 (d). Their capacity to implement any of the results of the Uruguay Round would therefore be limited by technical, legal and administrative structures available in their countries. He stressed that the implementation of the results as envisaged in paragraph 51 (d) should take into account these realities. The LDCs, therefore, were not expected to implement, in whatever manner, any results from the Round in these areas that did not take these realities into account.

Part Two

PROCEEDINGS OF THE CONFERENCE

I. INAUGURAL ADDRESS BY THE PRESIDENT OF FRANCE

1. In his inaugural address, the President of France, H.E. Mr. François Mitterrand, said that France was greatly honoured to receive, for the second time in nine years, the United Nations Conference on the Least Developed Countries. Unfortunately, most of the objectives of the plan of action adopted in 1981 for the 1980s had not been achieved. In most of the LDCs, economic growth was lagging behind population growth, and environmental degradation was often a direct result of extreme poverty. The gap between rich countries and poor countries was widening, above all because of the overwhelming debt burden. Moreover, only eight of the rich countries had devoted at least 0.15 per cent of their GNP to official development assistance (ODA).
2. There were, however, reasons for hope. Some examples of success could be quoted, such as the development of cotton in Africa, or of sugar in Burkina Faso. The international community had gained a better understanding of the main characteristic of the least developed countries: their extreme vulnerability. There was also a convergence of views on the policies to be followed. The necessity for a free market was well understood, but so also was the need for a just State.
3. For the 1990s, a plan to combat underdevelopment had to be defined and implemented. In the first place, agreement should be reached on a contract of solidarity between least developed countries and donor countries. This contract would imply the definition and the implementation of appropriate economic policies, with agreement on priority sectors: education and training, health, the integration of agriculture in the market economy, the creation of an efficient productive sector, the reinforcement of regional integration, the encouragement of undertakings in the informal sector, and the struggle against natural disasters. The non-governmental organizations had a vital role to play in such a contract, thanks to their presence in the field and their direct contact with the people.
4. Secondly, adequate financial resources must be made available to the least developed countries. The Conference should reaffirm the objective of 0.15 per cent of GNP for ODA, to be reached within a maximum period of five years. Those countries which had already reached that target could commit themselves to a target of 0.2 per cent.
5. Other features of the plan for the 1990s included improving the quality of development aid by offering more grants and less loans; the reduction by the rich countries of the debt of the least developed countries; guaranteeing the least developed countries against fluctuations in the export prices of the few commodities upon which their economies depended.
6. In this context, he elaborated on the commitments of France. First, the target of 0.2 per cent of the GNP devoted to ODA would be reached during the 1990s. Secondly, a bill would be submitted shortly to Parliament to extend to all least developed countries the measures already approved for African least developed countries whereby the whole of French aid had been converted into grants - a measure representing a yearly amount of 4.3 billion francs. Thirdly, if Parliament agreed, France would cancel the public debt of all non-African least developed countries, after having already done so for all the poorest African countries. This represented a total of 28.6 billion francs

in capital and interest. Fourthly, to promote the products of the least developed countries, he had decided on the creation of a special programme - and a new organization - to promote exports from the least developed countries to France. Furthermore, every effort would be made to conclude new commodity agreements. Fifthly, France would increase its contribution to the fight against natural disasters.

7. At the same time, he reiterated his view that development went hand-in-hand with democracy. Development was rooted in the respect for basic rights, freedom of movement and equality before the law. Of course, one had to take into account the diversity of structures, civilizations, traditions and customs; and democracy was in any case a long process, especially when two thirds of the people lived in abject poverty. Every effort in the direction of greater freedom deserved special support.

8. The tragic events taking place in the Persian Gulf should not be allowed to take the form of a North/South conflict. However legitimate the diverse demands and expectations might be, respect for international law was the best protection for all countries. He urged all countries to seek to correct past injustices through the rule of law and the international organizations, in particular the United Nations. Moreover, the ending of East/West conflict was releasing enormous energies, and he looked to the countries hitherto engaged in the cold war to use the opportunities offered by disarmament for the provision of greater aid to the developing countries. In particular, he appealed for an assessment of the current crisis to be made at the forthcoming meetings of IMF and the World Bank, on the basis of which the international community would draw up an emergency plan - which would include appropriate compensatory mechanisms - to counter the harmful consequences of the crisis. The recently increased resources of the IMF should be mobilized rapidly to offset the effects of rising interest rates and oil prices.

9. Finally, he expressed the hope that the Conference would one day be cited as the turning point which had signalled the retreat of hatred, conflict, indifference, and short-term calculations - a point at which the gap between the North and the South had ceased to widen and the reverse movement had begun to assert itself.

Address of welcome by the Director-General of UNESCO

10. The Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) delivered an address of welcome to participants, observing that extreme poverty in the wealthy world was morally unbearable and could well adversely affect world stability and security. He nevertheless remained optimistic for the international community had all the means at its disposal - economic, scientific, technological and others - to eliminate poverty, especially through new forms of global joint efforts. The time was indeed ripe for the Conference to mark a turning point in North-South solidarity through a commitment to eradicating extreme poverty before the end of the century.

II. OPENING STATEMENTS

11. Opening the Conference, the Secretary-General of the United Nations observed that there was a distinct contrast between the narrowing of differences in ideological and political systems and, on the other hand, the

economic difference separating the two hemispheres of the planet. This discrepancy had become a major concern of the international community and called for a firm commitment by all its members. All the positive moves which had occurred in the field of reducing conflicts would not be effective in terms of lasting peace if there were no parallel efforts made to close the economic gap between the rich North and the South. The Conference provided the international community with an opportunity to reaffirm and consolidate its orientation in assisting the poorest and most vulnerable countries.

12. The 41 LDCs were facing severe problems due to a number of structural handicaps, which comprised poorly diversified economies, fragile natural environments limiting agricultural production, and geographical situations hampering trade activities. They suffered further from a weak capacity to mobilize domestic and foreign resources for investment, restricted domestic markets, and an export capability dependent on a limited number of basic commodities.

13. The 1980s had produced increased indebtedness, a decline in public and private finance, a drop in the price of raw materials, inflationary pressures and natural calamities. As a result, the socio-economic situation in the LDCs had severely deteriorated.

14. The dismal record of the 1980s was not due solely to the LDCs' structural weaknesses, but also had to be attributed to the fact that the responsibilities undertaken in 1981 had not been fully implemented, that support measures had been insufficient and that the international climate had been unfavourable. The Programme of Action that the Conference had been called to examine pointed to the necessity for greater participation of least developed countries to ensure the full and efficient mobilization of their human and financial resources. The debt problem was one of the major obstacles to development and an additional increase in the price of petrol would impose a great burden on many LDCs. The debt relief measures already taken were welcome, but insufficient.

15. It was essential to raise awareness of the degradation of the environment, and the Conference should adopt relevant measures to be implemented by the individual countries. He stressed also the question of human rights in relation to development and proposed this as an important topic for discussion. He added that the eradication of poverty was indispensable in assuring lasting social peace.

16. To follow up on all activities mentioned in the Programme of Action, the United Nations system was prepared to play the central role in accordance with its mandate. To that end, it was important to receive adequate resources.

17. To reduce the gap between rich and poor nations was an imperative ethical question. No country, and especially not the international community, should allow other countries to be neglected and left behind. Concluding, he reiterated that the same process that had resulted in bridging ideological differences could help the LDCs to break out of economic isolation, provided there was strong political commitment.

18. Taking the chair upon his election as President of the Conference, Mr. Roland Dumas, Minister of State and Minister of Foreign Affairs of France, said that the task of the Conference was not simply to put together a set of

recommendations, but rather to create a consensus on the measures and programmes that would enable the least developed countries (LDCs) to make a fresh start. The rigid order imposed by East-West confrontation was now at an end, but at the same time many areas of tension - some of them very dangerous - were reappearing. One prime cause of such tension lay in the economic and social inequalities that undermined whole societies and regions. Lack of food, housing and education was the lot of the peoples of the LDCs. If nothing was done, the LDCs would soon find themselves excluded from the international community, with all the risks of resentment, anger and violence implied by such exclusion. There was thus no question in the minds of Europeans of abandoning the South in favour of the East European countries that had recently achieved their freedom.

19. Observing that the donor countries had devoted only 0.09 per cent of their GNP to official development assistance (ODA), he said that it was essential to reaffirm the original 0.15 per cent target and to set a precise date for its achievement. But the quality of aid was to be judged not only by quantity, but also by the manner in which it was put to use and exploited. For this, a partnership founded on a permanent dialogue between the donor countries and the beneficiary countries was indispensable, in order to assess the needs and the potentialities and to furnish the corresponding aid. Such a partnership would help the LDCs to face up to certain structural adjustments which, however painful they might be, were necessary and almost always unavoidable.

20. It was inconceivable that 420 million people should not have access to scientific, social and political progress, at a time when the demand for democracy and the recognition of human rights were spreading. The new-found solidarity of rich countries and poor in the face of the crisis in the Gulf must also be applied in dealing with the sufferings of the peoples in the LDCs. What hope was there for world peace founded on unjustifiable inequality and indifference? The Conference might be the last chance to act in favour of the LDCs and to ensure a united world and a genuine international community.

21. The Secretary-General of UNCTAD and Secretary-General of the Conference observed that, nine years after the first Paris Conference, no significant improvement was discernible in the economic, social and human fabric of the large majority of LDCs. These countries were distinct by virtue of their deep-seated economic weakness, their vulnerability and their geophysical handicaps. Their populations looked to the present Conference for reassurance that they would have a fair opportunity to improve their condition. Their special conditions demanded special international attention. The objective of the Conference was to secure complementary commitments by the LDCs and their development partners which would provide the LDCs by the end of the 1990s with a basis for sustained and sustainable development.

22. The draft Programme of Action adopted by the Intergovernmental Group on the Least Developed Countries embodied a significant measure of consensus on this development partnership and on development strategy. A central objective of the LDCs, who had primary responsibility for their own development, should be the construction of well-functioning economies, geared to the achievement of national development aims through the effective mobilization of domestic resources. Key issues for each LDC Government would be how to widen the

opportunities for all citizens to participate fully in development and how best to use the market to attain economic efficiency. External solidarity could play a crucial role in supporting their efforts.

23. Current market-oriented development strategies raised the question of whether the forces of the global market, acting spontaneously, would divert needed finance and technology to the LDCs and thus create propitious conditions for their development. As the answer was uncertain, official development assistance (ODA) must remain the principal source of external support. The need to increase ODA flows arose in part from the failure of donors to achieve the target of 0.15 per cent of GNP set by the 1981 Conference. The UNCTAD secretariat's estimates of the LDCs' financing needs indicated that donors should stand ready to double current ODA flows within five years, and aim at providing 0.2 per cent of their GNP as ODA to LDCs by the end of the century, in order for the LDCs to achieve an annual per capita growth rate of 2 per cent in the second half of the 1990s.

24. Further steps should be taken to fully cancel all ODA debt of LDCs and, to the extent possible, their non-concessional debt, as well as to alleviate their debt-service obligations to multilateral financial institutions. As a result of the current crisis in the Gulf, the financing needs of the LDCs were likely to increase and, as in the past, special arrangements might have to be made by international financial institutions for the LDCs and other seriously affected countries.

25. The growth-inducing potential of trade should be more fully exploited to complement financial assistance. Diversification and reduction of commodity dependence must be encouraged through international cooperation to strengthen commodity markets, stronger support for technological development and improved preferential access for LDCs' exports. Other developing countries should promote opportunities for LDCs to benefit from regional trade and cooperation.

26. The final element of a successful outcome of the Conference was agreement on follow-up and monitoring mechanisms at the national, regional and global levels. The new Programme of Action would stand or fall on the effectiveness of these mechanisms in monitoring implementation, ensuring responsiveness to changing external conditions and providing for the sharing of national experiences. UNCTAD was ready to continue to lead this global process, relying on the full participation of the other organizations of the United Nations system.

27. The Conference provided the opportunity to forge a solid developmental partnership in support of the development efforts of the LDCs, reverse their marginalization in the world economy and demonstrate that their development partners would not down-grade the priority attached to development cooperation.

III. STATEMENTS BY HEADS OF STATE OR GOVERNMENT

28. H.E. Mr. Hussain Muhammad Ershad, President of Bangladesh, said that the results of the Substantial New Programme of Action, launched by the first United Nations Conference on the Least Developed Countries in 1981, had been disappointing. For the developing countries in general, the 1980s had been a decade of crisis, lost opportunities and serious disruption. For the LDCs, the experience had been even more painful, with the average annual growth rate

reaching merely 2.3 per cent, far below the anticipated 7.2 per cent. The targets for agricultural production, domestic savings and manufacturing output had remained unfulfilled, while standards of health, education and nutrition had also recorded sharp declines. The debt burden of the LDCs had reached such a high level that debt servicing alone consumed almost a third of their export earnings. Those problems were largely due to the structural weaknesses of the LDCs' economies and the associated in-built constraints such as weak infrastructure, limited markets and environmental fragility, and the structural adjustments which had been implemented had not been able to reverse the downward trend. The Gulf crisis constituted a further source of possible danger.

29. The second Conference on LDCs must finalize a concrete new Programme of Action supported by the requisite political will. Such a programme should focus, inter alia, on agricultural development, industrialization, human resource development, promoting the role of woman in development, developing the scientific and technological base, preserving the environment and preventing natural disasters such as floods. The Dhaka Declaration (A/CONF.147/PC/6), which emphasized the role of national efforts, should be supported by the international community. This international support should take the form of substantially increased financial flows, effective debt relief, improvement of the quality of aid, and trade measures comprising improved access to markets and compensatory financing arrangements.

30. H.E. Mr. Yoweri Kaguta Museveni, President of Uganda, speaking on behalf of the member States of the Organization of African Unity (OAU), expressed the hope that the recent breathtaking political and social changes would augur well for economic and social well-being for all in the 1990s. The 1980s had witnessed a widening gap between the affluent North and the poverty-stricken South. He attributed this inequality to depressed commodity prices, declines in terms of trade, an upsurge in protectionist measures, high international real interest rates, mounting debt burden, volatile exchange rates of major currencies, decline in official development assistance and distorted economic structures in LDCs inherited from the colonial period which failed to ensure sustained growth.

31. Referring to the performance of the SNPA he observed that, whereas its adoption had been a major endeavour on the part of the international community, its implementation fell far short of expectations. The SNPA had failed to achieve any of its major goals. While it envisaged a GDP growth rate of 7.2 per cent per annum for the LDCs, the recorded performance was no more than 2.2 per cent, with negative GDP growth rates in most African LDCs. Agricultural production, projected to rise by 4 per cent annually, had hardly attained half of that target, with the consequence that food production had failed to keep up with population growth in many LDCs. Industrial development fared even worse, with an annual growth rate of only 2 per cent against a projected target of 9 per cent. Similarly, the target for ODA remained unfulfilled. Whereas donors were expected to devote 0.15 per cent of their GNP to LDCs or double their ODA flows to these countries by 1986, total ODA was stagnant at 0.08 per cent of GNP during 1981-1988. Although a number of countries had reached the ODA target and some others were making progress towards its fulfilment, the average performance of DAC donors by 1988 was 0.09 per cent.

32. Referring to the World Bank's report on Africa (Sub-Saharan Africa - from crisis to development) he stated that Africa could not escape from its present economic crisis without reducing its debt burden sizeably. Since sub-Saharan Africa throughout the 1980s had been forced to reduce consumption and investment in order to service its mounting debt, he emphasized that no resumption of economic growth would be possible without debt relief and cancellation. An aspect which needed special attention was LDC debt to multilateral agencies where the negative resource transfer to these agencies would have to be reversed.

33. A critical factor in the African debt was the dependence on a narrow range of export commodities whose markets had a very high degree of instability. Whereas diversifying away from commodity dependence appeared to be imperative, LDCs' efforts to industrialize were hampered by tariff and non-tariff measures. Negotiations within the framework of the Uruguay Round did not appear to have removed such obstacles to products of interest to LDCs such as textiles, vegetable oils, leather, etc.

34. The New Programme of Action for the 1990s should have short-term and long-term objectives. The short-term objective should be to arrest the further deterioration of the socio-economic situation in the LDCs and the long-term objective would be to put these countries on the track of becoming independent, integrated and self-sustaining economies. The new Programme of Action should include the following elements: a comprehensive debt strategy for the LDCs including improvement of the Toronto Terms; a commitment by the international community to increase external flows on highly concessional terms with a view to reaching the target of 0.2 per cent of their GNP, promotion of foreign trade, establishment of more stable commodity markets, support for subregional and regional economic integration among developing countries, support for land-locked and island developing countries, a commitment to implement agreed targets, and a political commitment by LDCs to improve accountability. The establishment of democracy was a necessary condition for stable development. He emphasized that in reforming their systems LDCs should begin at the grass-roots level and ensure the emergence of an endogenous system that was internally inspired. LDCs system should acquire local form and content. Expressing full support for the protection of human rights, he pointed out that for those to be meaningful, a fundamental commitment to the improvement of the social economic conditions was a prime imperative of the present time.

35. H.E. General Omar Hassan Ahmed El Bashir, Chairman of the National Salvation Revolution Command Council of the Republic of the Sudan, noted that the 1980s had indeed been a "lost decade" and that the holding of the Conference was a clear recognition of the gravity of the situation of the LDCs. He expressed the hope that the international community would adopt and implement special and urgent measures commensurate with this recognition and concern. The draft Programme of Action before the Conference could only succeed if the partnership between the LDCs and their development partners was based on a clear understanding of the special problems facing the LDCs and mutual interest, and not on charity.

36. Referring to the situation in Sudan, he said that his Government had embarked on the implementation of a set of radical reforms which were embodied in a three-year economic salvation programme that had been adopted by a national conference on economic salvation. He noted that the programme aimed

at liberalizing the economy in such a way that all economic activities would be determined by the free interaction of market forces. Furthermore, the programme aimed at considerably reducing the role of the public sector through an extensive process of privatization of public enterprises. The promotion of the agricultural sector, which was a major priority, had led to self-sufficiency in sugar, while wheat production had doubled and self-sufficiency was planned for 1992.

37. Despite these efforts Sudan still faced major problems, including natural disasters such as drought, the adverse international economic environment leading to unfavourable terms of trade, an inadequate and unpredictable flow of resources and a heavy debt burden. Sudan's debt had grown to some \$US 14 billion and debt servicing accounted for more than 100 per cent of the country's export earnings. This situation clearly required urgent and far-reaching international action. Reviewing the problem related to obligations to the multilateral institutions, he called for imaginative measures - including interest subsidies and other such measures, or even rescheduling or outright cancellation.

38. H.E. Mr. Aristides Pereira, President of Cape Verde, said that the LDCs' economic performance had stagnated during the past decade, and they were now more marginalized within the world economy. The responsibility for this situation might be attributed as much to the errors of Governments as to the egoism of the wealthy countries. He noted that this situation could be reversed during the 1990s through appropriate global and more concerted action.

39. He welcomed the draft Programme of Action and called for more effective implementation than in the case of the Substantial New Programme of Action for the 1980s. Regarding the debt problem, he underlined the perversion constituted by the inversion of net financial flows between developed and developing countries. In this context he stressed that, in order to address the LDCs' external indebtedness, measures being gradually adopted on bilateral debts should be intensified and extended definitely to multilateral debts. He elaborated the nature of the partners' respective responsibilities and the commitments that would need to be measurable and sufficiently transparent to permit monitoring and assessment of the Programme of Action at the level of each LDC and at the global level. He furthermore suggested that, in order to address the LDCs' external indebtedness, measures should be gradually adopted regarding bilateral debts and urged that these should be intensified and extended to multilateral debts. He also stressed the importance of support in the area of trade which took into account the small size of their markets and low purchasing power. Aid adaptability was considered as important for the success of the cooperation provided. This should be flexible and evolving, so that it could cope with transformations in the development process of each LDC.

40. H.E. Mr. Najibullah, President of Afghanistan, referring to the 1980s as the lost decade, said that the economic situation of the LDCs was characterized by stagnation and decline in all sectors. The SNPA, which had been intended to ensure a minimum level of economic growth and acceptable standard of living in the LDCs, had failed to attain any of its goals or targets. In addition to economic set-backs, a number of LDCs had been caught up in subregional conflicts, forcing them to increase military expenditures and thereby exacerbating their budgetary and balance-of-payments disequilibria. He drew attention to the special problems faced by land-locked

countries, in particular those, like his own, which did not have friendly relations with their transit neighbours. In this context he emphasized the right of free access for land-locked countries to and from the sea, as set out in the communiqué of the Ministerial Conference of the Least Developed Countries held in Dhaka in February 1990.

41. Turning specifically to the situation facing Afghanistan, he stated that his country had suffered a major set-back as a result of the complete cessation of ODA from developed countries and the suspension of aid from multilateral financial institutions during the 1980s. The suspension of external aid had come at a time when Afghanistan was in the midst of a devastating war in which the country had suffered severe human and material losses. With regard to the rehabilitation and development programme for the 1990s, the first five years of the plan would focus on the return and resettlement of millions of refugees and displaced people, along with the rehabilitation of the economic infrastructure, while the second five years would be devoted to the realization of the existing potential and capacities of the country's economic sectors. He noted that, under its Constitution, the country had adopted the principle of the market economy as the basis for its economic system.

42. H.E. Mr. Obiang Nguema Mbasogo, President of Equatorial Guinea, said that the severe economic crisis afflicting the LDCs was a tangible reality that should touch the conscience of all developed countries. In his country, external factors had aggravated internal weaknesses, hampering efforts to recover and making the country permanently dependent on developed countries. Equatorial Guinea, like all LDCs, suffered from a triple external dependence inherited from colonialism: economic dependence on export-oriented production and marketing of raw materials; demand for raw materials dependent on developed markets; and high dependence on imported consumer goods. The decade-long decrease in the prices of its exports and steady increase in the prices of imported manufactures had seriously eroded his country's terms of trade. Other factors that had heightened his country's dependence were the lack of investment capital and access to technology for development. He considered that the Conference should thus adopt measures that would reduce dependence such as, inter alia, industrialization, creation of indigenous enterprises and employment, diversification of products, increases in national production to satisfy local needs, development of indigenous human resources and accumulation of foreign reserves. Moreover, support to LDCs should be accompanied by soft loans or grants to productive sectors of their economies, and favourable terms for exports through the elimination of tariffs and protectionism, without reducing access to developed countries' markets. He further proposed debt cancellation or at least debt rescheduling to allow LDCs to utilize resources for their development activities. The international support should be planned, coordinated and managed, taking into consideration LDCs' needs and concerns, in order to avoid repeating the failures of the 1980s. Finally, he said that his country subscribed to the principal issues set forth in the draft Programme of Action for the 1990s.

43. H.E. Mr. Nicéphore Soglo, Prime Minister of Benin, stated that there were now 1 billion poverty-stricken people in the world, one third of whom lived in developing countries, mainly in sub-Saharan Africa. He said that some 30 per cent of world poverty would be located in those countries by the year 2000. The least developed countries had reached intolerable levels of economic deprivation because of diminishing export earnings, constant

deterioration of terms of trade, external indebtedness and the absence of a regulatory mechanism for prices of their agricultural products. As regards transfer of resources, the least developed countries had devoted 10 per cent of their GDP between 1981 and 1988, to service their debt, hence increasing the resource transfers from LDCs to developed countries. Official development assistance benefited the middle-income countries which had received 41 per cent of total external aid in 1988. The Substantial New Programme of Action for the 1990s should fulfil the following requirements: it should respond to the needs of the least developed countries by setting the struggle against poverty as a priority; formulate and adopt national and international policies in order to accelerate the development process in those countries; and bring about firm commitments. He emphasized the fact that sub-Saharan African countries had the right to request development after centuries of slavery and colonization because these countries had contributed to the wealth of the developed countries. No structural adjustment programme could possibly succeed without abundant external financial resources and these programmes should take into account basic humanitarian requirements in the LDCs. He recognized that the least developed countries had on their part the responsibility to mobilize domestic resources to rehabilitate their economies. He observed that establishing democratic régimes was a necessary step in order to liberate resources and to promote urgent development and reconstruction programmes. He called for a "Marshal Plan" for the LDCs on the lines of that implemented for the recovery of Europe.

44. S.E. Mr. Elhaji Hassan Gouled Aptidon, President of the Republic of Djibouti, said that his country welcomed the convening of the Second United Nations Conference on LDCs and hoped that the work of the Conference would result in increased aid for the LDCs. He expressed particular thanks to President Mitterrand of France for standing up for the cause of the deprived nations. President Mitterrand had become the symbol of hope for those countries which had not had the privilege of benefiting from the advantages of economic growth. His country strongly advocated concerted action in order to stop the most deprived countries from sinking into misery, and the recent decision taken by France at the Baule Summit to alleviate the debt burden of certain African countries was greatly appreciated. Referring to the efforts of the LDCs themselves, he emphasized the need for the participation of the people in the development process. He pointed out that in order to promote growth in the least developed economies, external financial assistance was vital, and in that connection called upon donors to provide debt relief to LDCs. He drew attention to the regional cooperation efforts being undertaken by Ethiopia, the Sudan, Somalia, Kenya, Uganda and Djibouti, efforts which were promoting economic development and peace in the region. In conclusion, he referred to the heavy losses incurred by his country (\$US 140 million) as a consequence of the Gulf crisis and pointed out that other least developed countries might be affected as well.

IV. MESSAGES FROM HEADS OF STATE OR GOVERNMENT

45. At the 1st plenary meeting, on 3 September 1990, the President drew attention to messages received from Mr. Mikhail Gorbachev, President of the Union of Soviet Socialist Republics (A/CONF.147/8) and Mr. Li Peng, Premier of the State Council of the People's Republic of China (A/CONF.147/8).

V. GENERAL DEBATE

46. The spokesman for the Group of 77 (Mexico) said that, despite the adoption of the SNPA, little progress had been achieved. During the 1980s the developing countries had experienced the collapse of the prices for many raw materials, deterioration of their terms of trade, an increase in the debt-servicing burden and protectionism denying their products access to markets. They had also witnessed a particularly alarming phenomenon in the reverse flow of resources. The LDCs had suffered most in these respects. In 1981, when the SNPA had been adopted, there had been 31 LDCs. Now, 10 years later, there were 41 with a combined population of over 420 million entangled in a vicious circle of poverty, unemployment and retrogression. He appealed for commitments to overcome this grim situation by finalizing and adopting an effective Programme of Action for these countries for the 1990s.

47. He underlined the importance of such development imperatives as the development of the agriculture sector in the LDCs and an appropriate diversification of their economic base through industrialization, significant and wide-ranging improvement in the socio-economic infrastructure, and creation and strengthening of scientific, technological and human resources, including integration of women in development in the 1990s. Urgent action was also needed to protect the LDCs from environmental degradation, natural disasters and adverse external factors. He also referred to the severe geographical handicaps of individual land-locked countries and island LDCs, which constituted severe constraints to their development.

48. He stressed that, while the majority of the LDCs had already introduced programmes of economic stabilization and structural adjustment in cooperation with IMF and the World Bank, the narrowly-focused adjustment efforts aimed at mere monetary, fiscal and external balance would not automatically ensure the much-needed transformation. Growth in the LDCs would continue to be stymied unless external conditions were significantly improved. In this context, a substantial increase of the external resource flow was of crucial importance. During the 1980s, the SNPA target of 0.15 per cent of donors' GNP as ODA to LDCs had remained unfulfilled, with the actual performance averaging only 0.09 per cent. He appealed to donors to double their current aid levels to the LDCs by the year 1995, aiming at a target of 0.2 per cent of donors' GNP by the end of the decade which should, however, be ensured through additional resources in real terms, and to improve significantly the aid modalities - including the provision of ODA as grants, increased concessionality of loans, more local and recurring cost financing, and substantially expanded technical assistance to the LDCs. He called for decisive action for cancellation of all LDCs' debts, coupled with an increased flow of non-debt-creating investment resources and full implementation of existing debt relief measures and expanding their coverage to include all the LDCs as well as all types of debts. He also called for other measures, including the dismantling of all tariff and non-tariff barriers, use of simplified flexible rules of origin, stabilization of commodity prices and compensation for shortfalls in export earnings of the LDCs. He stressed that economic cooperation among developing countries (ECDC), with adequate support from all, would contribute to strengthening the LDCs' capacities in various fields.

49. Effective follow-up and monitoring mechanisms were crucial to the successful implementation of the programme of action. To this end, UNCTAD should continue to be the main focal point for action at the global level, and the capacity of its Special Programme Unit for the LDCs should be strengthened for this purpose. He also urged that all United Nations organs, specialized agencies, and multilateral financial institutions should contribute effectively to the implementation of the new programme.

50. The representative of Canada stated that the development policy issues that his delegation would advocate during the Conference would include implementing policies to restrain population growth; establishing the principle of sustainable development as a priority in the management of physical resources; highlighting the role of women in development; providing the right environment for entrepreneurship and initiative, especially in the informal sector; supporting poverty-oriented adjustment programmes designed to increase health and education expenditures; and encouraging the shift of resources from unproductive military expenditures to poverty reduction. He stressed the need for adequate external assistance to support these policies. Protecting basic human rights and freedoms, including the right to participate in the political process, was also a matter of priority. The key economic lesson of the 1980s was that the primary responsibility of Governments was to devise and implement sound policies in a consistent manner. Concerning the debt problem, he said Canada had allocated new resources to fund the reduction of interest rates under the "Toronto Terms" framework by some 30 per cent and was prepared to review those terms as called for by the Houston Economic Summit Declaration with a view to improving burden-sharing among creditors and so enhancing the overall degree of concessionality. He also thought that the mechanisms set out by the Brady Plan could benefit the least developed countries as could the IDA facility, for example, to which Canada was a contributor. His Government was also considering using bilateral aid money to fund "buy-back" or debt "conversion" in conjunction with multilaterally approved schemes.

51. As regards transfer of resources, he said that his country was committed to the target of 0.15 per cent of GNP for ODA to the least developed countries and that all Canada's ODA was provided on grant terms.

52. As far as trade was concerned, he said his country believed that a successful conclusion of the Uruguay Round negotiations in December 1990 would benefit the least developed countries in a number of ways. He added that the Canadian general preferential tariff provided the least developed countries with duty-free entry for all eligible products and liberal rules of origin.

53. The representative of Japan said that during the 1980s the world economy had undergone momentous changes. Although the developed market-economy countries and the so-called newly industrialized economies had managed to follow the path of successful economic development, the developing countries had continued to face serious problems related to inflation, recession, unemployment, debt and depressed commodity prices and the LDCs were particularly adversely affected by these negative developments. The recent changes in Eastern Europe should not distract the donors from the priority to be accorded to the developing countries. He also referred to the Gulf crisis, which could affect the developing countries.

54. As to the efforts in the least developed countries, he pointed out the importance of strong political will and efforts to carry out necessary reforms and also said a stable economy would only be attainable through such measures as appropriate fiscal monetary and foreign exchange policies and prudent government expenditure controlling inflation. In order to support these measures the LDCs needed international support in the form of increased private and public flows, debt relief measures and the encouragement of an open multilateral trading system. The priority areas to be addressed should include agricultural and rural development, development of energy sources and human resources, infrastructure development, promotion of small- and medium-sized enterprises, support for basic human needs and prevention of natural disasters. Referring to Japan's assistance, he said the LDCs had received \$US 1,951 million in 1988 from Japan, making it the largest donor among DAC countries. He pointed out that the medium-term ODA plan was to increase the aggregate amount of ODA to more than \$US 50 billion during the five years 1988-1992.

55. Japan also put emphasis on the quality of aid, made a contribution to debt relief within the framework of the Paris Club and the "Toronto Terms" and assisted the LDCs in expanding their exports under various existing arrangements. He also referred to non-project-type untied grant assistance totalling some \$US 500 million, which had been increased for another three years beginning in 1990 to about \$US 600 million.

56. The representative of Egypt said that the issues of the least developed countries had human, economic and political dimensions. At the human level it was no longer acceptable for the international community to tolerate the fact that a great part of it was overwhelmed by extreme poverty, sickness and hunger. At the economic level, the LDCs required urgent assistance to transform their economies, thus paving the way for a sustained development process. At the political level, the continuing adverse economic and social situation of those countries could jeopardize world security and stability. In this regard, he mentioned that the Iraqi invasion of Kuwait and the occupation of its territories would entail destructive implications for the region and the world as a whole. Egypt from the very beginning had done its utmost to contain the crisis and to find a political settlement and appealed repeatedly to Iraq to take the only acceptable decision which was to withdraw from Kuwait. He also emphasized that the present crisis had imposed heavy losses on Egypt and would inevitably have an impact on the economies of third world countries, in particular the least developed among them.

57. He noted that the past decade had been a lost one for development as the objectives of the SNPA for the 1980s had been only partly fulfilled and that the LDCs had witnessed constant recession. The ODA target of 0.15 per cent of GNP had not been achieved by donor countries, aggravating the LDCs' external indebtedness (\$US 70 billion in 1989) and placing them on the verge of total economic disintegration. He believed that one of the challenges to be taken up by the world community was to provide adequate assistance which would ensure the viability of the economies of the LDCs. In this regard, he quoted the words of President Mubarak before the fortieth session of the General Assembly. He also stressed the point that the problems facing the LDCs could not be properly addressed except in the comprehensive context of problems facing the developing countries as a whole.

58. He called on all the donor countries to fulfil the United Nations target of 0.2 per cent of GNP as a way to implement their commitment to assist the LDCs. He hoped that the Conference would succeed in elaborating a pragmatic and realistic programme of action.

59. The representative of the United Nations Development Programme (UNDP) said that, with the advent of a new decade, a new era inspired by the irresistible wave of human freedom was emerging. The recent events in Eastern Europe and elsewhere bore testimony to this. The challenge of the 1990s was to pursue a policy where countries would be making critical choices related to a range of issues such as the prospects of a healthier and longer life, education, personal security and economic and political freedom. For the LDCs, the 1980s had been a difficult decade as they confronted various problems such as debt, declining commodity prices and inappropriate domestic policies. UNDP had recently decided to channel 55 per cent of its resources to the LDCs, which implied that grants totalling almost \$US 2 billion would be provided to them for the five-year period beginning 1992. UNDP was making efforts to improve the quality of aid in order to make it more cost-effective. Furthermore, UNDP was adopting a number of approaches in its assistance programmes, which included the promotion of the role of women in the development process, the encouragement of private enterprise and people-supported programmes, the improvement of programme management systems, strengthening of the role of non-governmental organizations, improving development strategies, curbing population growth and protecting the environment. As to the role UNDP had played in strengthening partnerships between LDCs and donors, he referred to the assistance provided for the preparation of the present Conference amounting to \$US 1.7 million and to the UNDP-led round-table meetings to monitor the implementation of the SNPA. He also said UNDP had contributed to the \$US 150 million Flood Action Plan for Bangladesh.

60. Concluding, he proposed a four-point action plan which covered the allocation of half of ODA flows to LDCs; a substantial increase in the grant element of assistance to LDCs; a stepping-up of multilateral flows on a grant basis; and an increase in national budgets for human development programmes.

61. The representative of China stated that the 1980s had proved to be a decade of protracted economic crises for the LDCs. Adjustment and reform measures implemented to improve their economies had been more than offset by the adverse impacts of both natural disasters and a worsening external economic environment. The results of implementation of the Substantial New Programme of Action for the 1980s, adopted nine years previously, had been highly disappointing, ending with negative growth in per capita income, deteriorating living standards and a heavy debt burden in many LDCs, as well as 10 additional LDCs.

62. Hence, China fully supported the formulation of a new Programme of Action for the 1990s on the basis of the draft text produced by the Preparatory Meeting held in March in Geneva. The lessons drawn from the under-implementation of the SNPA for the 1980s, LDCs' difficulties, their demands for the 1990s, as well as their sovereign rights on the choice of development model and strategy should be taken fully into account in the new programme. Any attempt to impose a certain development model or use it as a

conditionality for aid would not only be detrimental to cooperation among countries on the basis of equality and mutual benefit, but also most harmful to their development.

63. With regard to the assistance to the LDCs, his delegation supported the 0.15 per cent ODA target as well as a time-limit for attaining it. Those countries which had not met this target should do so as soon as possible. He also emphasized the need to alleviate the debt burden of the LDCs to promote the diversification of their exports and to improve the access to markets for their products. In the context of South-South cooperation, his country had allotted to LDCs a substantial share of its foreign aid, generally in the form of interest-free loans and grants. With respect to Chinese aid policy he said this was based on the known eight principles on China's aid to foreign countries, which inter alia emphasized: (1) aid provided by China was a matter of mutual help among "poor friends"; (2) respect for the sovereignty of the recipient countries, and non-interference in the internal affairs of recipient countries; (3) the equality and mutual interest of both donor and recipient; and (4) the economic and social effectiveness of aid. Finally, he said his country was willing to continue aid to the LDCs within its capabilities and explore the possibility of multilateral cooperation for joint assistance in favour of the LDCs.

64. The representative of the Federal Republic of Germany observed that the aims of the first United Nations Conference on the Least Developed Countries had not been achieved and that LDCs continued to face huge problems. Successful poverty alleviation, sustainable development, broad participation in the political decision-making process, respect for human rights, etc., were all essential factors, and efforts in these areas needed to be strengthened. He promised that the Federal Republic of Germany would continue its support for LDCs, and it would consider providing additional resources for projects relating to population policy and environmental protection.

65. With regard to trade, the Federal Republic of Germany would intensify its efforts with a view to ensuring that the LDCs would be able to utilize to the full the preferential treatment they enjoyed, and it would support the idea that the EEC should press for the most extensive liberalization possible in favour of the LDCs in the Uruguay Round. As to the aid target, his country was ready to step up its efforts with regard to the 0.15 per cent target, though success in this respect would depend on the LDCs improving internal conditions in equal measure so as to allow the successful deployment of increased aid. In conclusion, he stated that the Federal Republic of Germany would not divert any funds from LDCs as a result of the recent development in Eastern Europe. On the contrary, it had increased its ODA by more than 11 per cent in 1989, and its present volume of ODA was well above the average for contributions to developing countries by Western donors.

66. The representative of the United Republic of Tanzania observed that the 1980s had been virtually a lost decade from the standpoint of development and that the hope generated by the SNPA had not been realized. On its own initiative, his country had started a number of medium-term programmes (i.e. the National Economic Survival Programme (NESP), the Structural Adjustment Programme (SAP) and the Economic Recovery Programme (ERP)) to halt the rate of economic decline. Over the past few years far-reaching policies, including exchange rate adjustments, trade liberalizations and fiscal measures, had shown encouraging improvements in the country's economy. In

spite of the encouraging signs of positive achievements, economic growth and development remained constrained, inter alia, by inadequate investment in physical infrastructure, relatively high inflation, deteriorating social services and the external payments position.

67. The international community should commit itself to supplementing and complementing the efforts made by LDCs in adding resources and agree to debt relief measures and debt cancellation. The success of any meaningful and effective action plan could only depend on shared responsibility and strengthened partnership. It was therefore imperative that the international community accord top priority to resolving structural problems, tackling external indebtedness with a new debt strategy, assisting in diversifying the narrowly-based economies and facilitating cooperation amongst developing countries.

68. In conclusion, he underscored that structural adjustment policies could show sustained success only if predictable supplementary and complementary support by the donor community was assured.

69. The representative of Portugal said that the decade of the 1980s had been a period of economic and social decline for the LDCs, whose number had increased from 31 in 1981 to 41 as of today. Only the adoption of a "solidarity contract" between these countries and the international community could reverse this situation during the next decade. He expressed Portugal's view that substantive efforts should be made by LDCs' development partners to promote more action-oriented assistance covering such areas as diversification of primary commodities, promotion of export-oriented investments, marketing support, and training.

70. He noted further that debt relief measures should aim at making debt burdens more compatible with the development needs of the LDCs. Economic recovery programmes in the LDCs should also take due account of human resource development, particularly in such areas as education, health and social services. He noted in this connection that Portugal had given increased attention to professional training and cultural activities promoting more participation of people in community activities.

71. He outlined the efforts undertaken by the Portuguese-speaking African countries in their structural adjustment policies and reaffirmed that Portugal had already achieved the target of 0.15 per cent of GNP to the LDCs in the form of official development assistance. He expressed the hope that the current Conference would adopt adequate measures which would improve the standard of living of the LDCs and lessen the existing gap between these countries and other States.

72. The Personal Representative of the Secretary-General of the United Nations on Debt observed that the prosperity of the planet was severely affected by four interrelated problems - wars, extreme poverty, and environmental and ecological degradation. He pointed out that the compounded effects of wars in terms of social and economic costs needed to be addressed vigorously to avert further human suffering. He also stressed the importance of strengthening development assistance to alleviate poverty which, in some instances, was the cause of conflict. Further, it was important to introduce substantial debt relief measures and to provide prioritized assistance to those countries that respected human rights and carried out structural

adjustment in their economies. In the light of the existing situation, he proposed the cancellation of bilateral debt by up to 90 per cent in the case of the poorest countries, and using the remaining 10 per cent, converted into local currency, for implementation of projects in economic development, education and training, and environmental protection.

73. Concluding, he hoped that the poorest countries could eliminate hunger by the year 2020, provided their development occurred in a peaceful environment and with strong external financial commitments.

74. The Director-General of the World Health Organization stated that despite some progress in socio-economic development, improvement in the health sector had been slow, particularly in the LDCs. Per capita health expenditure in the LDCs was often less than \$US 5 while it often exceeded \$US 2,000 in the developed countries. Other health indicators such as life expectancy at birth and infant mortality also indicated the continued high health vulnerability in the LDCs. In addition, the LDCs were facing more problems connected with the spread of HIV infection. These pronounced health hazards clearly showed that the major challenge for the 1990s would be to ensure improved nourishment and better education and housing facilities.

75. In that connection, there was great concern that, because of the limited availability of funds for health services, it would be difficult to achieve the goal of "Health for all by the year 2000". An international conference held in the USSR in 1978 had decided that the promotion of primary health care was the right strategy to achieve this goal, and WHO had set up a monitoring system covering a 10-year period beginning in 1988 to ensure that this strategy was implemented. The system in question comprised three elements involving the identification of emergency problems needing immediate action, the assessment of short-term needs for rehabilitation, and the identification of long-term requirements for the primary health sector. The success of this approach would require effective coordination between WHO activities and national health priorities, as well as political commitment at the highest level in the LDCs. In order to achieve the desired progress, the international community must provide the required financial and technical assistance. It would also be important to improve the coordination of inputs from WHO, other United Nations agencies, donor countries and the Governments of the LDCs.

76. The representative of UNICEF, in expressing both hope and despair for the children of the developing world, stated that while more progress was made for children as a whole between 1950 and 1980 than in the preceding 2,000 years this improvement had slowed down during the 1980s in many LDCs. The under-five mortality rate in the least developed countries was double that in other developing countries and, worse still, the gap between the two groups was in fact widening. Furthermore the percentage of primary school education enrolment in the least developed countries was about half that in other developing countries. Despite these drawbacks, there has been a few success stories. The successful implementation of universal child immunization demonstrated that, where there was an effective strategy and political will, much could be achieved, notwithstanding the generally negative economic environment.

77. Another positive outcome worth noting was the increasing attention being given to children all over the world. This was best demonstrated by the forthcoming World Summit for Children. The identification of common goals for children to be achieved by the international community in the 1990s should help galvanize commitment for action. The least developed countries, which needed to make more progress than other developing countries, would need greater support from the international community. The best estimates available indicated that the child-oriented goals for the 1990s could be achieved at an additional cost of approximately \$US 5 billion per year for all LDCs, of which part could be financed from internal resources.

78. In this connection he noted that the \$US 2-3 billion required from internal sources was just less than the \$US 3 billion these countries spent annually on servicing their external debt - money sent from these poorest economies in the world to the industrialized world. And it was just less than the \$US 3.2 billion that the least developed countries as a group currently spent each year on the military. Furthermore, the increased amount of resources required from external sources would be only a fraction of the increase that would result if industrialized countries increased their aid to the least developed country target figure of 0.15 per cent of GNP.

79. The Secretary-General of the Conference on Environment and Development stressed the close linkage between environment protection and development for LDCs. Their environmental vulnerability compounded and exacerbated their economic vulnerability. For the LDCs, environmental degradation meant deterioration in the quality and supply of fresh water, depletion of renewable sources of energy, destruction of forests, deterioration and loss of productive soil, and rapid urbanization. In most of the LDCs, the result was a serious and accelerating deterioration of the carrying capacity of the principal resource and ecological systems on which development and survival depended. The LDCs required a substantial increase in assistance to enable them to build stronger and more diversified economies, to effect the transition to sustainable development, and to reduce their vulnerability to changes in the international economy. They also needed to build their own indigenous human and institutional capacities whose lack had been evident in virtually all the principal issues on the agenda of the 1992 World Conference on Environment and Development. In the light of this, the special needs and interests of LDCs would be accorded high priority at the Conference and his secretariat was cooperating closely with the Secretary-General of UNCTAD and his secretariat towards this end.

80. He called on the LDCs to participate fully in the preparations for the 1992 Conference, which should produce a political commitment to a global war on poverty and specific measures in respect of financial resources, technology transfer and institutional strengthening. He emphasized that the 1992 Conference could present a unique opportunity to complement and provide further impetus and political support to UNCTAD's Special Programme on the LDCs, the Programme of Action and other measures defined at the present Conference to meet the special needs of the LDCs.

81. The representative of Norway stated that the LDCs risked being further marginalized in the world economy in the 1990s unless present trends were reversed. This required collective efforts, political commitments and a sharing of responsibility between the LDCs and their development partners. The reforms and adjustment measures in the LDCs were crucial in order to lay a

sound basis for sustained growth. The lessons from the efforts made in many LDCs to adjust their economies made it clear that the content and design of the reform programmes must continue to be improved upon. He emphasized the need for a broader approach to human development encompassing political freedom, respect for human rights and the right of the people to participate in the decision-making process.

82. He also underlined the fact that human resource development implied extending basic social services, including education, health care and access to family planning programmes and said that special attention should in this connection be given to vulnerable groups, in particular children and the poor. The role of women in development must also be encouraged and strategies aimed at limiting rapid population growth and environmental degradation should be developed and implemented. With respect to Norwegian assistance, he said that Norwegian grants to LDCs now represented 0.4 per cent of GDP. Norway believed that further debt initiatives were called for and hoped that the Programme of Action would give constructive guidance to the international forums responsible for handling of LDCs debt problem. He announced that proposals would be submitted to Parliament for debt relief measures beyond the Toronto Terms of the Paris Club for some LDCs. Norway remained committed to strengthening international cooperation on commodities and special support would be given to the Common Fund arrangements. In the Uruguay Round one should look at the possibilities for offering special treatment to the LDCs in such fields as non-tariff measures and further simplified and liberalized rules of origin. Finally he underlined the importance of effective follow-up and monitoring mechanisms.

83. The representative of Thailand emphasized that the international community could not be complacent while 41 least developed countries continued to be hampered by economic stagnation and deprivation. A world divided into "haves" and "have nots" was not acceptable and the international community should not be satisfied as long as all people did not enjoy a minimum standard of living. All should make a commitment to undertake concrete action to eradicate poverty once and for all. However while it was essential that the LDCs receive the full support of the international community, they themselves must redouble their own efforts through the adoption of appropriate national policies and prudent and efficient development planning.

84. With respect to international support measures, he said that donors should increase financial flows to LDCs and that support should also be provided in the area of trade by offering increased market access to products of export interest to the LDCs, and assisting them to fully benefit from existing trade preferential systems. He called upon donor countries also to contribute to easing the debt burden of LDCs so that they could reallocate their resources towards the much needed expansion of their economies. He emphasized the need to take into account the social dimensions of growth. In this connection he said that it was essential that the fruit of development be equitably distributed. Social development was important and should go beyond the provision of basic education and welfare for all to encompass human rights and the importance of women in development. He said the Action Programme for the 1990s should incorporate all these elements and ensure that there was an adequate mechanism for the monitoring of its implementation.

85. The representative of Ethiopia said that, in contrast to positive changes in the global economic environment, the LDCs found themselves in a worse position today than they did at the beginning of the 1980s. He pointed out that, although the poor implementation of the SNPA was largely the result of shortfalls in financial flows to the LDCs, it had often been alleged that internal factors such as low interest rates, deficit financing, price distortions, excessive share of the public sector and even domestic political policy were to blame for the poor economic performance in the LDCs. The structural adjustment programmes which the LDCs had in place following the recommendations of donor agencies had not in fact led to the expected results. He noted that this was the reason why the African Alternative Framework to the Structural Adjustment Programme for Socio-Economic Recovery and Transformation had been adopted. This new approach was based on the explicit recognition of the human dimension in development. Referring to the efforts undertaken by Ethiopia he said that in March 1990 a new economic reform programme had been launched which was designed to strengthen the foundation of Ethiopia's mixed economy. He also referred to the efforts by the Government to resolve the internal conflicts through peaceful means. Other measures undertaken included an active population policy, disaster preparedness and prevention, food and nutrition and natural resource conservation strategies. In order to implement these policies a larger flow of foreign assistance was urgently required. The aid target of doubling the ODA level by the mid-1990s to reach 0.2 per cent of donor GNP by the end of the decade was of crucial importance. Referring to the Programme of Action for the 1990s, he said that such a programme should have three basic dimensions. It must address itself to the question of emergency as distinct from long-term economic assistance, the problem of environmentally related structural bottle-necks and the issue of technology generation and transfer.

86. The representative of the Republic of Korea stated that during the 1980s the LDCs had borne the severe brunt of economic decline, despite their efforts to achieve self-reliant and sustained economic growth. Turning to the SNPA he said that the objectives were not reached largely because of domestic policy shortcomings and structural handicaps in the LDCs and lack of adequate external financial flows. He emphasized that the new programme must be formulated taking into account the specific problems and needs of the LDCs. The programme should be fully supported by the political commitment of the international community. As to the efforts by the LDCs themselves, he said that structural adjustment programmes should be implemented in a consistent manner designed to overcome development obstacles and to enhance absorptive capacity of external assistance.

87. Calling for increased debt relief measures, he welcomed the recent initiatives of the developed countries, including the Toronto Declaration of the Group of 7, regarding debt reduction for the LDCs and hoped that these important initiatives would soon take concrete shape. With respect to trade measures he said the Republic of Korea was in favour of further broadening of preferential measures in the fields of duty-free treatment, GSP coverage, reduction of tariff and non-tariff barriers.

88. His Government was deeply concerned that higher oil prices in the wake of the latest Middle East situation would become another heavy burden on the economies of a great number of countries, including the LDCs, and noted that a response to the needs of the East European countries should be made without prejudice to the interests of developing countries, in particular, the LDCs.

Lastly he referred to the Establishment of the Economic Development Co-operation Fund as well as to the assistance the Republic of Korea was providing to the LDCs in the area of financial and technical assistance.

89. The representative of Rwanda stressed that most social and economic indicators showed that the LDCs had failed to achieve the development objectives set by the SNPA. He noted that Rwanda had experienced a deep economic crisis during the 1980s, mainly caused by an unfavourable external environment; sharp declines in primary commodity prices, particularly for coffee - the country's main export; a population growth higher than economic growth; climatic hazards and soil degradation; and the decrease in foreign capital inflows, particularly in official development assistance. He said that in order to address its current economic crisis, Rwanda had embarked on profound structural adjustment programmes, taking into due account the country's specific realities. He pointed out that the major objectives of these programmes focused on an adequate and balanced diet; development of human resources; rehabilitation of physical and social infrastructures; and a more efficient industrialization process, based on domestic resources and incentives to the private sector. Furthermore, he said economic stabilization was being pursued through a package of measures designed to achieve a reliable internal and external financial balance. He appealed to the international community to assess ways and means to cancel Rwanda's external debt, including its multilateral debt, and suggested other debt alleviation measures which would be of vital importance to the LDCs. He reaffirmed the importance attached by his country to regional and subregional cooperation and emphasized the need for reinforced international cooperation based on principles of shared responsibilities.

90. The representative of Sierra Leone stated that during the 1980s in general, the LDCs and Sierra Leone, in particular, had experienced severe social and economic hardships as a result of a sharp decline in food and agricultural production and considerable cut-backs in external assistance. He mentioned that the economic scenario for improvement in the immediate future did not appear brighter, considering the recent increase in oil prices and the recessionary trends in many of the industrialized countries. He also expressed concern that LDCs in the future might have to compete for external resources following the political changes in Eastern Europe.

91. For the 1990s it would be imperative to create a new Programme of Action under which it was ensured that global resources were invested to reap prosperity for all countries. Furthermore, it was important that donors should give firm assurances as to the amounts of development assistance for the decade so as to allow LDCs to plan more effectively. In concluding, he called for the careful preparation of the new Programme of Action, pointed especially to the importance of establishing adequate channels to implement all proposals.

92. The representative of Maldives said that, despite international and domestic efforts, the aspirations of the LDCs had been frustrated and the present Conference should reassure the peoples of the LDCs and they would have a fair opportunity to improve their condition. Domestic savings, agricultural production and manufacturing output were much below the targets set forth in the SNPA and the LDCs had experienced high population growth rates while the standard of health, education and nutrition had suffered sharp declines.

93. Finally he said that the Programme of Action adopted by the Conference needed effective follow-up and monitoring mechanisms, while national, regional and global institutions for monitoring needed to be strengthened.

94. The Director-General of the Food and Agriculture Organization (FAO) said that the economies of the LDCs depended basically on agriculture, forestry and fisheries and that this sector should receive clear and explicit priority in national policies, the allocation of internal resources and in international action. Almost all LDCs were chronic food deficit countries and the paramount need was to achieve food security. While imports and food aid with supporting services for transport, storage and distribution could ease the problem on a short and medium-term basis, the long-term solution lay in a massive and sustained increase in agricultural production. In turn this would need increased investment, improved quality and use of inputs, protection of the environment and resource base and development of human resources, including technical support and training services, improvement of credit and marketing systems and appropriate pricing policies. He further emphasized the importance of fisheries, both marine and inland, in the economies of the LDCs and their contribution to nutritional improvement.

95. He stressed the need for stable and remunerative prices for the exports of the LDCs. International mechanisms such as STABEX could be established for all LDCs. Until the constraints related to the development of production and adequate financing for agricultural progress and commercial imports were overcome, food aid would continue to be needed by the LDCs. Although there was at times the danger of food aid discouraging local production and creating irreversible dependence on imported cereals, modalities should be further examined which could stimulate production, stabilize markets and encourage cooperation among developing countries in this area. A mechanism that should be used more widely was the so-called triangular transactions, whereby commodities were purchased from developing countries with surpluses and channelled to neighbouring deficit countries in the form of food aid. The cash resources of the WFP needed to be increased to make it a potential buyer of these surpluses.

96. He called for a significant increase in ODA, the alleviation of the debt burden and better safeguards for agricultural commodities of the developing countries within the framework of the ongoing negotiations of the Uruguay Round. He referred to the priority which the LDCs received in the activities of FAO and assured the Conference of the organization's closest and most intensive cooperation in support of the LDCs efforts.

97. The Executive Director of the United Nations Population Fund said that in the LDCs the problems of overcoming economic backwardness were compounded by pressures caused by too rapid population growth and its uneven distribution. The LDCs had higher birth and death rates, higher fertility rates and higher growth rates and a lower expectation of life than other developing countries. The population of LDCs was expected to double in only 25 years from its current 444 million people.

98. She underlined that the LDCs were still confronting many of the problems they had had a decade ago. There was little hope that national food, production, education, health and housing would keep pace with the growing population needs. Increased poverty and lack of the necessary human and financial resources on one hand and population growth on the other could

perpetuate a worsening crisis in the LDCs. However, with sustained and effective action, including expanded local population programmes and external assistance, the fertility and mortality figures could fall during the next decade.

99. More LDCs had started to take action to implement population programmes or policies designed to lower population growth and there were some results in specific areas. More than two thirds of UNFPA assistance went to priority countries, including the LDCs, and covered a wide range of activities, mainly in the framework of country programmes. The level and effectiveness of this assistance has increased over the last decade. The DAC commitment to extend the needed external aid to LDCs population programmes was also an encouraging sign. Finally, she stressed the importance of the national political commitment and considered and said it was very important to take into account international recommendations in such areas as education, health and family planning.

100. The representative of the Czech and Slovak Federal Republic said that the inadequate performance of the LDCs in the 1980s was the consequence of numerous internal and external factors, owing to which the political and economic measures taken in these countries as well as by the international community had not produced the desired results. Particular attention should be paid to the cases of the relatively successful LDCs, especially in so far as measures taken by them would be applicable to other LDCs as well. Much work identifying suitable framework approaches and measures for a new Programme of Action had already been accomplished. However, further intensive negotiations were needed if the main objective of the Conference - finalizing and adopting of this programme - was to be achieved. A realistic programme should respect both the realities of the LDCs and the development of the world economy.

101. There was a close interrelationship and interdependence between the development responsibility of the LDCs and assistance from the international community. Joint efforts promoting cooperation for growth and development were needed. He stressed that an open, democratic system, fully respecting human rights, was one of the main conditions for development. Czechoslovakia had subscribed to the concept of cooperation of the LDCs with their development partners. With a view to improve LDCs access to the Czechoslovak market and to encourage imports from LDCs to Czechoslovakia, the Czechoslovak GSP had been revised several times during the 1980s. On the basis of the latest revision (1989) all imports from LDCs to Czechoslovakia were fully exempted from import duties. He expressed hope that successful implementation of an economic reform towards a market-oriented system would enable Czechoslovakia to expand assistance to LDCs in the future and thus to contribute, within its economic possibilities, to the achievement of the set goal.

102. The representative of Denmark, putting forward some elements for a new Programme of Action for the LDCs for the 1990s, said that this programme should express genuine support for the direct involvement of the people in the decision-making process at all levels. He felt that the programme must also reflect the vital link between open and democratic political systems and effective and equitable economic systems. There must be a fundamental commitment to economic policies that were conducive to the stimulation of market forces. A strong private sector would, in most countries, be a

prerequisite for economic growth, combined with an efficient public sector capable of providing a proper framework for the development of the economy. Moreover, the new programme should focus clearly on ensuring the full participation of women in the development process. Many LDCs were in a vicious circle of high population growth rates, leading to poverty and environmental degradation which all diminished prospects for economic growth. Success in reactivating economic growth depended on ability to control population growth.

103. Outlining the need to strengthen the development partnership between the LDCs and their development partners, he pointed out the importance of structural adjustment programmes. Such programmes should have the full political backing of the LDCs and be based on a realistic assessment of the situation. They should be designed to protect the poorest and most vulnerable groups, and the international community should fully support the structural adjustment efforts of the LDCs.

104. Emphasizing the importance of effective aid utilization, he said that every effort should be made to increase the quality of aid and to enhance aid utilization as a catalyst for economic growth. However, aid effectiveness and aid coordination could not be a substitute for the volume of aid. In 1989 Denmark had provided about 0.36 per cent of its GNP in development assistance to LDCs. Although he was not calling on other donors to do the same, he encouraged countries to reach the internationally agreed target of 0.15 per cent as soon as possible.

105. The representative of Sweden said the special session of the United Nations General Assembly devoted to international economic cooperation had concluded that the world was becoming increasingly interdependent. The effects of poverty were causing environmental degradation, migration and displaced persons. These unwanted effects had to be dealt with through broad international cooperation in addition to traditional joint efforts to bring about growth and equity. Both industrialized countries and LDCs had their respective responsibilities in this concerted effort to achieve development. Industrialized countries should support the efforts of the LDCs to overcome structural problems and reduce heavy dependency on commodities. As to international trade, she was of the opinion that the outcome of the trade negotiations in GATT should result in more favourable treatment of the LDCs. Sweden's aid policies showed a special interest in the problems of LDCs; more than 50 per cent of the Swedish country programme of assistance was allocated to LDCs and all official development assistance debt had been cancelled. She urged other industrialized countries to increase their ODA to LDCs and suggested that all donor countries should reach at least the target of 0.15 per cent within a five-year time frame. Sweden also supported the proposal to revised the target to 0.20 per cent by the end of the 1990s. As to the debt problems of the LDCs, continued and innovative efforts by all parties were needed. Additional resources should be found to assist LDCs in servicing their World Bank debt. All donor countries should cancel their ODA loans. As for non-concessional bilateral debt, it should be possible to agree on more concessional terms, but also to start dealing with the stock of debt rather than exclusively debt service falling due. Finally, for non-guaranteed commercial debt buy-back operations could be part of the debt strategy.

106. As to the responsibilities of the LDCs themselves, she pointed out that mobilization of human resources, especially a strengthened role for women, should receive high priority. Equally important was the fostering of human rights and democratic values.

107. She called on LDCs to reduce their military spending in favour of development and pointed out that environmental degradation was closely linked to poverty and sometimes to population pressures, because poor countries and people were compelled to deplete soil and water to meet short-term needs.

108. The representative of France stated that his country had advocated creative and effective solidarity between rich and poor nations at the social, economic, ecological and spiritual levels. The new concept of solidarity placed mankind in the centre and included the concept of interdependence between donors and recipients. Assistance was no longer the centre-piece. The present Conference was important because it took place in time of historic transformation in Europe and when events in the Gulf were threatening world stability. It was important that LDCs should themselves define their development policies - preferably on the basis of medium-term objectives to enable donors to support governmental action - establish their priorities, and decide on the modalities of their people's participation in the development process.

109. The French delegation had viewed adjustment and development as closely interlinked. The LDCs should endeavour to direct financing towards development programmes; develop support programmes for sectoral restructuring thus allowing revival of competitiveness; extend complementarity between adjustment and development to human resources; associate civil society with the development process by investing people with responsibilities; and institute democracy, pluralism and respect for human rights.

110. Proper utilization of human resources was an essential element in the development process of the LDCs. This would require measures such as control of the demographic explosion; improving education of women and their participation in development; fighting illiteracy; enhancing health and educational and training institutions; promoting rural development and marketing of food products; and ameliorating management of natural resources. Furthermore, the LDCs should mobilize their domestic resources, and strengthen regional cooperation. Finally, the scourge of LDC debt to multilateral bodies should be treated like bilateral debt which had been largely resolved.

111. The representative of Italy, speaking on behalf of the European Community assured the Conference that recent developments in Central and Eastern Europe would in no way affect cooperation between the Community and the LDCs. Referring to the Gulf crisis, he stated that the interdependence of the contemporary world had heightened the common concern for peace and stability in all parts of the world.

112. With regard to the SNPA, he stated that the annual growth rate of LDCs fell short of the target set out for the 1980s. He attributed the failure to: inappropriate domestic policies; lack of good government; political instability; excessive military expenditure; unsuitable demographic growth; insufficient mobilization of domestic resources; natural disasters; a continuing long-term downward trend in the prices of many commodities; high real interest rates; and insufficient financial transfers. As to ODA flows,

he said that the member States of the Community had collectively allocated half of the ODA flowing to the LDCs. Some of the member States had attained the target set by the first Conference on the LDCs, and others had even doubled it. He pointed to the fact that the LDCs themselves had primary responsibility for their own development.

113. The Community had adopted specific measures to alleviate the debt burden of LDCs. In this connection a variety of measures had been adopted: debt forgiveness; rescheduling of interest repayments; and conversion of repayments into local currencies. The Community recognized that further debt relief measures might now be required. With respect to trade measures, the Lomé Convention had brought about a 21 per cent increase in real terms in financial aid, improvements in the operation of existing instruments, such as STABEX, as well as measures to support structural adjustment, including provisions to deal in particular with the social repercussions of such adjustment programmes. As regards LDCs not signatories to the Lomé Convention, the Community was equally committed, within the context of its cooperation with Asian and Latin American countries, to strengthening its development cooperation efforts. The Community also intended not only to assist developing countries in stabilizing their export earnings from basic commodities, but also to help in developing the diversification in production and processing. The Community and its member States would seek to improve the functioning and revitalization of existing commodity agreements which reflected and were consistent with market trends. Study groups for commodities, by improving market transparency, could play an important role.

114. The Community agreed to the basic concepts outlined in the draft Programme of Action and he stressed that the Conference should reaffirm the donors' commitment to devote 0.15 per cent of their GNP to the LDCs. The draft should recognize the imperative need to mobilize and develop the human resource of the least developed countries. Under the Programme, the LDCs development strategies should promote social progress and the well-being of all people by satisfying their basic needs for food, nutrition, primary health care and basic education.

115. The Programme should also build and strengthen institutional capabilities of the LDCs, promote regional integration, and guarantee human rights. As to follow up, a strengthened review mechanism, at different levels, should constitute one fundamental means of policy dialogue and coordination between the LDCs and their development partners.

116. The representative of Spain said that, almost 10 years after the adoption of the SNPA for LDCs for the 1980s, the evidence showed that not only had the objectives set forth therein not been achieved, but the situation of LDCs, with rare exceptions, had actually deteriorated even further. There was general agreement that underdevelopment was a phenomenon with two faces, namely internal structural deficiencies that prevented economic development and an international system that marginalized LDCs and placed them at a relative disadvantage. In view of the difficult situation of LDCs, his country wished to contribute actively to their development through the provision of both diplomatic and material support. As a member of the European Community, his country supported all cooperation programmes of the Community, for example the Lomé Convention that concerned 33 of the 41 LDCs, and other cooperation initiatives with Latin America and Asia, as well as the Community's programme on food aid. In that connection, he referred in

particular to his country's cooperation arrangements with Guinea, which covered a number of areas. Overall there had been a threefold increase in the percentage of Spanish GNP devoted to official development assistance in the past five years.

117. With regard to the work of the present Conference, he put forward several proposals for consideration. He emphasized that the final text of the SNPA for the 1990s should be practical and operational and that the primary responsibility for development lay with the Governments of the LDCs, which should create favourable internal conditions to allow for development to take place and to make effective use of external help, which should be increased. He also emphasized the importance of democratic reforms, respect for and protection of human rights, the advancement of women and the protection of the environment. Finally, he pointed out that the criteria applied for the determination of LDC status needed to be revised from time to time.

118. The Executive Secretary of the United Nations Economic Commission for Africa (ECA) said that Africa's persistent socio-economic crisis and its economic stagnation were testimony to the very poor progress achieved in the implementation of the SNPA, particularly in Africa. When the SNPA had been adopted in 1981, 21 out of the then 31 LDCs had been in Africa, with a population of 140 million or 30.4 per cent of the total estimated population of the region. In the course of the decade, the number of LDCs in Africa had increased to 28, and that increase was regrettably a consequence of Africa's severe economic difficulties, compounded by man-made and natural disasters. Orthodox structural adjustment programmes had not proved satisfactory, since they were aimed at correcting short-term financial imbalances and not at long-term structural transformation. In that connection, African Heads of State and Government had adopted an African Alternative Framework for Structural Adjustment Programmes (AAF-SAP), which had been endorsed by the General Assembly of the United Nations.

119. With respect to external support, official development assistance, as called for in the SNPA had failed to materialize. The ODA target of 0.15 per cent of donor GNP for LDCs had not been achieved, and by 1988 OECD donors had attained a level of only 0.09 per cent of GNP. Unfortunately, because of the low level of domestic savings - about 4 per cent of GDP, as against 21 per cent for developing Africa as a whole between 1982 and 1989 - the African LDCs had gone through a decade of severe financial famine. When account was taken of their excruciating debt burden, it was not surprising that they had all become worse off during the 1980s, and not better off as they had been led to expect after the first Conference on LDCs.

120. He urged participants to take into consideration the specific problems and interests of LDCs when examining the draft Programme of Action for LDCs in the 1990s. He also called on the donor community to write off LDC debts completely. Special attention should be accorded to LDCs in the ongoing Uruguay Round, and a global, well-funded STABEX should be established to solve the perennial problem of African commodities. Finally, he re-echoed the proposal to double ODA flows by 1995 and to reaching a target of 0.20 per cent of GNP by the end of the 1990s.

121. The Executive Secretary of ESCAP said that, in spite of the progress achieved in some Asian countries, Asia as a region was still beset by much the same formidable development problems as nine years previously. He drew

special attention to the plight of the region's LDCs, whose further marginalization could seriously threaten regional peace and stability. During the 1980s, only 2 out of 11 LDCs in the region had attained the SNPA growth targets, while the rest had experienced negative or negligible growth. The problems of their weak economies were further exacerbated by excessive population growth, natural calamities and vulnerability to external conditions which offered little opportunity for structural change or economic diversification. The low level of ODA flows to LDCs was recognized as one of the most disappointing failures of the SNPA for the 1980s, and the new targets would necessarily have to be revised upward with respect to both bilateral and multilateral net ODA flows, especially in view of the effect of higher oil prices due to the present Middle East crisis. At the same time, domestic policies designed to promote growth would have to be formulated and implemented. Such policies should be flexible enough to allow for structural adjustments to be made to take into account the changing and increasingly competitive global economic environment. Efforts must also be made to achieve more progress in efficient resource allocation, better enterprise management, decentralization, privatization and deregulation, diversification of exports and investment in human capital. ESCAP's most recent annual ministerial meeting in June 1990 had adopted three resolutions designed to tackle the special problems of the LDCs, inter alia through increased foreign investment, trade promotion and strengthening of intraregional cooperation. He underlined ESCAP's role in helping the LDCs to monitor the implementation of the SNPA.

122. The Executive Secretary of ESCAP also spoke on behalf of the Executive Secretary of ECLAC, drawing attention to ECLAC's activities in favour of Haiti, which was the only LDC in the region concerned.

123. The delegate of Bolivia speaking on behalf of the New York Chapter of the Group of 77, adhered to the position of the Group of 77 as stated by the representative of Mexico. He said that the 1980s had been a decade full of contrasts. While developed market-economy countries had enjoyed uninterrupted expansion and growth, the majority of developing countries had remained in a stagnant, retrogressive situation. His Group shared the deep concern over the deteriorating crisis affecting LDCs, expressed in General Assembly resolution 42/177, and were confident that the Conference would arrive at appropriate solutions. He took note of the draft Programme of Action, which contained important elements conducive to the solution of crucial and pending issues, particularly ODA, LDC debt and trade objectives. The draft Programme underscored the importance of a favourable international framework which required adequate flows of financial resources to complement the LDCs' domestic savings and development efforts. On this point, his Group lauded the President of France for his exemplary commitment to arrive at 0.20 per cent of GNP for ODA by the mid-1990s and hoped the Conference would also set a date for the achievement of the ODA targets for LDCs. On external debt, he reiterated his Group's position that creditor countries and institutions needed to take urgent action to write off LDC debt without further hesitation or conditionalities and was confident that measures definitely to solve this grave problem would be adopted at this Conference.

124. On LDCs external trade, he reiterated the need to grant preferential treatment to LDC exports through, inter alia, elimination of tariffs and non-tariff barriers, granting of MFN status, and improvement of the GSP scheme. Once again, the Group of 77 underscored the crucial importance of

compensatory financing and the need to give LDCs greater access to IMF's compensatory financing schemes. He called on the international community, and particularly donor countries, to contribute to the effective implementation of the Programme of Action, in which UNCTAD had an important role regarding follow-up at the national as well as international levels.

125. The representative of Morocco stated that his delegation supported the initiatives and proposals of the French President concerning, inter alia, increasing ODA to the LDCs and debt reduction for middle-income countries. He said that the developing world had a common aim with the LDCs and that it was time to attack resolutely the origins of underdevelopment and of the world economic crisis. He pointed out that caution was called for in analysing these issues in view of the structural changes the world was witnessing, particularly with respect to the present tendency to confuse the imperatives of development and of the struggle against poverty, as well as the use of quantitative indicators for development to the detriment of the qualitative aspects of human development. Furthermore, the structural adjustment measures of the developing countries should be strengthened by symmetrical macro-economic adjustment policies of developed countries. He proposed in this connection that the adjustment programmes should be tailored to take into account the regional dimension of development thus making the allocation of rare resources more rational. The adjustment programmes should also be flexible in their implementation in order to avoid their depressive impact on the LDCs' fragile economies.

126. He referred to the different forms of economic and technical cooperation of Morocco both bilateral and multilateral with the LDCs, especially with the African LDCs. Finally he stressed the necessary conditions for an authentic partnership with LDCs and the importance of effective follow-up mechanisms for the new Programme of Action for the 1990s aimed at monitoring the international commitment towards LDCs, bearing in mind the exogenous shocks of the external environment.

127. The representative of Turkey said he hoped that the Conference would be a milestone in formulating a sound response to the needs of the LDCs, whose economic situation had seriously worsened in the 1980s. Production in the LDCs must be increased, and that could only be achieved on the basis of new and radical thinking. LDCs should focus on strengthening labour, capital and technology, since significant improvements in these key areas would increase production and subsequently bring relief in respect of domestic and external debt. Population growth had out-paced economic growth, thereby aggravating problems relating to nutrition, health services, settlement and education, so realistic population policies should be included in national development strategies. Another important need was to identify relevant technology requirements and to secure technology transfer from the developed world to industries in LDCs.

128. The existence of well-functioning financial systems for the mobilization of savings and allocation of credits was the key to investment. Although it was a long-term objective to establish efficient financial systems, LDCs may pursue some basic policies to establish monetary and financial stability. It was equally important to assist LDCs in their efforts to diversify their export base, which was centred primarily on agricultural commodities and raw materials. The attempts at diversification taken by LDCs so far had not been very successful, mainly because of a prevailing protectionist environment. It

was therefore important that international trade negotiations focus attention on LDCs' special needs in such areas as reduction of tariff and non-tariff barriers and liberalization of trade and textiles.

129. In conclusion, he said that measures taken by LDCs and their development partners could only be successful if they were accompanied by proper follow-up measures. Follow-up activities at the national level should be complemented by measures formulated by the relevant international organizations. It was imperative that mechanisms like UNDP round tables, World Bank consultative groups and UNCTAD should be well informed to enable them to take account of the specific conditions prevailing in LDCs.

130. The representative of Mauritania stated that, as the SNPA commitments had not been fulfilled, the situation of his country, like that in all LDCs, was continuing to deteriorate in all economic and social sectors.

131. In an effort to reverse this situation, Mauritania had launched an economic recovery programme, supported by the World Bank and the International Monetary Fund, for the period 1985-1988. This programme aimed at bringing GDP growth in real terms to exceed population growth (3.5 per cent and 2.7 per cent per year respectively); increasing productive investments and domestic savings; progressively reducing balance-of-payment deficit; and finally, reorientating public investments towards priority sectors such as agriculture, cattle breeding, health, education, etc. In addition structural reforms were also being undertaken.

132. He expressed concern about the sustainability of this recovery programme because Mauritania's economy continued to be dependent on uncertain growth, reduced export openings and a restricted resource base. The economy also remained very sensitive to price fluctuations, mainly of iron ore and fish, while the external debt burden had increased so significantly that it had impeded growth. His country therefore placed great hopes in the implementation of the new Programme of Action for the 1990s as it would coincide with the end of a consolidation and recovery programme initiated in 1989 with the help of the international community.

133. He finally mentioned what President Mitterrand had described as "a solidarity contract between the least developed countries and developed nations" and he said that this "solidarity contract" implied examining carefully the LDCs' debt rescheduling schemes, giving priority to the development of the social sectors such as health, education, and food as well as initiating measures to reduce environmental degradation.

134. The representative of Somalia stated that the 1980s had been a lost decade for many LDCs while, at the same time, the developed countries had been enjoying prolonged economic growth. In addition to a hostile economic environment many LDCs had also suffered natural calamities of unprecedented dimensions. As for the economic performance of Somalia, he stated that agriculture, the mainstay of its economy and chief export earner, had suffered serious setbacks. As a result of this dismal performance, social sectors such as education and health were also affected. It was not his intention to elaborate further on the bleak economic scenario of the 1980s, but he hoped that an efficient mix of political and economic reforms supported by domestic and external funding in an environment of regional peace would be sufficient to improve the socio-economic conditions of the Somali people. In providing

the basic conditions the Somali Government had taken steps to amend its Constitution to allow for a multi-party system, liberalization of the economy, and respect of fundamental human rights.

135. As to the new Programme of Action, Somalia considered the issues of human resource development, eradication of illiteracy, health, and the full participation of women in the development process to be of great importance. Other critical issues were the external debt problem and the imperative necessity of achieving the aid target of 0.15 per cent of the donors' GNP as ODA. Finally, he expressed the hope that the new Programme would provide clear indications for implementation of proposals and that it would also define effective follow-up mechanisms.

136. The representative of the United Nations Capital Development Fund (UNCDF) expressed cautious optimism for the LDCs' future in the light of his organization's experience. The assistance provided by UNCDF in the form of investment projects amounting to less than \$5 million was an effective instrument to LDCs' development as it filled an essential gap between larger-scale investments of international finance institutions and indigenous micro-projects. Implementation of the UNCDF type of projects, which operated where the poorest part of the population was found, had in general been successful, with remarkably high absorptive capacity and with no donor-fatigue syndrome. The prime objective of these projects was reduction of poverty, and they were thus a clear element of the SNOA. In recent years UNCDF had pursued operational strategies to promote direct and early benefits at the grass-roots level. Its investment projects strove to meet the needs of the deprived, tackling various forms of disparities within countries and mobilizing private initiative and entrepreneurship. Its approach was multisectoral and contributed largely to the creation of employment opportunities.

137. He added that the programme of UNCDF had expanded, in both scope and depth, and was now serving 48 countries, most of them LDCs. However, the growth in the Fund's resources had not kept pace with the programming potential developed in response to project requests in priority sectors. The current annual commitment level of \$65-70 million could not be sustained throughout the 1990s without a continued increase in current annual funding levels. To respond adequately to requests for assistance, an annual increase of 20 per cent was proposed by the Preparatory Committee for the Conference.

138. The representative of the United Nations Centre for Science and Technology for Development underlined the fundamental role of science and technology within the framework of the measures proposed in the draft Programme of Action. He hoped that the Centre's paper "Science and technology in the development of least developed countries" (A/CONF.147/PC.3/Add.18) would be useful to the Conference. The Centre, in cooperation with UNDP, was currently implementing a number of pilot projects in the LDCs in the area of technological development. These pilot projects, financed mainly by the Federal Republic of Germany, were under way in Cape Verde, Nepal, the United Republic of Tanzania, Togo and Uganda. In respect to resource mobilization, he said that new possibilities were available for the financing of science and technology capacity-building in the LDCs by the regional development banks, notably the African Development Bank. Furthermore, the Centre had provided assistance to the Administrative Committee on Co-ordination in its work relating to science and technology. Within this framework the Centre was focusing on three important areas which were

particularly relevant to LDCs, namely: the promotion of indigenous capacity-building; the development of technology assessment capacities; and the enhancement of the collective contribution of the United Nations System in the area of technical cooperation. The Centre would also provide support in the fields of environment and agricultural research.

139. The representative of the World Meteorological Organization, referring to the general concern over weather-related natural disasters, warned that the world was facing three major threats: global climatic change; depletion of the ozone layer; and pollution of the lower part of the atmosphere. Although these dangers, which emanated from human activities, affected the entire globe, least developed countries, often situated in marginal areas, lacked resources to mitigate their effects. With respect to foreseen atmospheric changes, he said that two years previously WMO together with UNEP established the Intergovernmental Panel on Climate Change (IPCC), which was to assess how climatic conditions would change during the decade.

140. Referring to weather forecasting, he said that this was crucial for land-use planning and for food production. Furthermore, meteorological and hydrological data were input material to models designed for water management programmes which were of major importance for the LDCs where fresh water availability was a serious problem. WMO, together with UNEP, was preparing an international agreement on how to reduce harmful emissions causing global atmospheric changes and hoped that the LDCs would play an active role in the preparation of this agreement. In reference to the development programmes for the LDCs he emphasized that atmospheric and environmental issues should be taken fully into consideration. WMO was committed to providing further assistance to the LDCs in its area of competence.

141. The representative of Yugoslavia, presiding country of the Non-Aligned Movement, said that the gap between the standards of living in the LDCs and those of the rest of the world was widening, despite efforts that had so far been made by the international community to assist the countries in question. Underdeveloped transport, financial and overall economic infrastructures, lack of technological and human resources and a high level of dependence on commodity exports continued to be constraining factors for a well-functioning market economy. The criteria for extending financial and technical assistance to the LDCs should therefore be more flexible and moderate. The action to be taken in future by the international community in support of the LDCs should be directed towards the following: improved access to markets for LDC products; more extensive implementation of measures to ease the LDCs debt burden, including debt write-offs; achievement at an early date of the internationally agreed ODA targets; enhancement of the compensatory financing facility and corresponding support for economic diversification; and increased support for human resources development programmes, as well as population and environmental programmes. He proposed that the LDCs should benefit from a large portion of the additional resources that would hopefully be released as the disarmament process made progress and military expenditures were revised downwards. In this connection, the establishment of a special facility to channel part of the so-called "peace dividends" into development assistance for these countries should be considered. The LDCs should also make their own efforts to mobilize resources for development. He also drew attention to the non-aligned inter-country arrangements that accorded special treatment to LDCs.

142. While expressing satisfaction at the changes taking place in Central and Eastern Europe and the disappearance of East-West antagonisms, the representative of Algeria said that one should not lose sight of the widening gap between North and South. He expressed the hope that cooperation and solidarity would prevail over selfishness and indifference. The LDCs constituted the most vulnerable part of the developing world, and during the 1980s 10 additional countries had had to be included in that category. The economic reforms and structural adjustment policies already undertaken by the LDCs for accelerating their development should be pursued during the 1990s and sustained by their development partners. Developed countries should provide the LDCs with adequate support for their overall macro-economic policies, including problems related to exchange and interest rates, and internal and external balances. The international community should assist LDCs by cancelling or alleviating debt and through compensatory financing facilities; by financial transfers, including ODA flows in the form of grants; and external trade. He outlined the assistance offered by his country to the LDCs and pledged its determination to continue to help them.

143. He deplored the fact that the Uruguay Round negotiations did not sufficiently take into consideration the concerns of developing countries and, in particular, those of the LDCs. In this respect, tariff and non-tariff barriers affecting LDCs' exports should be removed. Industrialized countries should encourage direct investment in LDCs. He outlined development possibilities offered through economic cooperation among developing countries, which would be of vital importance for the LDCs. The important problem of the degradation of the environment in LDCs would not be solved unless these countries developed. Finally, he underlined that there was a dialectical link between human rights and the right to development, and that the two could not be dissociated.

144. The representative of Switzerland concurred that the majority of LDCs had undergone years of severe economic stagnation during the 1980s. The Conference provided a good platform for the international community and the LDCs to continue the dialogue embarked upon in the 1980s and to seek to adopt a development-oriented Programme of Action for the 1990s. He pointed out that population growth, economic crisis and environmental destruction had created a vicious cycle of poverty, hunger, lack of infrastructure and increased infant mortality rates. These trends would need to be reversed.

145. He identified a number of areas which should be considered in a Programme of Action in order to overcome the current impasse and stressed the importance of sustained economic growth. To that end, the LDCs should encourage productive activities with the participation of all economic agents in their countries. Industrialized countries had the main responsibility for maintaining a conducive international economic environment. The 1980s had seen the major commodity agreements fail in their attempt to stabilize export earnings from producing countries. In 1987, Switzerland had introduced a compensatory financing programme in favour of the LDCs (largely similar to EEC's STABEX).

146. He called for debt relief through multilateral and bilateral channels based on the examination of each debtor's situation. Further, special attention should be given to the mobilization of human resources to enable the LDCs to cope with their population growth.

147. Another issue of importance was environmental protection with active international assistance and the reinforcing of institutional frameworks in LDCs. To face these challenges concerted measures on national and international levels and the participation of institutions at the regional and local level were needed. He emphasized the fact that respect for human rights was an important element in any viable development process.

148. The representative of Yemen said that his Government had embarked on a new path since the declaration of unity on 22 May 1990. The country's Constitution laid emphasis on the protection of human rights and the promotion of political freedom, and the Government was pursuing a process of democratization that would ensure participation by all people in the development process. On the economic front, his Government was making efforts to create a favourable environment for foreign investment and external assistance. As part of the effort to raise production, high priority was being given to the agricultural and fishing sectors as a means of increasing food security. Emphasis was also being laid on obtaining the appropriate technology for the development of all sectors of the economy. Special attention was being given to achieving a better balance between economic and social growth rates and to promoting rural development. High priority was also being given to the formulation of a more rational population growth strategy.

149. Referring to the SNPA, he said that the new Programme of Action should be supported by a firm commitment by the LDCs and their development partners to undertake steps that would allow self-sustained growth beneficial to all. He called on donors to back up actions by the LDCs by striving to meet the agreed ODA/GNP target, writing off bilateral debts, converting loans to grants, reducing interest rates and facilitating LDCs' access to foreign markets through improved GSP schemes.

150. The representative of Finland, referring to the sharp deterioration of the socio-economic situation in the LDCs, emphasized that measures to reverse that situation were effective only when they contributed to nationally determined priorities. Within this context external assistance should play a supporting role. He said that the structural adjustment programmes that had been initiated had been pivotal in this respect. He noted, however, that the most vulnerable groups of the population should not suffer from their implementation.

151. Referring to other measures that would be required to ensure future progress he said that respect for human rights and democratization of the societies were central ingredients in development. LDCs should also make attempts to decentralize the decision-making process to ensure the participation of all people in the development process. Herein he underlined the crucial role of women and noted the importance of institution building, human resources development, population policies, and protection of the environment.

152. As to the development assistance of Finland to the LDCs, in 1989 40 per cent of Finnish bilateral aid was channelled to the LDCs, which received 0.19 per cent of Finland's GNP. Internal instability in many of the Finnish LDC partners might cause difficulties in maintaining the present level of assistance in these circumstances. He emphasized that all donor countries should support the target of 0.15 per cent of GNP and urged all donor

countries to provide the assistance to the LDCs in the form of grants. He also recalled that Finland had constantly supported measures taken by multilateral agencies and institutions to direct more resources to the poorest countries. As for the debt problems of the LDCs, Finland had actively participated in efforts to find various measures to alleviate the debt burden of the low income debt-distressed countries and would carefully study the World Bank and IMF evaluation of the benefits of the debt relief measures so far taken. Finland supported a mid-term review of the new SNPA.

153. The representative of the Commission of the European Communities said that the social and economic situation of the LDCs had deteriorated in the 1980s, bringing the threat of marginalization within the international economy. What had happened was that the reform measures undertaken by LDCs had not yet borne the hoped fruits and international cooperation had not been sufficiently effective. However, the 1980s had not been a "lost decade"; because they had also seen some very positive developments such as the determination of the LDCs to take charge of their future through better use of resources and less dependence on external aid, to set policy priorities with more realistic objectives, to put in place more realistic adjustment policies, and to create institutions based on democratic principles. With regard to the new developments in Eastern Europe, the Community would remain a reliable and steady partner for the LDCs and its attention would not be diverted. This commitment sprang from the Community's basic agreement with the principles of the Programme of Action and the fact that the Community's views converged fairly broadly with those expressed by the LDCs. The Fourth Lomé Convention, finalized in December 1989, reflected the Community's awareness of its responsibility towards developing countries in general and LDCs in particular, 33 of which were linked with the Community by the new Convention. These LDCs, like the other ACP countries, would benefit from the improvements brought about by Lomé IV. In addition, they would be given special treatment in the allocation of assistance, since they would continue to receive a per capita amount far higher than the ACP average. Furthermore, special provisions would ensure that the rules of origin and STABEX would be applied on more favourable terms. Finally, the Community was willing to commit itself to the "contract of solidarity" between the LDCs and their development partners which several other delegations had endorsed.

154. The representative of International Fund for Agricultural Development (IFAD) said that the adoption in 1981 of the SNPA marked a new stage in constructing an efficient and coherent framework for international cooperation in favour of LDCs. Great hopes had been placed in this programme but they remained unfulfilled. The challenges ahead would require increased efforts to promote a more self-reliant process of economic growth which would bring the poorest groups into the mainstream of development. Referring to the activities of IFAD, he said that the overall objective was to halt the vicious circle between poverty and environmental degradation. IFAD's efforts were focused on promoting micro-economic policies that would upgrade the rural sector, particularly with respect to the traditional smallholder enterprises. It was essential in all these efforts to create a climate favourable to foreign investments, which should play an important role in promoting agricultural development in the LDCs. Another dimension in promoting agricultural development in the LDCs was the role that cooperatives and other non-governmental organizations could play in supporting sustainable development in the rural sector. Referring more specifically to the activities of IFAD in favour of the LDCs, he said that during the period

1978-1990 the Fund had financed or co-financed on highly concessional terms projects in the LDCs which had a total cost of \$US 3.147 billion. With respect to the strategy for the coming years he said that a major element of the new Programme of Action would be to increase the flow of development assistance to the LDCs, especially in favour of the poorest groups in these countries. IFAD looked forward to playing its full part in these efforts.

155. The Director General of the International Labour Organisation stated that, despite the fact that the objectives of the SNPA were still valid none had been reached and the LDCs were now in a situation worse than that prevailing in 1981. ILO was in agreement with the principles on the basis of which the new programme had been formulated, namely: (1) the LDCs primary responsibility for their development plans and strategies; (2) the flow of adequate external support; and (3) strict evaluation of international commitment of LDCs and their development partners. He emphasized that fundamental human rights and the rights of workers should be at the heart of any development strategy. This was a requirement for its success as there was a strong link between management of development, the social dimension and the respect of human rights. Another aspect of development was that it should be based on the participation of all.

156. The development of LDCs depended also on external support and he called on the international community to make firm financial commitments to help LDCs overcome their many problems. These could be done through alleviation of the debt burden and the meeting of the ODA target of 0.2 per cent of GNP. The LDCs should in turn undertake development actions based on the participation of all, including women, who should play a more active role. In this context he welcomed the proposals by non-governmental organizations that all countries ratify the ILO Convention on Trade Unions and subscribe to the eradication of all forms of discrimination, particularly against women.

157. Under structural adjustment schemes, special efforts must be made to moderate the burdens placed on the poor; social justice was an effective tool in the eradication of poverty. He stressed the importance of the informal sector as a source of employment and advocated placing high priority on efforts to reduce illiteracy. Finally, he reaffirmed ILO's commitment to contributing fully to any strategy aimed at self-reliance and sustainable development.

158. The representative of the Common Fund for Commodities recalled that the Fund had been established with the dual purpose of stabilizing commodity markets through stocking arrangements and assisting commodity development measured in the context of international commodity agreements and arrangements. In this first year of the Fund's existence necessary preparatory work for its operational activities had been undertaken and its policy-making bodies had just adopted the basic policy instruments and guidelines for operational activities of the Second Account of the Fund. Financing of projects was expected to start shortly. Within the bounds of available resources, the Common Fund for Commodities was eager to make its modest contribution in promoting diversification of the LDCs' economic base, improving and raising productivity, improving product quality, expanding market outlets and marketing skills, and improving and developing physical infrastructure. The degree of its contribution, however, would be determined largely by the amount of resources available to it. In this respect generous contributions to the Fund by voluntary donors was a decisive factor.

159. The representative of Belgium said that the results of the last decade for the LDCs were disappointing, as exemplified by the inclusion of 11 countries in the category during that period. Furthermore, recent events in the Gulf region would not be without damaging effects for the LDCs. General orientations which should guide the Conference in the conception and implementation of the Programme of Action. These were firstly that the LDCs were primarily responsible for their own development and secondly, that one of the main guarantees for continuous growth was improving democracy in the LDCs.

160. Belgium's ODA to LDCs had averaged 0.14 per cent of its GNP during the period 1981-1989, and confirmed that his Government agreed with the objective of 0.15 per cent. Developed countries should reach that objective within five years. Aid should be highly concessional; 95 per cent of Belgian aid to LDCs was in the form of grants. Sectoral priorities should take into account the capacity of response of donor countries.

161. With respect to debt, the measures that official creditors could take would be essential to complement LDC adjustment action. He was not in favour of across-the-board debt cancellation. Concerning the Toronto Agreement, it had been used only for a very small percentage of the debt of LDCs. As for public bilateral debt, he recalled Belgium's proposal at UNCTAD VII, namely, for the conversion of debts into projects to be implemented, whose cost would be the debt counter-value in local currency. With regard to multilateral debt, the scope of the measures that the multilateral institutions could take to alleviate it should be increased. As part of the reorientation of its own aid, Belgium would continue to increase its contributions to multilateral financial institutions, such as the World Bank. Efforts should be made to stabilize to the maximum possible receipts of LDC exports of commodities and he proposed that the agreement on the Common Fund be reviewed in order for it to give more prominence to the priority needs of LDCs.

162. To have durable effects, structural adjustment programmes should be accompanied by programmes, aiming at safeguarding popular welfare and should include long-term operations. When a number of countries faced similar constraints, regional programmes should be envisaged.

163. Concerning the follow-up of the Conference, he emphasized three points: on coordination, the system of country round-tables and consultative groups should be intensified; evaluation should be periodic but at more than yearly intervals; the list of the LDCs should be examined in this context, and the Planning Committee should make proposals concerning the admission criteria; finally, the United Nations should devote more resources to assist LDCs.

164. The representative of the Union of Soviet Socialist Republics stressed the close connection between poverty in the LDCs and the absence of solutions to the major global problems such as disarmament, external indebtedness, preservation of the environment, stabilization of commodity markets, food supply and the demographic situation. He explained his country's positions on some key problems related to the implementation of the SNPA for the 1980s for the LDCs and adoption of an international strategy for the LDCs for the 1990s. The unsatisfactory results of the implementation of the SNPA for the 1980s should be explained not only by insufficient efforts of many LDCs and/or an unfavourable external environment but also by the fact that these countries had inherited inefficient economic structures from the past, which had made their economies especially vulnerable and weak.

165. Between 1981 and 1989, Soviet ODA to the LDCs exceeded \$US 20 billion or reached, on average, 0.18 per cent of Soviet GNP. As for debt service, the figures for 1985-1989 showed that actual overall payments of LDCs to the USSR did not exceed 15 per cent of new disbursements of Soviet credits. The USSR contribution efforts in the international community for debt alleviation (write-offs and rescheduling) resulted in total reductions in the LDCs' payments due to the USSR in 1986-1990 of more than \$US 6 billion. Further bilateral measures were under consideration subject to approval by the Parliament.

166. The Soviet Union was an important trade partner of the LDCs. The volume of trade between the USSR and the LDCs exceeded \$US 2 billion in 1989, or increased by 40 per cent as compared to 1980. The new USSR draft customs tariff provided for a custom-free régime for all goods imported from the LDCs. Further liberalization of rules of origin for such goods was under consideration. He stressed that the USSR supported the stabilization of international markets of commodities, including those of special interest to LDCs, and called for activation of international agreements for commodities and operations of the Common Fund for Commodities. The USSR favoured development of some new and less traditional forms and modalities of trade and economic cooperation with the LDCs, such as production cooperation, counter-trade, joint ventures, etc.

167. The Soviet Union considered the draft programme of action, formulated by the Preparatory Committee, as an acceptable base for further discussion in order to make it more balanced and action-oriented. The USSR was ready to take part in existing multilateral mechanisms of aid coordination and regularization of debt problems.

168. The representative of Austria stated that, although the economic achievements in the LDCs during the 1980s were far below the set targets, there was reason for optimism in the 1990s. LDCs had assumed their primary responsibility for development and had committed themselves to substantial reforms. He underlined the general acceptance that only a market economy would ensure sustainable economic development, setting free the full potential and creativity of men for development. He stressed in this context that a market economy worked best in a democratic political setting. There would be a vital link between accountable and democratic governance, respect for human rights, and the effective and equitable operation of the economy.

169. The draft Programme of Action rightly called for specific policies and measures with focus on the basic transformational needs and aiming at the acceleration of their long-term growth and development. These measures and policies would also form the key elements for any successful national development strategy.

170. He stated that each LDC needed to mobilize its resources and implement its reforms. But it was the responsibility of the international community to create a supportive international environment and provide adequate external resources. ODA would continue to be of great importance in assisting LDCs in their efforts to achieve sustained economic development. Austria was prepared to assume its role as a partner in development and to be responsive to the needs of the LDCs. Within the Austrian cooperation programme, the cooperation with LDCs had increased by eight times in the last decade. It had been

reorganized and would now focus especially on areas of poverty alleviation, human resource development, indigenous entrepreneurship, agricultural and rural development and investment in infrastructure.

171. In the field of trade, Austria favoured better access to markets for exports from LDCs within the framework of the GATT. Under the Austrian GSP-scheme custom tariffs had been abolished on most products and this scheme was also free of any quantitative restrictions. As to debt service, Austria supported measures to alleviate the debt burden and fully participated in the implementation of the Toronto Terms. He emphasized the particular importance Austria attached to environmental issues. Industrial countries would have not only to solve their own environmental problems but also to assist the developing countries in their effort to preserve their resource base and natural environment. In concluding, he assured the LDCs that Austria, while fully supporting the recent developments in Eastern Europe, was determined to further increase its official development assistance.

172. The representative of Malawi stated that his country, like many other LDCs, had suffered severe economic setbacks during the 1980s. In stark contrast to an average growth of 6 per cent per annum achieved in the 1970s, Malawi had registered a modest growth of 2.2 per cent per annum during the 1980s as against an annual population growth of 3.2 per cent. During this period his country had experienced a sharp decline in commodity prices, unfavourable terms of trade, decline in external flows of aid and soaring external debt obligations. These negative factors were compounded by the effect of civil strife in neighbouring Mozambique, with consequent loss of access to the sea through the most direct routes resulting in an increase of transport cost for export goods from 25 per cent to 40 per cent. The country was further burdened with an influx of refugees which had risen to 800,000 refugees by 1989, equivalent to 10 per cent of Malawi's population.

173. To arrest the economic crisis, Malawi had adopted structural adjustment programmes with the support of the World Bank and the IMF. Under these programmes Malawi had made great strides in addressing the rigidities inherent in its economic structure. This included institutional building, expanding the export base and allowing the market forces to operate and thus influence the pricing of products and resource allocation. Despite these efforts, economic prospects continued bleak, against the background of problems of market access, shortfalls in export earnings and related factors. If the structural adjustment programmes were to succeed, Malawi would need international support in the form of removing barriers to trade, debt relief and increased resource flows. On the issue of debt, he suggested that the creditor community should consider practical measures aimed at resolving problems of commodity prices, terms of trade, access to markets and uninterrupted resource flows. Improvements in these areas would be the surest guarantee to honour outstanding debt.

174. The representative of Indonesia said that the preparatory work for the Conference, which included the Ministerial Meeting in Dhaka, the Intergovernmental Group meeting in Geneva and other preparatory meetings covering various areas of special concern to LDCs, had established a basis for formulating the draft Programme of Action, which contained broad agreements on new elements of a development strategy for promoting cooperation between the LDCs and their development partners.

175. Reviewing the performance during the last decade, he observed that the economic situation in the LDCs had been extremely poor. Many of them had experienced a period of stagnation and decline in various economic and social sectors, while the commitments undertaken in the SNPA had unfortunately not been fulfilled. The established target of the SNPA growth rate of 7.2 per cent had not been reached and, in reality, the average growth rate of the LDCs during the 1980s had been only 2.3 per cent. The success of the new Programme of Action would depend on a number of factors, including the strengthening of partnership between the LDCs and the donor community and the adoption of appropriate macro-economic policies in the LDCs. He emphasized, however, that the crucial imperative would be the provision of adequate external finance.

176. With regard to the monitoring and follow-up mechanism, he emphasized that the linkages between such mechanisms at national, regional and global levels should be strengthened. In this connection the role of UNCTAD as focal point for global monitoring was crucial and should be reinforced. Referring to the modest role which his country could play in assisting the LDCs he said that in the past Indonesia had implemented some 226 TCDC programmes involving other developing countries, particularly LDCs, and that these efforts would continue to have highest priority within the framework of his Government's technical cooperation programmes.

177. The representative of Greece stated that his country supported the basic principles of the Programme of Action for the LDCs in the 1990s, whose broad objectives were to stop and reverse their worsening economic and social situation and to accelerate their development process. He believed that an agreement was possible with regard to three major issues which remained unresolved: the level of the ODA target, debt relief and access to markets. Referring to the efforts undertaken by the LDCs, he said that structural reforms to stimulate growth and mobilize domestic resources required considerable international support. There was therefore an urgent need for increasing - in terms of quality and quantity - financial flows to the LDCs and he called upon the LDCs themselves to make substantial efforts to improve the absorptive capacity of their economies. He noted that the external debt of the LDCs constituted a major obstacle to their economic development and felt that this issue should be given high priority at the Conference. In order to overcome the LDCs' lack of resources further efforts should be made to expand the range of their exports by promoting horizontal and vertical diversification of the export base. As to the issue of access to markets, he hoped that the ongoing Uruguay Round negotiations would provide the LDCs with additional avenues for their exports. He also underlined the importance of the mobilization and development of human resources and capacities in the LDCs, and said that the democratization of administrative and institutional structures, as well as the encouragement of reforms that ensured a balance of resource allocation between public and private sectors, would contribute to the achievement of this objective. He also pointed out the importance of food aid and agricultural and rural development, environmental protection and housing. Finally, he reaffirmed that his country would continue to support economic, technical and cultural agreements with the LDCs.

178. The Secretary-General of the Organisation for Economic Co-operation and Development (OECD) noted that, during the 1980s, whereas the industrialized countries saw their longest period of growth since the end of the Second World War, the developing world's economic performance had not been that

satisfactory, with the exception of certain Asian economies, and that of the LDCs had been even less satisfactory. The share of the LDCs in world trade had dwindled further, and their terms of trade had deteriorated by 15 per cent between 1980 and 1988. The external financial resources that had been channelled to these countries had been insufficient to prevent the situation from worsening. He emphasized the role which the developed countries should play in assisting the LDCs in their efforts to reverse this situation of stagnation and decline, and in this connection the developed countries should increase the flow of resources to the LDCs. Although a few OECD countries, as well as some OPEC countries, devoted more than 0.15 per cent of their GNP to aid for the LDCs, the average for industrialized countries was still far below the target set. Furthermore, despite the efforts made in recent years by donors to improve the quality of their assistance, there was still ample room for further improvements in this area. With respect to trade measures, since the LDCs were heavily dependent on their exports to finance their imports and service their debt, the LDCs should be further assisted in their efforts to expand markets for their products. Even if a great deal had already been done to facilitate the entry of goods from LDCs into industrialized countries' markets, further concessions (particularly concerning restrictions on textiles) and the relaxation of certain rules (such as rules of origin) could contribute significantly to improving export prospects for the LDCs. The Governments of the developed countries also had an important role to play in relieving the debt burden of LDCs, and in this connection writing off LDC debts would not be an unbearable sacrifice for creditors. Population protection and preservation of the environment were important issues and human resource development and the provision of technical assistance would greatly alleviate the know-how deficiencies in the LDCs.

179. The representative of Mozambique pointed out that the challenge for the 1990s was to arrest further deterioration in the social and economic situation of the LDCs and to set the basis for reactivating growth and sustained, accelerated development. The strategy for meeting this challenge ought to be based on a shared responsibility and a strong commitment to mutually reinforcing action by both the LDCs and the international community. The LDCs would naturally bear the responsibility of steering their own development by continuously designing and adopting policy measures aimed at correcting the macro-economic disequilibrium, creating an environment for increased mobilization of local resources, and promoting the participation of the population in the development process. Due to the special characteristics of the LDCs, further efforts would be called for in order to ensure the basic needs of the population for food, health and shelter. For their part, the development partners of the LDCs could render full and effective support to the efforts of these countries with the provision of substantial flow of resources in a more predictable and automatic basis and all other required types of assistance, including adequate and sizeable debt relief, injection of capital from both public and private sources, trade support measures, and technical assistance. The draft Programme of Action should be based on general policy guidelines which explicitly recognized the unique features and challenges confronting the LDCs.

180. The representative of Honduras said that concerted action by the international community to alleviate poverty was crucial if the present peaceful world climate was to be maintained within the framework of both East-West and North-South relations. He said that in order to address the issue of continuing poverty and misery in the LDCs effectively and fairly it

was also necessary to revise the LDC status criteria set years ago. In this connection he agreed with the French Government's position that this designation should be accorded to those countries which, by virtue of structural deficiencies, were not capable of recovering without international aid.

181. Furthermore, attention should also be given to a new group of countries that were not yet under this category but which could qualify as LDCs if the current difficulties which they face continued. Specifically, he cited the case of the Central American countries, whose experiences in the 1980s with armed conflicts, devaluations, and adverse climates, had resulted in retrogression of their living standard to that of 20 years ago. He noted that the successful negotiations held recently by Central American Governments had paved the way for the restructuring of economic integration arrangements in that region. However the prospects for the success of these initiatives were bleak because of limited resources. He therefore stressed the need for increased financial flows to the region in order to prevent these countries from sliding into the LDC category.

182. The representative of Comoros said that when assessing the events of the past nine years, he could only take note of unfulfilled commitments, a failure in the implementation of the SNPA and an absence of solidarity between nations. He noted, however, that the Round Table meetings between donors and the LDCs organized under the aegis of the United Nations system had established a framework within which some prospects for donor support were likely. He added that his country had expected the SNPA for the 1980s to implement measures for debt alleviation, increased external assistance, expanded diversification of the economies of the LDCs, the conservation of the environment and the development of human resources. However, Comoros had had to face endless difficulties such as diminishing external assistance, budget deficits, economic disintegration, increased debt burden and demographic pressures. These developments had had a serious adverse impact on overall economic performance. Moreover, the dollar and interest rate fluctuations, as well as the fall in commodity prices, had greatly compounded this deteriorating situation. He then highlighted the initiatives which his Government was planning to undertake in order to expand the industrial sector, streamline public finance, liberalize the economy, improve the educational system and build up the public sector. In addition, his Government was negotiating the establishment of a structural adjustment programme supported by the World Bank and the International Monetary Fund which would begin operating before the end of 1990. Finally he said that his Government was also committed to consolidating the ongoing democratic process.

183. The representative of Sao Tome and Principe said that the negative growth of industrial and agricultural production of the LDCs was mainly attributable to a lack of financial resources and a loss of external markets. The structural precariousness of the LDCs called legitimately for special treatment. This need was undeniably allowed for in the SNPA adopted in 1981. However, many of the socio-economic objectives laid down for the 1980s were not achieved and the situation in the LDCs continued to deteriorate. The LDCs were indeed responsible for their development and were the first to be blamed for inadequate internal policies. Yet there was no doubt that insufficient external aid and an unfavourable international economic climate had greatly contributed to worsening the living conditions in LDCs. It was thus urgent to break this cycle of poverty and indebtedness through abundant aid. This

Conference should have joint action for the LDCs as a primary objective and strive to obtain additional gestures on the part of the industrial nations - gestures which would secure more important transfers of financial resources such as cancellation of bilateral debt, and its extension to multilateral debt and larger grant component in aid flows. Moreover, instituting a fair and durable multilateral trading system would ensure stabilization of export earnings and the elaboration of more efficient development policies, including the necessary instruments for the control of demographic pressure, soil conservation and the struggle against natural disasters. The Conference should bear in mind that only international cooperation would secure sustained growth and more harmonious social development in the least developed countries.

184. Reviewing the situation of Sao Tome and Principe he said that his Government had established a development strategy since 1985 followed by a Structural Adjustment Programme, supported by the World Bank and the International Monetary Fund. Both aimed at correcting macro-economic imbalances and diversifying the economy through liberalization efforts in the commercial and agricultural sectors. Unfortunately, all these undertakings were undermined by the collapse of commodity prices and his Government in March 1989 had gathered a second Round Table in Geneva, with the help of UNDP, the African Development Bank and the World Bank, in order to appeal for external aid.

185. The representative of Cuba said that East-West confrontation should not be replaced by a further deterioration in North-South relations. The gap between developed and developing countries continued to widen, not only in the economic and social areas but also in the scientific and technological fields. President Fidel Castro had said that external debt had now become the principal obstacle to development, the most important means of financial extortion and the latest form of neocolonialist dependence for developing countries. At present, however, both creditors and debtors alike admitted that the debt was not only unpayable but also uncollectable.

186. His country applauded the proposal of President Mitterand to secure sufficient resources for LDCs to revive growth and to cancel the debt of all African LDCs. Following the example of the Nordic States, the members of the Group of Seven and other industrialized countries should work towards the same goal. He underscored the need for a continued flow of financial resources not tied to conditionalities and endorsed the proposal that resources derived from disarmament should be destined for the development of LDCs. It was also necessary to ensure appropriate and not exceedingly onerous transfers of technology to these countries and to provide effective support for their national, social and economic development programmes, respecting their socio-cultural traditions and the right of people to choose their destiny freely. Cuba, a poor and underdeveloped country, devoted 1.5 per cent of its GNP to economic and technical cooperation with over 60 third world countries of which 23 per cent were LDCs and it was important to further explore new possibilities for South-South cooperation as a necessary complement of North-South cooperation. Finally, he hoped that the Conference would provide LDCs with a new perspective and allow them to achieve true and sustainable development before the year 2000; his country would devote its untiring efforts to that end.

187. The representative of Pakistan observed that the SNPA adopted in 1981 had been expected to transform the economies of the LDCs and enable them to attain minimum standards of education, health, housing and job opportunities for their citizens. Nearly 10 years later, an assessment of assessing the SNPA showed that social and economic conditions had worsened: food production had failed to match population growth; extremely low levels of literacy had persisted; environmental deterioration had proceeded at a faster pace than in the past; and terms of trade had deteriorated. On the whole the economic environment had been unfavourable to LDCs. Of particular concern was the low level of commodity prices, the mounting debt-to-GDP ratio and insufficient external flows.

188. He expressed the hope that this Conference could in its new Programme of Action propose realistic measures that would assist the LDCs in reversing their adverse situations. Pakistan would favour a programme that focused, inter alia, on the achievement of basic needs, a substantial increase in the flow and effectiveness of aid, the identification of complementary resources with emphasis on human resource development, an increased sensitivity of international lending institutions to the long-term objectives of the LDCs' development strategies, and the predictability of the resource flows.

189. For its part, Pakistan had adopted a positive approach to the problems of LDCs and had to that end initiated a modest technical assistance programme for Africa, motivated by the concept that the development of human resources was the single most important means of contributing to their economic development.

190. He also hoped that this Conference would identify the critical injustice done to the LDCs in the international trading system, in the decline of their percentage share of trade, in the adverse impact of worsening terms of trade, and the need for access to markets.

191. The representative of the United Nations Environmental Programme (UNEP), referring to the world-wide environmental hazards such as stratospheric ozone depletion threatening to endanger human health, climatic change and consequent global warming, urged the Conference to adopt strong measures in support of the LDCs to enable them to frame a new approach to development. Dependent more than other countries on their natural resources, the LDCs were under pressure to exploit those to earn hard currency to service their debt. In the process, their forests were destroyed, deserts expanded and soil was washed into the sea, pollution mounted, coastal areas were degrading and fishing stocks declined, thereby undermining the LDCs' future economic prospects. Climate change, stratospheric ozone depletion, accelerated deforestation, and extinction of plant and animal species were global risks demanding urgent attention by all, including the LDCs.

192. As the LDCs lacked resources, the international community should provide additional resources and full access to environment friendly technology to enable them to participate in environmental measures for sustainable development and the management of the emerging global environmental issues.

193. UNEP, along with other United Nations organizations had provided technical support to enable LDC Governments to formulate appropriate policies and environmental legislation and undertake special studies, including cost-benefit analyses. The Global Environmental Facility of the World Bank and the Montreal Protocol on Ozone Protection would provide critical

technology assistance to developing countries. These arrangements showed how Governments could assist one another to secure additional funds and transfers of technology.

194. The representative of the United Nations Industrial Development Organization (UNIDO) said that the efforts to promote industrial development in the LDCs were hampered by the overall economic constraints which these countries faced. The support of the international community was recognized as being necessary for the achievement of the SNPA targets for the manufacturing sector. The role of the manufacturing sector should not be underestimated because it supplied inputs required for building up a basis for long-term development. Furthermore, agro-based industries had an important role to play in creating linkages which provided an impetus to agricultural development.

195. He said that, in the framework of the medium-term plan launched in 1990, UNIDO was helping the LDCs to draw up strategic plans for industrialization; to undertake market studies; to finalize and assess investment projects; to revive enterprises that were in difficulty; and to develop human resources. This work was being undertaken in Africa, under the Second Decade for the Industrial Development of Africa, as well as in Asia and the Middle East, where, as in Africa, special technical assistance programmes were to be initiated to facilitate the perfecting of appropriate local technology in the LDCs. He recalled moreover that the Director General of UNIDO, pursuant to the recommendations made by the Third Conference of UNIDO held in November 1989, had established a senior post of coordinator of UNIDO technical assistance activities in favour of the LDCs.

196. Finally, he said that UNIDO was in the process of preparing an industrial plan of action for the LDCs' industrialization which would provide policy guidelines for future development in the industrial sector of the LDCs.

197. The representative of the International Telecommunications Union (ITU) said that the ITU had long been conscious of the sad plight of the LDCs. The last three Plenipotentiary Conferences of the Union had adopted resolutions calling for continued attention to be given to the state of telecommunications in the LDCs in order to develop concrete measures for genuine improvements in this area. Despite the Union's limited resources, it had been able to allocate funds for various activities in the field of telecommunications for the LDCs, mainly in the form of fellowships, seminars and specialized technical support from the Union's Group of Engineers. He pointed out, however, that the larger part of the Union's assistance to the LDCs was financed by UNDP and through trust funds from various sources. Referring to the recent developments in the telecommunications area, he said that a new environment had evolved which required adaptation and new innovations. This new telecommunications environment had an impact on developing countries, particularly the LDCs, in various ways. In this connection, he highlighted the following: the technological gap between the developing countries and the LDCs was growing wider, reducing prospects for transfer of technology; the new technologies entailed a new approach to human resources development - high calibre technicians, engineers and managers whose costly conventional training quickly became outdated; the shortage of foreign currency made it very difficult to replace obsolescent equipment, provide new services and expand networks. In view of all these difficulties, there was an urgent need for support from the international community to ensure the implementation of telecommunications' projects planned in the LDCs during the 1990s. He also

emphasized the importance of the Union's participation in the Round Tables organized by UNDP as well as in various World Bank Consultative Group meetings for the LDCs to help compile any additional information that might be required by donors on telecommunications projects or specific programmes.

198. The representative of the Netherlands said that the LDCs were running the risk of being completely marginalized, since they were unable to generate sufficient growth and development on their own account. As globalization intensified, the number marginalized would increase, and in that connection an expanded LDC category could even include backward regions of very large developing countries which were not themselves LDCs. He supported the proposal for the Committee for Development Planning to review the criteria for inclusion in the LDCs' list.

199. Poverty, particularly among women, had increased due to an adverse economic environment and for ecological reasons, but also as a result of misguided efforts at adjustment and development. Human development required meeting basic needs, investment in people, the participation of the poor in decision-making processes, and democracy and respect for human rights. It would be wise for LDCs to concentrate on the improvement of the physical, institutional and social infrastructure, leaving development of productive capacity to the private sector. An early evaluation of the results of the Uruguay Round should assess whether further action in favour of the LDCs was necessary. Compensatory financing should be used for solving problems in the supply structures. He supported therefore a general review of compensatory financing mechanisms.

200. An increase in ODA flows to LDCs to a level of 0.2 per cent of donor GNP was necessary, and more might be needed. The Netherlands devoted 0.3 per cent of its GNP to LDCs and hoped to increase that figure. The overriding goal should be to achieve considerable growth in overall external support.

201. Debt was jeopardizing economic growth in LDCs. The Netherlands therefore proposed that creditor countries collectively grant complete cancellation of bilateral official debt to the poorest countries facing severe debt problems, conditional on the implementation of sound economic policies by the debtor country, and in principle as an addition to regular development aid.

202. With regard to follow-up, the process of round-table and consultative group meetings for LDCs should be strengthened, and the UNCTAD secretariat should play a substantive role in these groups. At the global level, the implementation of all commitments under the Programme of Action should be evaluated.

203. The representative of Bhutan stated that for the LDCs the 1980s would be remembered as a period of wide differences between economic expectation and reality. Growth rates in most LDCs had failed to achieve the SNPA targets and the net result was a widening gap between rich and poor countries and an increase by 10 LDCs.

204. Despite its land-locked location 800 kilometres from the nearest seaport, Bhutan had achieved a modest degree of economic progress. The development plans and programmes for the 1990s were based on well defined national policies and priorities including, inter alia: the promotion of national self-reliance; environmental protection; population planning; development of

human resources; improvement of rural living conditions; increase in food production; increase in hydro-power generating; mobilization of domestic resources; and greater participation of women in development. These programmes could not have been realized through national efforts alone and Bhutan hoped that its development partners would continue to provide generous support.

205. His country was encouraged by the increased number of donors and the amount of external resources made available to it. He also suggested that the current aid level be doubled by the year 1995 and that the target of 0.20 per cent of donor GNP be reached by the end of the decade. He emphasized that debt relief must become an integral part of assistance to LDCs as reduction of debt stocks would permit growth-oriented development. In order to avoid further increases in the debt burden, he suggested that the transfer of resources should be in the form of ODA grants and other non-debt creating flows such as foreign direct investment. It was equally essential that market-access schemes for LDC exports be improved. This would include elimination of tariff and non-tariff barriers and improved GSP schemes.

206. The representative of Saudi Arabia said that the results of the SNPA for the 1980s were a disappointment, since most of the objectives had not been met. It was necessary to determine the causes of this failure and to add the required inputs so that efforts could be intensified to make the development strategy of the 1990s a success.

207. There were clear indications that one of the obstacles that had hindered economic growth in LDCs related to the trade restrictions imposed by the developed countries. The continued deterioration of commodity export earnings and the lack of encouragement for the transfer of technology to these countries had also had a negative influence on the implementation of the SNPA. With regard to aid, as shown in UNCTAD's Least Developed Countries 1989 Report, ODA had not reached the agreed target of 0.15 per cent of GNP. The results of the SNPA could have been different if donors had fulfilled this commitment. In that connection, total Saudi assistance in the form of grants and loans during the period 1973-1989 had amounted to \$US 59.4 billion, equivalent to 5.45 per cent of the country's GNP, with a grant element of 58 per cent.

208. His country was aware of the problems of the LDCs, and most Saudi aid was therefore made available on a concessional basis. As to loans, many of them were interest-free and reimbursable over 25 years or more. He stressed the importance to developing countries of preserving a sound financial basis for the regional development banks and funds due to the revolving nature of their resources. The most important factors for the success of the strategies for LDCs for the 1990s would be stability, as well as internal and external security. In the absence of security, LDCs would see their scarce resources being diverted to non-productive fields such as military spending. It was therefore important that the international community strengthen peace and stability. With regard to the invasion of Kuwait, as long as Kuwait's sovereignty was not restored, countries of the region would be unable to provide aid, which would severely affect LDCs.

209. The representative of the Holy See stated that the participation of his delegation in the Conference was prompted by the church's long experience with human suffering. Human suffering was acute in the LDCs where per capita

income was below \$200, the literacy rate was around 25 per cent, and the industrial production capacity less than 10 per cent of their GNP. He hoped that the new Action Programme for the 1990s would offer concrete solutions to the problem areas, so that it would not just become an academic exercise. He hoped that the international community would fully support with additional funds the efforts made by the LDCs. He recalled that, at its thirty-seventh session, the UNDP Governing Council had decided, inter alia, to transfer 87 per cent of available funds to "low-income" developing countries, and 55 per cent to the LDCs. Positive contributions had also been made by several NGOs, religious orders and congregations in various areas of development, such as education, health, promotion of women and vocational training. He suggested a number of principles and guidelines to enhance international solidarity, one of which was to heighten public awareness of the realities of the LDCs.

210. He called for the LDCs to set up democratic institutions and to proceed with moral reforms, including a campaign against corruption. He also called for extensive debt-relief measures and international trade liberalization combined with adequate compensatory mechanisms for price stabilization. Finally, he said that it had not been established that demographic growth hampered the development process, still less that birth control was the necessary condition for the solution of the developing countries' problems.

211. The representative of Malaysia stated that the high expectations of the SNPA had not been fulfilled as most of the developed countries had failed to meet their commitments regarding the ODA target. While welcoming changes in Eastern Europe, he was concerned that the reforms taking place there would compete with the needs of developing countries for scarce resources. His delegation felt that such a diversion should not be allowed to take place, but the fact that Western European countries had speedily established a bank for the reconstruction of Eastern Europe reinforced these concerns.

212. The LDCs' economic situation was very alarming and a reversal of this trend would need vigorous and simultaneous action in various areas, including the increase of financial flows to the LDCs, and the opening up of markets for exports from the LDCs. He recommended that the draft Programme of Action for the 1990s should be supported by a strong political will and that the developed countries should consider using some of the additional resources being generated as a result of the disarmament process for financing this programme. The LDCs for their part should make efforts to implement the required domestic policy reforms.

213. He said that South-South cooperation was most important to complement the Programme. He stated that for more than a decade Malaysia had established a modest technical cooperation programme for the LDCs in the Asia-Pacific region. During that period Malaysia had extended assistance to 25 countries, including 2 countries in Africa, and this programme would be continued. In line with this approach, his country had promoted the establishment of the South Commission and the summit level meeting of 15 developing countries for South-South consultations and cooperation. Recalling the success of the first summit held in June 1990 in Kuala Lumpur, he observed that concrete projects adopted by the summit were now being implemented and that several developing countries - including the LDCs - could benefit from these projects.

214. The representative of Guinea-Bissau said that the prospects for development in the LDCs were gloomy and that the problems could only be solved with adequate support from the international community. Poverty, hunger, unemployment and the lack of basic standards of living in the LDCs, constituted a severe reality that could not be ignored by mankind. The deterioration of the LDCs' economies was aggravated by drought, desertification and other natural calamities. Further factors contributing to the deterioration were the constant depreciation of LDCs' products in world markets; unfavourable terms of trade; protectionism; the external debt burden; and declining ODA flows.

215. Despite strong structural adjustment programmes, Guinea-Bissau was facing a sharp economic crisis characterized by weak domestic production, increased external indebtedness worsened by insufficient returns on investments, high inflation rates and uncontrolled deficits.

216. Only more concerted and reinforced efforts undertaken by the donor countries and the LDCs could allow the latter to achieve their development objectives in the next decade. In this regard, he suggested a number of support actions which should be initiated by development partners. As to economic recovery, debt relief remained the most realistic solution for the LDCs, together with debt rescheduling and other favourable measures adopted in Toronto and by the Paris Club since 1987. The structural adjustment programmes should focus on long-term development objectives and pay more attention to social programmes, especially health and training. Significant efforts should be made to remove tariff and non-tariff barriers affecting LDCs' exports and to facilitate their access to markets. Change in the rules of origin and exemption from ceiling and quantitative restrictions should further contribute to diversification of their economies. Concerning ODA flows, donor countries should increase their efforts so as to reach the 0.15 per cent ODA target.

217. The representative of Chile said that the international community should not view the provision of assistance to its poorest members simply as a way to alleviate its collective conscience; it must acknowledge that there existed States and communities that suffered from weak social and political structures, characterized by lack of national resources, adverse climate or geographical handicaps. The existence of underprivileged groups, be it at national or international level, was a symptom of structural defects in the system concerned, and it was a moral duty for the world community to face the problems of LDCs with a sense of commitment and imagination above and beyond ideologies, doctrine, political apprehensions or geographical locations. Nobody should remain indifferent to the situation and struggles of the 41 LDCs and their more than 400 million inhabitants. In this respect, his country fully supported the draft Programme of Action for the LDCs for the 1990s, which it considered a comprehensive document, attaching special importance to the chapter on basic principles. Each country should be free to choose its own road to development in accordance with its national character and resources, and no organism, State or Government should assume the right to dictate or impose models. He underscored the need to create special conditions to increase and diversify LDC exports, emphasizing the importance of obtaining, at the ongoing multilateral round of negotiations, the elimination of all forms of protectionism that affected LDCs, as well as other developing countries. He further supported the additional provision of financial assistance to complement the LDCs' domestic savings, stressing that

the provision of such assistance to LDCs should not be used as a pretext for regressive bilateral or multilateral assistance policies in respect of other countries. Chile and other developing countries, non LDCs, suffered from problems comparable in some degree to those of LDCs. It would certainly be yet another tragedy if the number of LDCs were to increase because the international community had failed to recognize that underdevelopment affected also other countries which still struggled to attain higher levels of development.

218. The representative of the Islamic Republic of Iran said that the SNPA had failed to meet any of its objectives; the LDCs had attained only a third of the SNPA target in GDP growth; agricultural production had risen by 2 per cent annually as against the SNPA target of 4 per cent and the rate of industrialization had equally fallen far short of projections. But, most disquieting, ODA flows had reached only 0.09 of the donors' GNP as against the agreed target of 0.15 per cent.

219. Faced with falling export earnings and an external debt which had escalated from \$US 35.8 billion in 1982 to \$US 70 billion in 1989, many LDCs experienced negative growth in their per capita incomes, resulting in deteriorating living standards. Many LDCs made strenuous efforts to improve their economic performance by adopting structural adjustment programmes but their efforts were largely offset by the adverse external environment characterized by falling commodity prices; worsening terms of trade; stagnating ODA; mounting protectionism; and debt service obligations. During the 1980s the number of LDCs had risen from 31 to 41.

220. Although the primary responsibility for elaborating and implementing effective development strategies conducive to broad-based growth remained with the LDCs themselves, these countries because of their weak economic base would need strong support from the international community. International support should include: debt relief; additional external flows mainly in the form of ODA; measures to improve the GSP schemes; stabilization of commodity prices; and improvement of existing Compensatory Financing Facilities. The Islamic Republic of Iran, since its establishment, had extended technical and financial assistance to needy countries of the South, particularly in Africa.

221. The Islamic Republic of Iran condemned the invasion and occupation of Kuwait by Iraq. It accepted all Security Council resolutions and emphasized the urgent need for the return of peace and security to the area through the understanding and cooperation of the countries in the region.

222. The representative of Jamaica said that, while the events of the Gulf should not be allowed to divert the Conference from fulfilling its mandate, the events there were likely to aggravate the economic and social problems of many countries, particularly the LDCs. The problems of the LDCs, many of which were either land-locked or multi-island States, were overwhelming. The LDCs had failed to meet any of their projected targets. The countries concerned had proved to be extremely vulnerable to external economic shocks such as sharp increases in the prices of essential imports and deteriorating terms of trade. Although many of the LDCs had adopted and implemented painful structural adjustment programmes, in the absence of strong external support

the results had been marginal. Unless these countries received adequate assistance from the international community, vital imports would have to be cut and development plans curtailed.

223. To extricate the LDCs from the trap of poverty, renewed efforts by them and stronger support by the developed countries would be needed. At the national level, LDCs should establish an economic policy environment that would permit efficiency in resource allocation and use, increase productivity and efficiency in industry and agriculture, encourage economic diversification, provide incentives for entrepreneurial development and efficiency in public enterprises, develop human resources and promote South-South cooperation. International support measures should include debt relief and increased financial flows. In this context, he urged the United Nations bodies to broaden the scope of their assistance to the LDCs. In addition, national efforts would require a rethinking on the part of multilateral lending institutions in respect of operating modalities.

224. Jamaica hoped that the progress made in April 1990 at the eighteenth special session of the General Assembly relating to international cooperation, in particular the revitalization of economic growth and development of the developing countries, would be reflected in the outcome of the Conference.

225. The Director-General of the General Agreement on Tariffs and Trade (GATT) noted that, although the 1980s had witnessed a substantial growth in the volume and value of world trade, the LDCs had not benefited from this expansion and their share in world trade remained very low. It was therefore imperative for the international trading community to act immediately to reverse the trend of growing marginalization of these countries and to encourage their participation in the world economy, particularly in the trading system regulated by GATT. It was a matter of priority for the Conference to formulate and adopt appropriate national and international policies and measures to accelerate the development process in the LDCs during the 1990s. Referring to the contribution which GATT had so far made to assist the LDCs, he recalled that the first major step had been when the Tokyo Round had recognized that the LDCs required special treatment. Those negotiations had resulted in the elimination or reduction of tariffs on a wide range of tropical products and manufactures of export interest to the LDCs. He also referred to the establishment of a sub-committee on the trade of LDCs which had now become the GATT forum for dealing with the special trade problems of these countries. Moreover, a number of policy guidelines adopted in 1982 for GATT's work programme and priorities took into account the need for special treatment for the LDCs. Several LDCs had also benefited from the technical assistance programme of GATT. As for the ongoing Uruguay Round of multilateral trade negotiations he pointed out the concern to ensure the participation of the Governments of LDCs throughout these negotiations. It was imperative for these countries to continue to participate actively and to campaign as hard as they could for their individual interests, in particular for the reduction and elimination of non-tariff barriers, for the liberalization of trade in agriculture and textiles, and for greater technical assistance which would enable them to take advantage of new market openings and to adapt their régimes to the multilateral framework of trade rules and disciplines.

226. The representative of the United Nations World Food Programme said that imports of food by the LDCs were high and growing because of a combination of rapid growth of population, low agricultural productivity and external debt. In 1988/1989, about \$US 1.4 billion worth of food aid, over one third of the worldwide total, had gone to the LDCs. Food aid had been provided in the form of programme aid for balance-of-payments and budgetary support or as emergency food aid. A recent World Bank/World Food Programme study of food aid had estimated that sub-Saharan Africa's food imports were likely to rise from about 13 million tons in 1987 (valued at about \$4 billion) to up to 40 million tons by the year 2000. This figure would need to be upgraded if the social dimension of structural adjustment programmes were to be translated into programmes that increased access of food to the poor. It was important that recipient countries and donors alike should view food aid as a valuable resource to be used in support of national development plans and programmes which promoted food security and at the same time avoided disincentives to local food production and disruption of normal trade. Food aid to alleviate hunger and poverty should not however be seen as a permanent solution and Governments should continue to develop viable programmes to ensure food self-sufficiency in the long term. The WFP also supported rural development projects in the LDCs in food production, forestry, soil conservation, etc. He also referred to the growing significance of food aid from developing countries and said that in 1989, the WFP had bought 136,000 tons from sub-Saharan Africa. WFP had been very active in the Sahel, where it had helped elaborate a food aid strategy under which donor and recipient countries coordinated policies and actions to make food aid an effective development tool.

227. The representative of Burkina Faso said that examples of success during the 10 years of implementation of the SNPA had been rare, whereas there had been many failures. LDCs had been unable to attain the objectives through their own efforts, sometimes because of inadequate national policies, but every time because of an unfavourable international economic environment. Reviewing the situation of Burkina Faso, he said that the results were rather poor. GDP growth in the period 1980-1988 had been about 5 per cent per year, but the evolution had been erratic, from 1.8 per cent in 1980 to -1.9 per cent in 1983. The export-import ratio had fallen from 48 per cent to 27 per cent, while the official debt volume had doubled, rising from \$US 382 million in 1982 to \$US 757 million in 1988.

228. Since the international economic situation had greatly deteriorated and official development assistance had been insufficient, he urged donor countries to increase their ODA to 0.2 per cent of their GNP so that LDCs would have a realistic chance to succeed. He also called for more debt relief measures in favour of the LDCs, whose external debt currently amounted to about \$US 42 billion. Where possible, debt should be cancelled. He stressed that LDCs faced more and more difficulties in gaining access to external markets and that there was an urgent need for international measures to enable their export sector to become efficient and to stabilize commodity prices.

229. He welcomed UNDP's decision to allocate 55 per cent of its resources to LDCs and supported the proposal that additional resources should be given to the IFAD special Programme of Action in favour of sub-Saharan countries.

230. Finally, he said that a follow-up mechanism to the new Programme of Action should be adopted by the Conference in order to review progress frequently at the national, regional and global levels. UNCTAD should continue to be responsible for the global review.

231. The representative of the Central African Republic stated that his country, like all the LDCs, had been excluded from the development process between 1983 and 1990. Since 1981, his country had been drawing up policies for structural stabilization and economic liberalization, as recommended by certain international institutions. Moreover, the financial and macro-economic management of the country was supervised by the International Monetary Fund within the framework of its Structural Adjustment Facilities. All priority sectors of the economy had been subjected to adjustment programmes, in particular agriculture, cattle breeding, health, education and the financial sector. Progress, however, had been sluggish because of the country's structural rigidities on the one hand and its economic marginalization on the other. Indeed, despite all efforts to liberalize and modernize the economy, GDP growth in 1989 had been only slightly greater than that of 1977, and in that 12-year period, GDP per capita had recorded a 20 per cent decrease. As well as having the characteristics of an LDC, the Central African Republic was burdened with the peculiarities of a land-locked country, the development of which was generally hampered by heavy social constraints and, most important of all, transport problems. In addition to facing fierce competition from Asian and Latin American products, the imports and exports of African land-locked countries had been greatly hampered by the difficulties of road and maritime transport. This major problem had always impeded development in the land-locked LDCs. He suggested that the international community should devise special measures in order to improve the organization of transport systems, thus breaking the economic isolation of those countries. The Programme of Action for the 1990s should endeavour to put an end to the cycle of marginalization and impoverishment of the LDCs by devoting special attention to their debt and external aid problems. A systematic follow-up to the quantitative objectives to be laid down by the Conference should be organized and mechanisms to compensate for losses incurred because of market fluctuations and falls in commodity prices should be reinforced. Finally, the international community should renew its solidarity with the LDCs by committing itself to instituting the bases for sustained development in their favour.

232. The representative of Romania stated that the Conference should elaborate a Programme of Action which would halt deterioration of the situation in the LDCs, revitalizing and accelerating their development. Although the LDCs were responsible for their own development, their efforts to revive growth would remain highly insufficient if not supplemented by adequate external resources. He pointed out that the international community should increase their support to the LDCs within the context of increasing global aid extended to all developing countries. He emphasized the importance of not only supplementary resources for the LDCs but also the need to improve market access for their products. In this respect Romania attached great importance to the ongoing Uruguay Round which offered prospects for the expansion of the LDCs' exports to the developed countries. He also emphasized the importance of the transfer of appropriate technologies to the LDCs, human resource development, and cooperative arrangements with the other developing countries. His country had made concerted efforts to establish mutually beneficial economic relations with the LDCs, and had put special emphasis on

assisting the LDCs to expand their production base and to build their manpower resources. At the same time within the context of the Global System of Trade Preferences among developing countries (GSTP), Romania provided important preferential tariff rates to the LDCs without seeking equivalent concessions. He nevertheless recognized that despite substantial achievements in the cooperation between his country and the LDCs, this cooperation was not yet satisfactory. Romania's new orientation towards market-economy policies would, however, provide greater opportunities for more effective cooperation with the LDCs.

233. The representative of Myanmar said that the SNPA had not led to any progress in the economic performance of the LDCs, which had experienced sluggish growth, stagnation, chronic balance-of-payments problems, contraction of trade and heavy external debt. This had been largely due to external factors such as protectionist pressures, depressed world markets, deteriorating terms of trade and inadequate flows of concessional financial resources. The deteriorating situation in Myanmar had been compounded by the political disturbances in 1988-1989 which had led to a significant decline in GDP performance. In response to this deteriorating economic situation his Government had embarked on a number of economic reforms in late 1988 which were paving the way to a more market-oriented economic system. These reforms included the removal of price controls and subsidies, reduction in the level of taxation, liberalization of domestic and foreign trade and the legalization of border trade with neighbouring countries. The most significant development, however, had been the promulgation of the Union of Myanmar Foreign Investment Law. With respect to the banking sector, the efforts made were designed to enable banking institutions to become more responsive to the needs of the private sector. But in spite of all these reform measures, the Myanmar economy was still highly vulnerable to external factors and there was still an urgent need for international support to ensure that its efforts would lead to self-sustained economic growth. He said that such external assistance should include a substantial increase in financial flows provided on the best concessional terms and should cover the financing of local and recurrent costs. Donors should make an effort to provide untied aid. He called on multilateral organizations to set aside a larger proportion of their resources to help meet the financial and technical assistance needs of the LDCs. In this connection, he welcomed the recent decision of the UNDP Governing Council to allocate up to 55 per cent of the Indicative Planning Figure to the LDCs in the course of the Fifth Programming Cycle and also supported the French proposal for increased resources to the United Nations Capital Development Fund. Lastly, his Government joined the appeal to alleviate the heavy debt burden of the LDCs, which was a major impediment to their economic recovery, and also called for international support measures in the area of trade.

234. The representative of Samoa said that, despite a decade of international and national efforts aimed at growth and structural transformation, as mandated in the SNPA for the 1980s, the economic situation in the LDCs had continued to deteriorate. This was a major challenge both to the LDCs and to the international community. The success of the new Programme of Action would depend heavily on improved coordination of the efforts by the international community, as well as appropriate responses on the part of the LDCs themselves. In this connection, he commended the efforts made by UNDP during the 1980s to coordinate international support through round-table meetings. His Government was also pleased to note that the Governing Council of UNDP

had approved substantial increases in country IPF allocations for the Fifth Programming Cycle and that there was an anticipated expansion in the resources to be made available under the Special Measures Fund. Referring to the efforts by the LDCs themselves, he said that it was equally important that the countries should adopt appropriate national policies to address the challenges before them. In his country, a programme of structural adjustment had been put in place which had resulted in some definitive gains arising from prudent fiscal and monetary policies. Efforts had also been undertaken to improve production levels, particularly in the agricultural sector, and in institution-building. With reference to the draft programme of action, his Government supported an increase in ODA flows to the LDCs. Finally, he emphasized the importance of the existing schemes of compensatory financing and the need to undertake effective measures to prevent ecological degradation.

235. The representative of Haiti stated that the cut in ODA, three years earlier, had accelerated the collapse of the Haitian economy which had resulted in a forced suspension of public investments. External indebtedness had also worsened dramatically since the last Conference on the LDCs and constituted an important hindrance to the development of Haiti. His country had had to adopt a structural adjustment programme in 1987 which was to have been financed jointly by the World Bank and the International Monetary Fund and USAID, which had not been adequately carried through because the funds had never been received. A new stabilization programme was currently being implemented and another adjustment programme was soon to be negotiated. He also emphasized that adjustment and growth were closely interlinked and should be managed simultaneously.

236. He expressed some concern at the modalities of technical assistance, which sometimes led to a significant outflow of foreign exchange in the form of remuneration for experts. He also highlighted the fact that significant financial resources of his country were deposited in outside banks and that this outflow of capital by his compatriots did not meet any objection on the part of the wealthy nations. He pointed out that capital flight, protectionism and the fall in commodity prices had indeed generated extreme poverty, leading to social frustrations and political disorder. He appealed to the international community to ameliorate the quality of life of the Haitian people, in particular the deprived social groups. The measures to be elaborated in the draft programme should focus on: a reactivation of the productive system, primarily the agricultural and industrial sectors; the creation of new jobs; a rational and decentralized management of the public sector; and a favourable physical, social and institutional environment which would enable each Haitian citizen to participate in the reconstruction of his country. He finally regretted the absence at the Conference of a representative of the Economic Commission for Latin America and the Caribbean.

237. The representative of Guinea stressed that the results of the implementation of the SNPA were unsatisfactory and the objectives defined for the 1980s remained the same for the 1990s. Grave macro-economic and financial imbalances, degradation of the exchange rate, the debt burden, a decrease of external financial flows, and inadequate national development strategies based on unrealistic assumptions had forced LDCs to adopt structural adjustment programmes. Given the need for development, the scarcity of resources and the deterioration in terms of trade, structural adjustment and stabilization programmes should be fully integrated into long-term national development plans. He hoped that the international community would recommend the

integration of such programmes in the national studies on long-term development. He proposed that the Governments of LDCs should define and implement appropriate agricultural, industrial and human resources development policies. As to their development partners, the quantity and quality of resources should be increased in order to support LDCs' national development policies.

238. He proposed that the Conference adopt a Programme of Action which would consist of a number of important elements, inter alia: human resources development; agricultural and industrial development; food security; preservation of the environment; increasing participation and responsibility of the population of LDCs in economic and political activities; transfer of foreign public and private capitals to finance the LDCs' development; promotion of subregional integration; cancellation of LDCs' external debts; improvements in compensatory financing mechanisms; enhanced access to developed countries' markets; promotion of the private sector; and improved transfer of technology. Finally, there must be a substantial improvement in the follow-up and monitoring mechanisms of the new Programme of Action.

239. The representative of the Ukrainian Soviet Socialist Republic said the new Action Programme should aim to consolidate and coordinate the efforts of the LDCs themselves, with the full participation and support of the international community. He believed that the reasons for the failure of the SNPA lay in internal and external deficiencies such as weak infrastructure, demographic problems, inadequate efforts on behalf of the LDCs, increased foreign debt and debt-service obligations, decline in commodity prices and unfavourable market conditions. In general he supported the draft of the new Programme of Action. The Ukrainian delegation also endorsed the main elements of the Dhaka Declaration (A/CONF.147/PC/6). He felt that the new Action Programme for the 1990s should contain a strategy of structural modernization of the LDCs to facilitate their integration into the world economy. This strategy should focus on the formulation of an efficient macro-economic policy, the creation of external and internal conditions for its implementation, including, inter alia, improved social and physical infrastructure and access to international markets. Elements concerned the mobilization of human resources, modernization and full integration of the productive base, food self-sufficiency, and strengthening the export base. In the future Programme of Action, special attention should be paid to ecological aspects. To achieve success, additional resources would be needed. Despite its current difficulties in its transition to a market-economy system, his country would continue to assist the LDCs. Currently, thousands of Ukrainians were working as specialists in LDCs and many students from these countries were studying in the Ukrainian SSR. The process of perestroika would create additional opportunities for increasing this cooperation.

240. The representative of Poland said that coming from a country where the word "Solidarity" had a distinct political meaning, he fully supported President Mitterrand's bold vision of a "solidarity contract" for development. Therefore, he attached great importance to the new draft Programme of Action. While strengthened partnership for development was badly needed, external support could not replace the mobilization of internal resources and sound economic policies. Political freedoms, respect for human rights and institutions enjoying popular support were, in the long run, indispensable as a framework for any development schemes and strategies.

241. The historical breakthrough in East-West relations had paved the way for a new European architecture which, inter alia, had greatly improved the international setting for the North-South dialogue. He underlined that Poland wanted to belong to a united Europe which cared not only for its own well-being but also for the prosperity of less and least developed regions. The scope of his country's involvement in various areas would depend on the further evolution of its economic situation, which was presently precarious.

242. With external debt exceeding \$US 40 billion, high costs of radical systemic changes, and additional strains caused by the Persian Gulf crisis, it had to assess realistically its "very modest" possibilities. That did not exclude greater commitment in the course of the current decade, however. Poland had granted duty-free access to the Polish market for all commodities originating from the 41 least developed countries. The establishment of a government export credit insurance agency was likely to influence positively Polish trade with the LDCs. LDCs, like other developing countries, could benefit from the completely transformed economic environment in Poland. New business opportunities had been opened by the rapid development of the private sector in Poland. The establishment of the direct enterprise-to-enterprise cooperation could contribute substantially to further revitalization of trade with LDCs.

243. As a heavily indebted country, Poland fully realized the need for further debt relief in favour of the LDCs. It was significant that new public debt relief measures, patterned on, but not confined to, the Toronto Summit decisions were being contemplated.

244. The representative of the World Bank observed that, despite the set-backs of the 1980s, average income in developing countries had increased by more than 50 per cent. Unfortunately, this was not the case for the LDCs where most people remained in absolute poverty. The task of the Conference was to revive hope for LDCs and mobilize the unrealized potential. He noted that internal conflicts and excessive military spending had too often prevented development and the relief of poverty. Without peace and without proper economic management none of the other obstacles to development could be overcome. The LDCs were faced with inherent structural problems which would only be overcome if sustained efforts over a long time period could be applied.

245. To alleviate poverty, LDCs' development strategies should encompass two elements: increasing income-earning opportunities for the poor through broad-based growth, and equipping them through human resource development to make effective use of these new opportunities. LDCs which helped themselves and sustained practical policies deserved outside assistance. Donors and recipients should improve their efforts to link flows of aid to the needs of recipient countries and to their performance in the adoption and implementation of coherent strategies aimed at poverty reduction. Aid should be provided in increased volume and on very favourable terms.

246. Although many LDCs had benefited already from generous debt relief measures through the write-off of ODA loans and concessional debt relief on Toronto terms, more needed to be done to meet current financing needs. Further debt relief linked to policy efforts could form an important part of international help to these countries. As to trade, he hoped that the Uruguay Round would give LDCs scope to exploit their long-term advantages. He

mentioned that commitments to LDCs through IDA had risen to \$2.2 billion and transfers of IDA resources to \$1.5 billion per annum. Further lending for human capital formation had been stepped up considerably.

247. The Executive Director of the International Trade Centre UNCTAD/GATT (ITC) stressed the importance of international trade to the LDCs and the increasing serious problems they were experiencing in participating in international markets. ITC, which was the focal point in the United Nations system for technical cooperation in export development and import management, had been particularly concerned about this development. New initiatives must be taken in order to assist the LDCs to adapt to a new changing world environment in the area of international trade if they were going to be able to reverse the current situation and benefit in future international trade transactions. The LDCs required assistance to enable them to benefit from the ongoing Uruguay Round negotiations, from the single market soon to be created in the European Community, from the new orientation of the Eastern European countries in the area of trade, and from the operation of the second window of the Common Fund for commodities. In order for the LDCs to exploit fully these opportunities in the 1990s, the international community should assist them in a number of key areas, namely, improvements in exports of natural resource based products including commodities; increased export marketing of non-traditional products, particularly in the neighbouring countries (South-South trade); strengthening of institutional infrastructure, including support services for trade development; improvements in import operations and import management; and human resource development. In the longer term the LDCs would also require increased assistance to broaden the production base for exports, which would involve the development of new products for export and the promotion of joint ventures involving in particular sub-contracting and buy-back arrangements. Assistance in these areas to the LDCs would involve combined efforts with other United Nations agencies, in particular UNIDO, FAO and ILO.

248. The representative of the International Coalition for Development Action (ICDA) said that, given the development disappointments of the past decade, it was essential that the Conference renew its commitment to a strengthened North-South partnership. There had nevertheless been positive changes in the economic environment, in particular the fact that there was now a more positive attitude to debt relief, it was generally accepted that structural adjustments were not the only answer to the crisis in the LDCs; that environmental protection was now regarded as an important aspect of development; and that popular participation and the role of women were also essential development dimensions.

249. The NGOs endorsed the 0.2 per cent of ODA/GNP target and strongly urged all Governments to implement it during the 1990s. They furthermore endorsed the proposal that ODA should be provided on a grant basis, should be untied, and should be put in place to ensure that the assistance provided benefits the masses of the population. As to absorptive capacity, the NGOs emphasized that one of the objectives of external assistance should be to strengthen human resource capabilities and to strengthen institutions. The NGOs also attached great importance to international trade measures designed to open up markets in the developed countries for products of export interest to the LDCs and emphasized the need for compensatory measures aimed at stabilizing their foreign exchange earnings. Debt relief measures were also a vital prerequisite for the recovery process in the LDCs. Other areas which will

require special attention in the implementation of the Programme of Action relate to environmental protection and progress in disarmament which could generate resources for development. Finally the NGOs emphasize the need for effective mechanisms for monitoring and review of progress in the implementation of agreed measures in favour of the LDCs.

250. The representative of the United Nations Department of Technical Cooperation for Development (UNDTCD) said that there had been high expectations that the SNPA adopted in 1981 would arrest the steady decline and economic stagnation in the LDCs, but that at the end of the 1980s it was clear that this objective had not been fulfilled. The new draft Programme of Action for the 1990s provided a sound basis for elaborating new measures which might lead to better prospects for the LDCs. Referring to the role of the Department, he pointed out that during the 1980s the Department had been directly involved in a number of crucial areas which were covered by the Programme of Action, including development planning and administration, public financial and enterprise management, population, statistics and social development. The Department also had a mandate which covered natural resources and energy, water, minerals, energy, public works and transport. In 1989 the Department had collaborated with each of the LDCs and carried out 345 projects totalling nearly \$US 65 million. The share of LDCs in the operations of the Department had progressively increased over the past few years and Africa, with the largest number of LDCs, accounted for over 40 per cent of the Department's total activities in that year. Furthermore, the Department had assisted in the planning and substantive servicing of international donors' round tables organized by UNDP in a number of LDCs. Referring to more specific activities of the Department in the LDCs, he said that priority had been given to institution-building in order to enhance the capability of these countries to formulate and implement macro-economic policies, development plans and programmes. The Department had also supported an extensive programme in public administration in several LDCs. This was an integral part of the Department's programmes designed to promote the development of human resources. In the field of energy, the Department had helped several LDCs to exploit and manage energy resources. Finally, he said that the Department stood ready to make available further support within the framework of the new Programme of Action.

251. The representative of Lesotho stated that the deliberations of the Conference would be facilitated by the report of the Preparatory Committee, which contained useful information and proposals relating to corrective measures that would help out the LDCs and their development partners on a path to sustainable development.

252. Lesotho had recently introduced comprehensive economic and political policies with a view to attaining, inter alia, the following objectives: meeting basic needs, expanding the productive economic base, privatization, strengthening management in the public sector, restoring democratic rule, and taking full advantage of regional cooperation arrangements. In that connection, his country recognized the role of women in development, and a programme for women should be included in the Programme of Action for LDCs for the 1990s. NGOs also had an important part to play in the development process, and he strongly suggested to Lesotho's development partners that they extend their fullest financial and technical support to the NGOs in Lesotho.

253. Lesotho was fully conscious of the correlation between economic progress and political reforms. In this connection, arrangements had been made for the restoration of democratic rule and the holding of general elections by mid-1992. However, whilst political reforms and respect for human rights were crucial ingredients of development, it was clear that these efforts had to be backed up with resources. Given the magnitude of development needs, the success of the Programme of Action for the 1990s would depend on the magnitude and terms of the international support provided to the LDCs. Measures in the areas of trade, compensatory financing, ODA and debt relief could contribute significantly to the development of the LDCs, provided more was done by donors. Lesotho, a land-locked country surrounded by South Africa, should be afforded technical and financial assistance that would enable her to negotiate effectively in order to fully exercise and benefit from her international transit rights. Lesotho also strongly supported the creation of appropriate mechanisms to monitor and follow up action at all levels, so as to allow timely corrective interventions and ensure that the objectives of the Programme of Action for the 1990s would be fully realized.

254. The representative of Tuvalu said that his country faced a number of serious development constraints which resulted mainly from its small land and population size, lack of physical resources weak external sector, heavy dependence on external aid and geographical isolation. In order to overcome some of these problems, the Government's development priorities were focused on human resource development, development of infrastructure, promotion of the private sector, rural/outer-island development, development of tourism and environmental protection. With regard to Tuvalu's programme for the future, the Government was planning to take a number of initiatives which would include a special donors' meeting to mobilize resources for the education sector, the formulation and implementation of a comprehensive primary health care programme which would involve education campaigns to promote disease prevention, the establishment of adequate waste disposal systems, to construction, equipping and staffing of health centres, and the construction of additional wards and associated facilities. Furthermore, the Government is making efforts to mobilize more resources for the Tuvalu Trust Fund. Special emphasis was also being put on mobilizing the required technical assistance. Lastly, the Government was arranging to hold a round-table meeting under UNDP auspices early in 1991, and an appeal was being made to donors to make a significant contribution to Tuvalu's development efforts at this important meeting.

255. The representative of the Gambia said that LDCs had experienced a deterioration in their situation in the 1980s despite the good intentions enshrined in the SNPA. This was due to a combination of unfavourable external economic factors, such as a dwindling flow of financial resources, the rise of protectionism, an excruciating debt burden, adverse terms of trade and the Sahelian drought. These problems had seriously affected savings capacity and investment patterns, which in turn had impaired the LDCs' ability to resume growth and development.

256. With regard to the Gambia, a far-reaching Economic Recovery Programme (ERP) had been launched in 1985 with the main purpose of restoring the domestic and external equilibrium and to lay the foundation for sustainable growth. Major policies had been introduced in respect of the allocation of resources through the market mechanism throughout the economy, the exchange rate and interest rates. Further tight fiscal and monetary policies had been

introduced, along with incentives for private sector development to strengthen the major productive sectors and trade. It was gratifying to note that due to this approach under the ERP, a dramatic turn-around had been witnessed. The economy had also been diversified into areas that offered prospects for sustained growth, including tourism, horticulture and shrimp-farming. These developments were evidence that the policy measures had been effective.

257. The challenge of the 1990s would lie in consolidating and building on the recent achievements in order to secure improvements in the living standards of Gambia's population. In the 1990s, the Gambia's Programme for Sustained Development would concentrate on tackling shortcomings that related to the supply side of the economy. In particular, the objectives were to stimulate and encourage greater private sector participation, to ease the debt burden, to address social dimensions, to introduce programmes on environmental protection, to improve transport facilities and electricity supply, and to intensify the Gambia's efforts to secure greater regional economic cooperation in the context of the Protocols of ECOWAS.

258. The representative of the Libyan Arab Jamahiriya stated that his country was concerned about the failure to achieve the objectives set out in the SNPA and the fact that, as a result, the situation of LDCs had worsened. This deterioration in the situation was reflected not only in the economic indicators, which all pointed to a reduction in standards of living in LDCs, but also in the increase in the number of LDCs from 31 to 41. The new Programme of Action for the 1990s should be flexible and realistic, and it should give priority to the humanitarian aspect of development. The structural adjustment programmes carried out by many LDCs during the last few years had put additional pressure on the poorest segments of the population, and steps should therefore be taken to give proper consideration to political, social and economic conditions in the countries concerned. The decline in prices for commodity exports by LDCs had no doubt helped to worsen their overall situation, and it was imperative for the LDCs and the developed countries to cooperate to determine the level of production that would guarantee a minimum price level. Export diversification should also be given a priority.

259. Foreign debt was the most important problem that LDCs had faced in the 1980s and would continue to face in the 1990s. He called on creditors and debtors to find a mutually acceptable solution to this problem and, in this context, he raised the question as to how LDCs could reach any acceptable rate of growth if more than 50 per cent of their export earnings was being spent on debt servicing. It was essential that agriculture and the exploitation of marine resources be given adequate priority in the development plans for the 1990s, with food security and production being increased to cut back the LDCs' expenditure on food imports. Population growth was another factor that had increased the impoverishment of LDCs, resulting in declining per capita expenditure on education, health and training. In conclusion, he emphasized the importance of human resources development and the participation of women in the development process of the LDCs.

260. The representative of Argentina said that the 1980s had been a decade of collapse for developing and least developed countries. This had been documented in detail by reports of the United Nations, particularly those of UNCTAD. The external debt had wrecked the LDCs' fragile economies, and it was clear that the crisis could not be solved without additional external resources. According to the reports of the World Bank, projected investment

rates in developing countries were not likely to reduce, let alone reverse, the net transfer of capital abroad. Debt and interest reduction would be a just and reasonable solution to the situation, but additional non-concessional loans would be indispensable for development as well. Donors should consider cancelling the bilateral and multilateral debt of LDCs and setting concrete goals for ODA, as a result of the Conference. With regard to trade, the protectionist tendencies in world trade had affected the export potential of developing countries, in particular of LDCs, and he did not detect any change in attitude on the part of the industrialized countries. In this respect, he underscored the heavy responsibility of the Uruguay Round negotiations to create a non-discriminatory, stable and transparent system that respected, reinforced and put into operation GATT rules. In his view, the Uruguay Round should benefit LDCs, for example, by reforming and liberalizing the rules for agriculture and thus opening up new markets and eliminating barriers to the markets of developed countries. In conclusion he stressed the importance of increasing international cooperative efforts and resources in favour of LDCs. However, national development strategies must be respected, and aid should not create further divisions among the needy. In view of the increase in the number of LDCs since the first Conference he would confine himself merely to expressing the hope that the number of LDCs would be reduced by the next Conference, and that no more countries would join the LDC category.

261. The representative of Singapore said that the LDCs had suffered serious economic setbacks during the 1980s. At the same time, the industrialized countries had had one of their longest periods of sustained economic growth, a growth fuelled by steadily increasing international trade and a trend towards greater interdependence among nations. The Conference on LDCs should therefore seek solutions to reverse the plight of the LDCs in the light of the uncertainty in the economic situation triggered off by the recent events in the Gulf. The LDCs were likely to feel the economic effects of close events much sooner than the industrialized world. The new Programme of Action should as a first priority focus on arresting the further deterioration in the present socio-economic situation and accelerating growth in the LDCs.

262. Issues such as aid targets, debt relief, access to markets and technical assistance were of the utmost importance, and convergence should be reached on them in the programme of action. Full and effective implementation of the programme would be guaranteed only if donors fulfilled the aid targets which they had pledged themselves to meeting at the first Conference in 1981 and if there was assurance that no funds would be diverted away from LDCs to Eastern European countries. Singapore strongly supported by decision by President Mitterrand to propose to the French Parliament the cancellation of all debts owed by LDCs to France. Debt and debt servicing was one of the most serious obstacles to development, and if debts were cancelled, the large sums now used for debt servicing could be channelled to programmes for sustainable development. Further initiatives should also be undertaken to provide better market access for exports from LDCs, and another area that needed support was the long-term development of human resources. Singapore would be prepared to provide technical assistance in that connection, as it firmly believed that human resources development was one of the fundamental means of upgrading the quality of life of the population. Finally, the new Programme of Action should be action-oriented, with a clear identification of the needs of the LDCs.

263. The representative of Mali said that the economic situation of the LDCs had generally worsened in the 1980s. It was, therefore, necessary to consolidate whatever had been achieved, to put an end to economic recession, and to promote durable and self-sustained growth. As far as his country was concerned the main obstacles to growth were: climatic changes, which had negatively affected agricultural production; the small size of the domestic market; insignificant domestic savings; and the heavy debt burden. In 1989, debts had represented 107 per cent of GDP and debt servicing and had accounted for more than 34 per cent of exports.

264. To overcome these obstacles, his country had launched a series of measures: improvements in the democratic process; the creation of a development fund for grass-root activities; economic policy reforms to reduce public spending; improvements in public debt management; liberalization of trade and prices; trimming down public enterprises; promotion of private initiative, while preserving the role of the State for essential economic activities; and ensuring the implementation of the SNPA by means of periodic round-table meetings, including sectoral ones. In that connection, particular appreciation to UNCDF was expressed for its assistance. Concerning debt, he thanked donors for their contributions to its alleviation but the debt burden remained heavy, and he supported the various pertinent proposals to solve the problem. He also hoped that NGOs' activities could be harnessed.

265. The measures taken had already resulted in progress in terms of annual growth of 4.7 per cent between 1987 and 1989, a reduced budget deficit and an improvement in the current account; and the balance of payments. In addition inflation had dropped to 1 per cent in 1989. The results, however, remained fragile. He therefore appealed to donors to increase the resource flow, to improve market access and to provide assistance to LDCs through transfer of technology. No efforts should be spared to achieve political settlements of international and regional conflicts so that resources could be devoted to the development of the LDC economies.

266. The representative of Kenya pointed out that, whereas the industrialized countries and the developing countries, notably those of South and East Asia, had experienced a period of steady growth during the past decade, most of the developing countries, particularly the least developed among them, had faced numerous handicaps which had constrained their economic development. Unless greater international assistance was provided to the LDCs, they would not be in a position to overcome their current difficulties. When the SNPA had been adopted in 1981, the expectation had been that the number of LDCs would be reduced in the course of the decade. However, this had not been the case, and in fact more countries were now in the LDC category. It was very disconcerting to see that many of the LDCs were poorer than they had been 30 years ago. Both domestic and external factors had contributed to this regrettable development. In an effort to reverse the situation, many LDCs had adopted stringent and sometimes politically unpopular measures of stabilization and adjustment. These, however, had not yielded the desired results. This was largely explained by the adverse external economic environment, which was characterized by a decline in commodity prices, a deterioration in terms of trade, the debt crisis, high interest rates, volatile exchange rates and protectionism. These problems clearly required a global solution. In April 1990, the General Assembly at its special session had adopted a declaration which specified the broad policy orientation for international cooperation and development. The Conference on LDCs provided the first

opportunity to test the commitment of the international community to assist the LDCs, and the ongoing Uruguay Round of Multilateral Trade Negotiations would provide another opportunity for the donor countries to support the LDCs. The LDCs for their part would have to make additional efforts to create a viable environment for development, including measures to promote trade, transport and communications, environmental protection, natural resource management and training and research. The donor community would also have to undertake serious efforts to support the LDCs in such areas as debt, trade and development finance.

267. The representative of the Byelorussian Soviet Socialist Republic said that the new Programme should emphasize the economic and social problems of the LDCs. His delegation approved in general the approach selected in the main elements of the strategy for the LDCs in the comprehensive documents prepared for the Conference by the secretariat. The analysis of these documents and statements by States and international organizations showed that some lessons had been derived from the implementation of the SNPA. These conclusions should be incorporated into the New Programme of Action. The UNCTAD secretariat should be requested to elaborate on the mechanism for a review and follow-up. The new programme of assistance to the LDCs should adopt realistic objectives aimed at strengthening the cooperation between them and their development partners, should vest more responsibility in the LDCs, especially in the case of domestic resource mobilization.

268. The Byelorussian Parliament had recently approved a Declaration of State sovereignty and was open to dialogue in regard to international cooperation. The democratization process in the country allowed freedom to choose the forms and contents of cooperation and assistance.

269. His country would consider all its possibilities and plans in the context of the Chernobyl accident. This had been the biggest technological disaster of the twentieth century but that did not mean that the problems of LDCs had become less important for his country. As the popular proverb said, nothing brought peoples together like misfortune. Byelorussia continued to provide technical assistance by sending about 1,000 of its specialists to the LDCs to assist in the realization of industrial projects, education and training national personnel. At present about 7,000 citizens of developing countries including LDCs were studying at the higher education institutions of the country. Byelorussia had trade relations with 18 LDCs.

270. He stated that the effects of the Chernobyl disaster could not be alleviated without help from the international community and appeals had been launched by Parliament, the Government, the Church and public organizations of the Byelorussian SSR. Although the assistance received so far was limited, the Byelorussian people were grateful for the medicines, medical equipment and children's food that had already been given, as well as for the welcome given to children who had been exposed to radiation.

271. The representative of the World Food Council stated that the economic difficulties of the LDCs during the 1980s had been the result of inadequate internal policies and external factors in such areas as debt, increases in real interest rates, falling commodity prices, trade protectionism, population growth and environmental degradation. In order to meet the challenge of reversing the trend of economic deterioration and hunger, the World Food Council had called for a renewal of the Green Revolution which should take

full advantage of existing knowledge and technologies and facilitate the development and transfer of new technologies among countries. The World Food Council was planning, in early 1991, a meeting where interregional consultations would take place to discuss food production challenges and strategic approaches towards more effective cooperation in the area of transfer and application of technologies. Furthermore, the Council fully supported the call for the provision of increased financial assistance to developing countries by the donor community and also emphasized that increased assistance to Eastern Europe should not be at the expense of aid to developing countries. The member countries of the Council had committed themselves to setting an example for the rest of the world by working towards four broad hunger-alleviation goals, namely the elimination of starvation and death caused by famine, a substantial reduction of malnutrition and mortality among young children, a tangible reduction of malnutrition and chronic hunger, and the elimination of major nutritional deficiency diseases. Those goals constituted the guidelines for the work of the Council during the 1990s. The Council planned to have a meeting in mid-1991 to make the first assessment of the political impact of these hunger-alleviation goals.

272. The representative of Italy said that the objectives of the SNPA had been too ambitious. Even so insufficient progress was made in the decade due to domestic and external factors. In addressing the fundamental problems of the 1990s, the need for a revision of the criteria for identification, including a review mechanism, should not be overlooked. While a better definition of the category of LDCs would allow economic policies for them to be better focused, the policies themselves should be mainly focused on some key issues such as: strengthening the domestic planning process, with special emphasis on requirements of local communities; making the s.a.p. more supply oriented with a view to developing supply and to facilitate creation of subregional markets; strengthening of public enterprises with a strategic role and for which privatization or liquidation was not a realistic alternative; enhancing the role of small and medium-sized enterprises of the private sector; as regards human resource development, define adequate demographic policies and education policies with a view to reducing migratory movements towards urban centres; developing attitudes in respect of human rights; and defining rural and agricultural policies taking into account environmental protection.

273. As to aid targets, Italy reaffirmed that the objective of 0.15 per cent of donor countries' GNP should be met by all donors, and Italy was prepared to achieve the 0.2 per cent target. At the same time, aid effectiveness had to improve, as well as the aid coordination of both bilateral and multilateral agencies. It was also imperative to address the foreign debt problem. The Italian Government had submitted to Parliament a bill that would permit the cancellation of debt originating from credits provided to low-income developing countries. As to aid coordination and follow-up, it was important to continue the UNDP round tables and World Bank consultative group meetings. However, corrective measures should be introduced to improve consistency between aid coordination and the objectives of the aid with a view to strengthening LDC governments' management capacity and to widen follow-up measures at the sectoral and local levels. As to coordination at the regional level, the United Nations regional commissions, assisted by UNCTAD, represented the most appropriate forum. At the global level, the UNCTAD capability as focal point for review and follow-up needed strengthening. To assess performance in LDCs, a mid-term review should be sufficient.

274. The representative of the International Chamber of Commerce (ICC) expressed deep concern about the current Gulf crisis, its potential impact on the world economy and its grave implications, particularly for the poorer countries. ICC fully supported the international efforts to assist the least developed countries. It had national committees in over 60 countries and these committees had representatives from business and professional circles in the area of commerce, industries and finance. The objectives of the ICC were to maintain and strengthen the open world economy based on a multilateral trade and investment system. The activities of ICC covered the following areas: formulation of business positions on major policy issues, standardization of rules and practices for international business, provision of practical business services and counselling and training businessmen from both developed and developing countries. The ICC collaborated with the International Trade Centre UNCTAD/GATT in a programme to strengthen Chambers in developing countries by providing technical training for their staff. ICC strongly supported the current Uruguay Round of multilateral trade negotiations from which the LDCs would derive significant benefits. Another important area in which the ICC was involved was the promotion of foreign direct investment. In this connection, three years ago, the ICC had organized a working party composed of businessmen from several countries, which discussed the administrative, legal and economic framework which constituted a reference point for potential investors in an overseas country. Finally, the ICC fully supported the appeal to the donor community to substantially increase official multilateral and bilateral assistance to the LDCs. With respect to the issue of international trade promotion, the ICC provided a forum for promoting economic cooperation among developing countries with a view to overcoming the problem of small domestic markets in many of the least developed countries, most of which were small land-locked and island developing States.

275. The representative of Namibia thanked all the States Members of the United Nations for having supported Namibia's struggle for national independence and freedom. After achieving its independence, Namibia was now faced with the challenging task of nation-building and the economic and social development of all its people. Namibia hoped that the international community would be able to maintain its support, particularly during the difficult transitional period of restructuring of institutions, policies and infrastructures. The priority for the transitional period was the promotion of popular participation in the development process. The sectors which would receive special attention included agriculture and rural development, training and education, health care, housing, promotion of the role of women in development, environmental protection and development of natural resources. In spite of the relatively high GNP per capita in Namibia, there was still widespread poverty among the black farming community. There was high urban unemployment and the situation was likely to become worse. Health facilities were extremely poor in the rural areas and the literacy rate was estimated to be in the order of 30 per cent. Namibia's external trade was also very volatile, particularly because of the long-term decline in mineral prices on the world market. Namibia's manufacturing sector still accounted for only 4.7 per cent of GDP. Although Namibia's infrastructure was well developed it was unbalanced because it was largely oriented towards South Africa, leaving the infrastructure services in the densely populated rural regions largely inadequate. The principal infrastructure problem which Namibia faced was the status of Walvis Bay, Namibia's only deep-water port, which was currently held by South Africa. Another fundamental challenge to Namibia's development efforts would be to work towards the narrowing of the income gap between the

different sections of the community. All these development efforts on the part of Namibia would clearly require significant support from the donor community. Against this background, the Republic of Namibia had appealed to the Conference to recommend to the United Nations that Namibia be accorded least developed country status.

276. The representative of India said that the Conference was taking place at a time when dramatic historical changes were taking place. The lowering of tensions in Europe and the move towards greater political and economic integration had set challenges as well as new opportunities. These trends made it possible to devote increased attention and resources to international cooperation for development. These developments had, however, been overshadowed by the Gulf crisis whose impact, particularly for the LDCs, was going to be very adverse. In this context the Indian delegation fully supported the appeal addressed by the President of France to the international financial institutions to establish an emergency programme of assistance for such countries. With respect to the SNPA, it was regrettable that its targets had remained largely unfulfilled. The causes of these setbacks included major structural handicaps resulting from extreme poverty, small markets, and lack of resources and skilled manpower. The efforts in the LDCs had also been seriously undermined by the adverse external economic environment. Donor countries were urged to redouble their efforts to attain the agreed target of 0.15 per cent and, if possible, to surpass it. In this connection the principle of additionality must be emphasized as well as the need to ensure that there was no diversion of resources from other low-income countries that also needed increasing ODA flows. The issue of debt relief was also of major importance and there was an urgent need to widen the scope of debt-relief measures and to make them applicable to all LDCs and other low-income countries. Another area where the LDCs needed particular assistance was access to markets. The LDCs had been seriously constrained by the growing protectionism against their exports. Greater efforts were also needed to stabilize commodity prices for the main exports from the LDCs. With respect to structural adjustment programmes, it was important to take fully into account the socio-economic realities and priorities of the LDCs in implementing such programmes. Other areas of particular importance in which LDCs would require assistance were environmental protection and ECDC. In this connection, the role of the Indian technical and economic cooperation programme was of particular importance to the LDCs.

277. The representative of the Lao People's Democratic Republic regretted that the United Nations ODA target of 0.15 per cent of GNP for the LDCs had not been reached and suggested that donor countries aim at achieving it in the future. He proposed that they increase the grant component in multilateral and bilateral assistance to enable these countries to cope with their external debt problems and to promote their economic recovery.

278. Emphasizing the Lao People's Democratic Republic's geographical handicaps as a land-locked, mountainous, least developed country, he said the Lao people drew their subsistence mainly from agriculture, cattle breeding and forestry. The industrial sector had started only growing in 1989 and the overall economic performance averaged an annual GDP growth of 4.6 per cent, which was slightly better than the economic performance of the rest of the LDCs. However, major difficulties perturbed the country's modest undertakings, such as natural calamities, balance-of-payment deficits, disequilibrium between supply and demand, and unstable living conditions. He highlighted the new economic

policy - "The New Mechanism of Economic Management" - put in place by his Government in 1986 and implemented in 1988. This new policy strived to liberalize the economy, to encourage foreign investment and to combat subsidization. To support it new laws had been promulgated such as the code on foreign investments, the penal and civil codes, etc., and satisfactory results had been achieved in 1989. In the years to come, his Government would give priority to the rational utilization of investment capital, as well as agricultural and forestry resources. It would also promote the communication system, export of manufactured products, education, health and water supply. At present, the third five-year socio-economic development programme 1991-1995 was being elaborated.

279. Finally, he hoped that the New Programme of Action would set up adequate control and follow-up mechanisms. In this connection, he underscored the role to be played by the international meetings of donor countries, the round tables organized by UNDP and the consultative groups meeting under the aegis of the World Bank.

280. The representative of Australia said that while the last decade had been one of mixed economic fortunes for developing countries, the LDCs themselves had proved to be extremely vulnerable to the adverse impact of falling commodity prices, growing debt obligations, limited trade opportunities, reduced investment flows and population and environmental pressures.

281. LDCs faced huge challenges in their development efforts because they lacked effective administrative and financial institutions and community-based social organizations which could be used to relieve the suffering of their populations. However, there was hope on the horizon. The world was changing faster than had been imagined, and largely for the better - more participatory forms of government were being established almost everywhere and international opinion was converging in support of changes in economic policies and institutional structures designed to promote development.

282. In keeping with its strong commitment to alleviate poverty everywhere, Australia directed a significant proportion of its development assistance to the LDCs in Asia and Africa. While not subscribing to rigid ODA targets, Australia had increased its aid to LDCs, provided in grant form, despite very difficult financial and trading circumstances. Bearing in mind the overwhelming importance of trade in stimulating development, Australia became the first country to implement the GSP. Its scheme, which had been reviewed and liberalized on many occasions, did not seek reciprocal concessions from beneficiaries and there were no provisions for graduation of either products or countries. Over 90 per cent of all imports from LDCs entered Australia free of tariffs. Australia hoped that the Uruguay Round would result in further significant trade liberalization. Development strategies in the 1990s must overcome four basic road-blocks: population pressures; poor agricultural performance; trade protectionism; and environmental degradation. Poverty and rapid population reinforced each other. For most LDCs, rapid population growth will pose intolerable pressure on agricultural land and urban centres leading to mounting unemployment and environmental degradation. Australia's bilateral aid programmes gave priority to these problems. LDCs should accord higher priority to rural development to improve irrigation, drainage, soil conservation and land tenure practices. Implementation of market-oriented

farm price and exchange rate policies would also encourage production in LDCs. Reducing agricultural protectionism in the Uruguay Round would reinforce rural development in LDCs. Australia also supported an LDC criteria review.

283. The representative of Angola stressed that, despite the measures taken by the international community, the situation of the LDCs had deteriorated, with the number of LDCs steadily increasing. Low commodity prices for exports had not generated the surpluses which would have enabled them to pay their debts. On the contrary, their balances of payments were mostly negative. The French Government's efforts to persuade developed countries to increase their contributions to help LDCs were therefore appreciated.

284. The Angolan economy had slumped due to several factors: the deterioration of administrative structures; the neglect of many private enterprises; the breaking down of the transport system; and the lack of skilled manpower. The situation had been aggravated by war and terrorism, with a consequent deterioration in security.

285. Since 1985, measures had been taken which had led, in 1988, to the establishment of an economic and financial recovery programme with the objective of liberalizing the economy by modernizing the fiscal and banking system; restructuring the public sector through privatization and opening it to the market economy; and improving the management of the public service. The rhythm of economic recovery had, however, been influenced by the level of external assistance and the security situation.

286. The economic and financial situation in Angola was characterized by a negative balance of payments, dependence on imports, and one single export product, petroleum. Insufficient foreign exchange receipts had led to the interruption of new credits, which, in turn, had led to grave neglect in addressing severe social problems. The problems caused by war had been compounded by a catastrophic drought. His Government expressed gratitude to the countries and institutions which had assisted Angola.

287. He appealed to the international community to continue to provide help for the economic recovery of the LDCs and expressed the hope that at the end of the 1990s, the inequalities between North and South would not be so flagrant.

288. The representative of Niger stated that the SNPA had failed to produce the expected results as the last decade had been marked by an unprecedented recession, reflected in the very modest average annual GDP growth of only 2.2 per cent. Reduced earnings from commodity exports and the debt burden were the main factors behind the recession and stagnation of LDCs in the 1980s. Another important factor was population increase, which amounted to about 3 per cent annually.

289. Like other LDCs, Niger was hard hit by the crisis generated by an unfavourable international economic environment and other factors such as the spread of desertification, drought, and the debt burden.

290. The improvement of the economic and social situation of the LDCs depended on a number of conditions, among which were: an increase in ODA in the form of grants; unconditional debt forgiveness; structural programmes focusing on

the social sector; better management of available resources; mobilization of human resources including the integration of women in development; and further advancement of human rights.

291. Referring to the percentage of women (50 per cent) in the LDCs' population, he said there could not be any development without a significant contribution by women. Structural adjustment programmes in LDCs needed review to eliminate harmful consequences for the most vulnerable groups, such as women and children. Any policy that excluded the aspirations and the participation of the people was bound to fail. Freedom and human rights should be promoted in LDCs for there was no development without democracy. The new Programme of Action would need clear commitments by the donors to guarantee success. These commitments should be specific and clearly defined in terms of time frame. There should also be an effective mechanism for follow-up and monitoring.

292. The representative of the Syrian Arab Republic said that the time was ripe for the international community to tackle the roots of underdevelopment, grapple with the causes of world economic recession and recognize that finding solutions to poverty in the LDCs was a shared responsibility. It should adopt macro-economic policies aimed at promoting growth and attempting to reach the target that had not been achieved in the 1980s. The international community should improve the volume and quality of external assistance and strive towards the target of 0.20 per cent of GDP for the LDCs within the next five years. Debt alleviation should accelerate through increases in the grant component of financial assistance and through debt conversion schemes. Moreover, three major economic sectors should be reinforced - industry, with emphasis on manufacture, agriculture and human resources. Another situation to be remedied urgently related to access to markets of the developed countries. Eliminating tariff and non-tariff barriers and giving special treatment to products from the LDCs were measures that should be proposed in the Programme of Action for the 1990s. As regards compensatory financing, schemes should be devised to enable the LDCs to absorb external shocks such as market fluctuations and declines in commodity prices. Assisting the LDCs in managing the environment should not be neglected, as this would help them introduce appropriate technologies. In this connection, he referred to the declaration of the special session of the General Assembly held in April 1990. The last important factors to be highlighted were the cultural dimension of development in the LDCs, including the promotion of real democracy, with the full involvement of NGOs. In this regard, he referred to the violation of human rights by the Israeli authorities in their occupation of the Syrian Golan Heights and Palestinian territories. He added that the Israeli military machine was financed by foreign military assistance surpassing \$5 billion annually and pointed out that the Gulf crisis would have devastating repercussions on world markets, the price of oil and other products, as well as the economies of the least developed nations. He concentrated on the priorities of the Syrian Arab plan for 1986-1990 concerning population, agriculture and food, and the exploitation of mineral resources and petrol in Syria. He hoped that the Conference would establish a realistic and concrete Programme of Action with efficient monitoring and follow-up mechanisms, though revitalization of the LDCs' economies should not mean neglecting support to other developing countries.

293. The Director General of UNESCO said that, during the 1980s, there had been major developments - financial, economic, social, technological and educational - which had had different impacts on the LDCs, and these developments required a response on the part of the international community and the LDCs themselves. UNESCO could constructively assist LDCs in three areas: (1) improving the human resource situation; (2) achieving lasting development; and (3) achieving social change. Human resources development constituted an essential parameter of development in all economic sectors. In agriculture, in industry or in services, the upgrading of the level of education was a sine qua non for the transfer and expansion of knowledge essential for production and the protection of collective interests. Basic education lay at the heart of strategies for poverty reduction. High priority should also be given to creating local capacity in the field of informatics, and in that connection, in December 1990 in Togo, in the framework of its Informafrica programme, UNESCO would be organizing a regional meeting on the role of informatic strategies and policies in the educational sector. He hoped that the African LDCs would participate in that meeting. As to the question of lasting development, there was a close link between the protection of the environment and the struggle against poverty, and what was needed was clearly more efficient agriculture, more energy, and more water. Lasting development also included the right to education and training in the LDCs, but that right, which needed to be protected, was threatened by the negative effects of structural adjustment measures. It was also important that the social sciences play a significant role in development actions.

294. Finally, the General Conference of UNESCO had adopted a special programme in favour of Africa. The main elements of this programme related to the development of human resources, protection of the environment, the strengthening of science and technology, communication and cultural development.

295. The representative of Vanuatu stressed the negative trend of expansion of the LDCs during the last decade and expressed hope that the Conference would represent a turning point for them.

296. Vanuatu had constraints such as lack of financial resources; a limited economic resource base; inadequate communications and transport infrastructures; lack of skilled manpower; isolation and remoteness from markets; vulnerability to natural disasters; and environmental degradation. Improved East-West relations should not jeopardize donor commitments to Pacific island LDCs. There was also concern at the economic impact of the Gulf crisis on the LDCs.

297. Without improvement in the levels of ODA, debt relief and market access, including other external conditions, growth and development, would not materialize in most LDCs. While in agreement with the proposed Programme of Action, he felt it should be focused more on implementation covering transport, communications and development of human resources, all of which were very important for Vanuatu.

298. He supported the achievement of the 0.15 per cent ODA target for LDCs and believed that bilateral and multilateral donor commitments ought to be accompanied by detailed action plans. He also favoured a proposal that UNDP allocate 60 per cent of its ODA to LDCs. ODA should be untied and should

respond to the development priorities of recipient countries and not those of donor institutions. Duplication of aid efforts should be avoided through effective recipient-driven aid coordination.

299. Recurrent support costs to island LDCs needed to be reassessed for development projects and programmes as Vanuatu's productive sector was unable to absorb recurrent costs in the areas of education, training, health, transport and communications. In this context he proposed to complement existing ODA flows with Development Trust funds for island LDCs to finance their recurrent development budgets.

300. The representative of Nigeria said that while the North had over the past decade enjoyed steady economic growth, the majority of the developing countries, particularly the LDCs, had continued on a downward trend towards economic oblivion. In spite of the SNPA, which had aimed to transform the economies of the LDCs, the situation in these countries had seriously deteriorated during the 1980s. The number of LDCs had increased from 31 to 41, bringing the overall population of the LDCs to well over 420 million. Although the SNPA had recommended that the official ODA to LDCs should reach 0.15 per cent of donors' GNP, the actual average achieved was only 0.09 per cent. In the face of decreasing commodity prices, trade deficits, high debt-service burden and a hostile external environment, ODA could serve as a vital instrument to ensure the continuous flow of resources to the LDCs. The Nigerian delegation fully supported the proposal that donors should endeavour to double ODA to LDCs in the next five years, aiming to reach 0.20 per cent of their GNP by the end of the 1990s. The trade performance of the LDCs had also been very disappointing. In 1960 for instance their share in world exports had been 1.4 per cent, but today it amounted to a mere 0.3 per cent. The developed countries could assist by liberalizing exports from LDCs, especially through generalized system of preferences and by assisting them to diversify their export base. For that purpose, the potential provided by the second account of the Common Fund for Commodities would be very appropriate. The situation of the LDCs was made still worse by the heavy debt burden. Although Nigeria was a developing country, it provided assistance to a number of LDCs. In 1985, for example, Nigeria had set up a technical aid corps programme whereby Nigerian qualified personnel were sent to other developing countries under technical assistance arrangements. Nigeria also made available concessional loans and grants to some of the African countries through various multilateral development funds.

301. The representative of Zaire noted that there was consensus among donors and recipients concerning the causes and effects of underdevelopment in Africa. While many problems were structural in nature, others related to lack of continuity in economic policy-making, preference for short-term development perspectives, and irrational use of domestic human and financial resources. African countries should make a long-term development effort in which existing short-term and medium-term constraints would be appropriately addressed, in particular, the debt burden, the decline in export receipts and the inadequate flow of resources to economic and social sectors. These same issues should also figure prominently in the Programme of Action for the LDCs for the 1990s. Although all these issues had been discussed in many forums and a number of solutions had been proposed, it was clear that the application of those solutions remained a problem.

302. In particular, there was a lack of political will on the part of the donors, as demonstrated by the fact that development assistance had remained below the target, while spending on arms by donors was increasing. Similarly, not enough had been proposed by donors in regard to debt relief and the removal of trade barriers in order to allow access to world markets. Even with political will, whole attitudes must change to promote progress for all mankind. In that connection, France had shown considerable understanding of development problems in Africa and other developing countries, and that commitment to the South should be shared by other countries as well.

303. The representative of Brazil stated that the 1980s would be remembered as the longest period of economic growth that the developed countries had so far witnessed. Despite this, the developing countries, due to lack of solidarity on the part of developed countries, had failed in their endeavour to upgrade the living standards of their citizens. In particular, solidarity was lacking in the search for solutions to the debt problems and in the field of trade, protectionist measures had been taken by developed countries to limit the access of developing countries' exports. In the field of transfer of technology, the restrictions hindering free access to knowledge had hampered the capacity of developing countries in the field of research and development, and this would have a lasting negative effect on their development programmes.

304. The transfer of resources to LDCs remained very insufficient, and even the modest aid target of 0.15 per cent of developed countries' GNP had not been reached. Hopes had been dashed by 10 years of stagnation and recession, and it was time that the international community rose up to its responsibilities by putting an end to the present disastrous situation through a new contract of solidarity. It was time that the rich countries showed their solidarity, which should imply, among other things, complete cancellation of official bilateral debt of LDCs, free and improved market access to developed markets, and increased transfer of resources for LDCs' development.

305. As proof of its solidarity, Brazil had extended special treatment to its developing countries partners in the fields of debt, trade and technical assistance. Within this context the Brazilian Government was ready to negotiate all its credits to developing countries on a basis which was compatible with their development needs and to further open its market to their products.

306. Without increased solidarity, all the same problems would have to be discussed again in 10 years time with the one difference that the number of LDCs would have increased. The battle against underdevelopment, poverty and misery had to be won. Liberty, equality and fraternity should be the basic principles governing the relations of the development partners.

307. The representative of Qatar expressed deep concern at the worsening of the economic situation in the LDCs. A major development constraint had been the heavy debt burden which these countries had had to bear. He felt that the least developed countries were capable of raising and utilizing efficiently external financial resources by ensuring internal social and political stability. He stated that Qatar, as a developing country, had always exceeded the United States ODA target of 0.15 per cent of GNP to the LDCs. If one added the contribution of his country to that of the other Arab countries assistance for the LDCs, one would realize that it was, proportionally to their overall GNP, much more important than the contribution of many developed

countries. Lately, this contribution by the Arab countries of the Gulf had diminished because of, among other reasons, the current Gulf crisis. His delegation commended Kuwait's resistance to invasion by a brother country in total violation of the Charters of the United Nations and the Arab League. This invasion was unanimously condemned by the international community. He praised Kuwait's important role in world development in general and in the LDCs' development in particular, particularly in view of the fact that it had maintained its commitments to these countries through the Kuwaiti Development Fund despite the exceptional events it had been experiencing. Finally, he hoped that this Conference would adopt a concrete and efficient Programme of Action so that the last decade of this century would be a decade of hope and well-being.

308. The representative of the African, Caribbean and Pacific Group of States stated that the Lomé IV Convention proposed an elaborate cooperation programme which now included two major new themes, namely debt and structural adjustment. Provisions relating to instruments of cooperation had been expanded and related to protection of the environment, rural development and food security, population, demography, integration of women in development and regional cooperation in all economic sectors. The Convention also provided specific clauses in favour of LDCs in all fields of cooperation. Particular attention was given, *inter alia*, to regional cooperation arrangements in such areas as transport and communication infrastructure, efficient use of marine resources, commercialization of fishery products, inland fishing for land-locked countries' structural adjustment programmes and the implementation of food strategies and related integrated development programmes.

309. The deterioration of the LDCs' economies during the 1980s had resulted mainly from the lack of resources for development, the steady declines in commodity prices, the debt burden and natural disasters. In order to reverse this trend, the LDCs should be provided with the basic transport and communication infrastructures, cheap energies compatible with the creation of an industrial network, drinking water for all, and education and health facilities that were necessary for their long-term development. The industrialized countries should increase ODA flows to the LDCs, cancelling their debts, halting the decline in commodity prices, and promoting diversification of their economies. Regional solidarity should be encouraged, and public support in favour of assistance to LDCs should be encouraged. LDCs for their part should make the institutional and managerial adjustments required for development. Further private initiatives and a favourable environment for private investments should be promoted. Finally, the most important thing for the LDCs' development was to obtain from the industrialized nations a firm political commitment to assist them in their efforts to break the cycle of poverty.

310. The Executive Director of the United Nations Centre for Human Settlements (HABITAT) said that the external sector played a key role in the growth of the LDCs but that, because of the declining trend in prices of primary commodities, the LDCs' development had been seriously constrained. It was therefore of vital importance that the LDCs diversify their economic base in order to rely more on domestic production and consumption so as to minimize the adverse effect of fluctuations of commodity prices in the international market. In order to implement an effective programme of capacity-building for production, it was however essential that the LDCs receive external technical and financial assistance.

311. One of the areas which needed serious consideration in efforts to broaden the domestic economic base was the promotion of urbanization. HABITAT had been placing great emphasis on the study of the positive and negative impact of urbanization and the overall conclusion was that urbanization contributed immensely to economic development, capital accumulation and social development in that it provided new job opportunities, increased incomes and savings and expanded domestic markets. The activities of the Centre for Human Settlements in the LDCs, as well as in other developing countries, were primarily designed to assist Governments in policy and strategy formulation and to create and strengthen self-reliant development capacities at both national and local levels. These activities were also closely linked to the preparation and mobilization of the capital investments which were required to finance human settlements development programmes. The special attention paid to the LDCs in the operational activities of HABITAT was evident from the fact that the Centre was currently assisting all LDCs through 91 operation projects and a continuous flow of special advisory services. HABITAT was currently supporting projects in the areas of settlements, planning, shelter and community services, the development of the indigenous construction sector, infrastructure development for human settlements, land management, mobilization of finance for human settlements, institutional management, capacity building and training.

312. The representative of Burundi said that, to overcome underdevelopment and poverty, new initiatives must be taken by the world community and his Government therefore welcomed the proposal by the President of France for a contract of solidarity between the rich countries and the poor. The LDCs were in a critical situation. The list of the countries in that category had increased by 10 in 1990, with the majority of them in Africa. The great diversity of the situations prohibited any dogmatism, but it was clear that the LDCs were facing many common structural handicaps, such as demographic pressure, debt burden, a low share in international trade, meagre resources, degradation of the environment, very low standards of living, poor productivity, and the land-locked situation of many of them. (This last factor resulted for Burundi in an overcharge of 30 to 50 per cent for its imports.) Very often also, the LDCs depended upon one single export product, whose price fluctuations were very costly: his country had lost \$30 million after the non-renewal of the International Coffee Agreement. The LDCs therefore placed their hopes in the Uruguay Round negotiations, the implementation of the Common Fund for Commodities, the revitalization of commodity agreements, and the improvement and extension of mechanisms such as STABEX and SYSMIN.

313. With regard to the dwindling external resources for development, he stressed the need for an urgent review of the volume, quality and mechanisms of aid so that development partners could help LDCs to achieve autonomy. He also appealed to donor countries to devote at least 0.15 per cent of their GNP to ODA.

314. He was not convinced by allegations of mismanagement by the LDCs of their own economies, while the importance of the external environment was hushed up. There was a strong will in Africa to overcome the crisis, and the Conference provided an opportunity to reach a consensus on a Programme of Action on questions that were vital for the development of the LDCs.

315. The representative of the International Monetary Fund (IMF) said that while there had been eight years of uninterrupted world growth, the LDCs had benefited from it very unevenly. Furthermore, the serious crisis in the Middle East was endangering peace, and its impact on the third world could be severe. There were also other developments such as man-made catastrophies and other threats to human security which continued to compound the difficulties faced by many LDCs. With reference to recent world economic developments, based on certain reasonable hypotheses the direct impact of the Gulf crisis on the industrialized countries would be to reduce the level of real GDP by one quarter of a per cent in 1990 and one half of a per cent in 1991 and to raise the level of consumer prices by just over one quarter of a per cent in 1990 and between one half and three quarters of a per cent in 1991, compared to previous projections. The external prospects for many developing countries and particularly for the LDCs were not favourable. They faced a very heavy debt burden, higher interest rates, adverse terms of trade and the possibility that their export markets would show slower growth. Several LDCs had, however, undertaken a number of measures in the area of fiscal and monetary policies and extensive structural reforms designed to make the economy more efficient and productive. Although the results of these measures were still quite limited, the overall growth prospects of the countries concerned appeared to be better for the five years ahead than for the five years just ended. It was the view of IMF that without reforms growth could not be expected to exceed 3 per cent a year, and in the case of African LDCs in particular no increase in per capita rates could be foreseen. The efforts by the LDCs must be matched by a commitment by the industrial countries in those areas where they had primary responsibility, namely in the areas of their economic policies, their trade policies and their financing and development assistance efforts. With respect to development assistance, it was disconcerting that the DAC projected growth rate in ODA in the coming years would be close to that observed recently, i.e. only 2 per cent per annum in real terms. This rate, which would be below the growth projections for the donors, would imply not a movement towards the overall objective of 0.7 per cent or toward the 0.15 per cent target but rather a slippage with respect to the first and perhaps also with regard to the second target. The donor countries should clearly make more ambitious efforts to increase their ODA more rapidly. With regard to the modalities of ODA, there was an urgent need for grants rather than loans. There was also an urgent need to ease the public debt-service burden, and it was important for the LDCs to encourage the contribution of the private sector in mobilizing resources for development. Lastly, the IMF would continue to play its role in redressing the external imbalances in the LDCs, particularly through structural adjustment facility programmes and through the provision of technical assistance in the areas of economic, monetary and physical management.

316. The representative of Ireland, associating his country with the statement made by Italy on behalf of the European Economic Community, said that the crisis faced by the least developed countries had become increasingly serious during the 1980s. These countries, with their combined population of some 420 million, had become even more marginalized owing to falling agricultural production and declining per capita incomes. Poverty, particularly in the rural areas, was spreading fast. Environmental degradation and deterioration of the physical infrastructure were impairing the prospects for future economic and social development of these countries.

317. The long-term decline in basic commodity prices, insuperable debt-service difficulties and inadequate external financial flows had compounded the difficulties of the least developed countries. The calamitous situation in these countries called for new and innovative approaches aimed at practical measures to reverse the spread of human poverty. The special session of the General Assembly devoted to international economic cooperation held in spring 1990 had highlighted the range of crucial related issues which must be taken into account in the formulation and implementation of development strategies. The crucial link between the full enjoyment of human, political, social and economic rights and the achievement of successful economic and social development in all countries should become a central feature of the strategies for the 1990s.

318. Although Ireland's bilateral aid concentrated on four African LDCs - Lesotho, United Republic of Tanzania, Zambia and Sudan - other poor countries benefited from Irish aid through, for example, the International Development Association. Ireland would somewhat exceed its basic assessed contribution in the ninth replenishment of resources. Ireland considered that the developed world had a critical responsibility to ensure a favourable international economic environment which would underpin the economic activities of the LDCs in the 1990s. These countries would require trade preferences, adequate concessional flows and debt alleviation. Ireland, whose aid was in grant form, looked forward to seeing further urgent steps taken by the major donors and the international financial institutions.

319. The representative of the United States of America noted the many changes that had taken place since the first meeting of the Conference in 1981, including the reintroduction of democracy in Eastern Europe, the end of the Cold War, and the movement towards a new single market in the European Community. He said there was almost universal agreement on the fundamental building blocks of success: democratic, accountable governments and market-based economies. The challenge was to translate these concepts into a programme for vigorous, sustainable economic growth. A number of LDCs had indeed adopted various positive domestic policies including structural adjustment programmes, which had led to improved economic situations. Although admittedly all countries faced problems in making domestic economic policy changes, it was important to continue to work for sound economic programmes to encourage trade and investment. Special attention should be given to the following elements: agricultural development and the reduction of the dependency on food aid in the long run; the development of infrastructure and institution building; investment in human resources; the mobilization of domestic resources and attraction of private foreign resources; curbing population growth; and the involvement of women in the development process. It was also clear that economic and political freedoms were mutually reinforcing and that the most successful economies were market based. The efficient use of domestic and international resources was critical. Although the responsibility for development rested with the developing countries themselves, the international community also played a vital role. This role should include promoting a global economic climate conducive to sustained non-inflationary growth; providing significant levels of concessional resource flows and appropriate technical assistance; maintaining a liberal trading system and free access to markets; and continued assistance in dealing with problems of external indebtedness. The Gulf crisis would certainly have a negative impact on the world economy and the poorest countries were likely to be seriously hurt by the high oil prices. The developed countries and

oil-producing States were taking measures to alleviate the impact of this crisis on the global economy. With respect to international support for the LDCs in the area of development finance, he said that the United States had been one of the largest suppliers of economic assistance to the LDCs and that its assistance had been on a virtually 100 per cent grant basis. The United States Government would, however, continue to oppose the concept of GNP-related aid targets for donor countries because such arbitrary targets bore little or no analytical relationship to the actual development needs of each individual country and because they lacked a credible chance of being met. In the area of trade, the United States attached great importance to the Uruguay Round negotiations to liberalize world trade from which all countries would benefit. Finally, on the problem of debt, he said that the United States was one of several countries that had gone one step beyond rescheduling to provide debt forgiveness. In July 1989 President Bush had announced his readiness to forgive all credits related to development assistance and the economic support fund for sub-Saharan African countries undertaking IMF and World Bank reform programmes, and so far 14 countries had benefited.

320. The representative of the Philippines stated that the poor economic results achieved during the 1980s were due in part to a lack of political will worldwide for the entire SNPA exercise. To remedy this malperformance, four distinct problem areas would need to be addressed in the Programme of Action relating to resource flows, debt relief, external trade, and follow-up and monitoring measures. As to additional resource flows, the UNCTAD proposal of aiming at 0.2 per cent of the donors' GNP by the year 2000 should be adopted. In view of the LDCs' special handicaps, special relief such as outright public debt cancellation was required, with alleviation of other forms of debt to follow. The trade problem could only be overcome if full market access was granted. A frequent monitoring and follow-up mechanism was also needed.

321. Although the Philippines was itself in a dire economic situation, exacerbated by national disasters, it was firm in its commitment to the cause of the LDCs. In the past, a modest contribution had been made, especially in the field of human resources development, through the Technical Assistance Council (TAC), which provided training programmes for LDC participants in skills development. The programme of the TAC was being upgraded to include programmes with special focus on women in development. The Philippines was ready to share its experience on the preparation of its comprehensive development plan for women fully integrated in the national development plan - an approach which could serve as a model in the LDCs.

322. The representative of Hungary said that his Government fully shared the anxiety of the international community over the lack of progress in improving the situation of LDCs. The facts indicated that they were unable to overcome their economic disadvantages without international support, which should not be understood as a mere financial backing. The draft Programme of Action was comprehensive and would provide a framework enabling LDCs to put emphasis on areas most suitable to their individual development plans. Recent problems in the Gulf and their repercussions, particularly for certain groups of countries, demonstrated the need for a flexible approach in any long-term programme. He felt that the proposed Programme of Action correctly tried to avoid measures which, in solving one set of issues, would create negative effects in other problem areas.

323. As to the trade relations between the LDCs and Hungary, he said that even the present improved level (valued 35 million export and 22.4 million imports) was not satisfactory. The Hungarian Government had given LDCs products duty-free entry without any quantitative restrictions and there were other arrangements for encouraging imports from LDCs. Although Hungary fully supported the appeal to donor countries to increase assistance to LDCs, in view of the economic difficulties of his country the Government was not in a position to undertake any commitment with respect to the level of assistance, as well as debt-relief measures, to be granted to LDCs. This would not, however, preclude Hungary from participating in international actions aiming at assisting LDCs.

324. Experience of changes in his country showed that the sooner competition was introduced and bureaucratic tutelage in the economy was abolished, the better were the prospects for faster economic growth. With respect to the development efforts in the LDCs, it was to be emphasized that the prime responsibility lay with the LDCs themselves and that external assistance could play only a complementary role. Finally, he said that an economically strengthened Hungary, integrated into the world economy, would be beneficial not only to itself but also to the LDCs.

325. The representative of the High Commissioner for Refugees (UNHCR) said that a number of the LDCs have hosted large refugee populations or were the refugees' countries of origin. One of the main challenges which the international community would have to face in this area would be migratory movements of which refugee flows are but one aspect. Migratory flows were not orderly and planned or necessarily controlled by States. Recent history had revealed the possible destabilizing effects they could have on national societies in terms of economic, social and political costs. These movements and their attendant refugee components therefore had an obvious impact on the development prospects of receiving countries as well as of countries of origin and posed a formidable challenge. There were currently well over 15 million refugees scattered all over the world, with the vast majority to be found in some of the world's poorest regions. Any overall strategy for the LDCs in the 1990s would therefore need to give due attention to refugee populations.

326. Development assistance was rapidly becoming one of the central factors in the ability to solve refugee problems. Some of the most important issues involved entailed efforts to integrate refugees into host communities and the search for solutions such as voluntary repatriation. Another important aspect was to link the refugee assistance with national development plans as had been endorsed by UNHCR's Executive Committee and, subsequently, by the General Assembly. Political and economic will of the international community to help solve the world refugee problem was of crucial importance.

327. The representative of the Department of International Economic and Social Affairs (DIESA) first stressed the negative impact of the Gulf crisis on the LDCs as well as on the world economy, international security, and human rights. Referring to the work of the Committee on Development Planning in formulating criteria for the LDC status, he said that existing criteria needed to be assessed and if necessary revised. DIESA had presented projections of the world economy which showed bleak prospects for LDCs growth. Since the premise that there would be no major changes in the world economy was no longer true it was essential that these projections should be reconsidered. Furthermore, the computerized mechanical projections used were not appropriate for analysing

policy changes. The big changes were not only those of economic and political reforms in Eastern Europe. Technological developments also had an important impact. There was clear evidence that LDCs were affected by these changes. Perceptions about economic policies had also changed; there was now a considerable convergence of views as to how efficient economies work.

328. Turning to the economic situation of the LDCs he said that the poor development record of LDCs was compounded by civil strife and other disturbances. The concern about ecological issues also threw new light on global development. Other issues of crucial importance in the development of LDCs relate to education, health, mobilization of domestic resources and institution building. In the field of energy, many LDCs were in an extremely difficult situation and new approaches could help the exploration and development of their own oil deposits. Substantial international support should be provided in this area.

329. The representative of Antigua and Barbuda stated that the failure of the SNPA for the 1980s must not be repeated. Increased resources and deeper donor commitment were needed to overcome economic stagnation and underdevelopment. In that connection, there was concern as to the developed countries' intentions with regard to diverting funds to Eastern European countries instead of the LDCs. If that was done, LDCs would become even further marginalized. In his view, the crisis which had now emerged in the Persian Gulf was a further unfavourable trend in the world economy, which threatened to destroy any hope of improving the economic and social conditions of the LDCs. He therefore appealed to the parties in the conflict to exert themselves towards the achievement of an early negotiated settlement.

330. The Conference should encourage LDCs to make firm commitments that would help in addressing domestic policy shortcomings, and private sector participation should be encouraged within the context of existing development plans and national goals. For their part, donors should increase their financial flows over a substantial period of time. The debt crisis, exacerbated by trade barriers, protectionism and rising interest rates and inflation, needed thorough review, while mechanisms for debt owed to multilateral agencies would have to be reassessed as well. The World Bank and the International Monetary Fund should apply more liberal lending policies.

331. There was also concern over the World Bank's continuing policy of using per capita income as a major indicator of a country's well-being. In most island countries where economies were dominated by one major sector, this indicator did not reflect realities, and it was in fact being used to graduate countries like Antigua and Barbuda from the Bank's concessionary loan facility.

332. If LDCs were to break loose from underdevelopment, they must have open access to all markets and an expanded GSP, and, in this respect, he argued that LDCs should be made to benefit from a revision of the rules of origin provision whereby the level of foreign-material components in the products exported by LDCs could be raised. The GSP should also be revised to provide incentives for agricultural products in which the LDCs had a comparative advantage.

333. Regarding the Uruguay Round of multilateral trade negotiations, he hoped that the final outcome would reflect agreed principles of transparency, and allow for the differential and more favourable treatment of the least developed countries and their products.

334. Finally, pointing to the need for a deeper commitment that was backed by ample resources from the international community, he emphasized the importance not only of making the new Programme of Action for the 1990s clearly relevant to the economic goals and social objectives of the LDCs, but also of implementing it speedily within the framework of a renewed partnership between the LDCs and their traditional donors.

335. The representative of Kiribati said that it was generally accepted that, despite national and international efforts, the social and economic situation of the LDCs, as a whole, had deteriorated during the 1980s.

336. The LDCs needed continued development assistance from their partners during the 1990s. This would involve both an increase in the level of resources and improvement in aid modalities and aid effectiveness. In this context he referred to paragraphs 60-65 of the Dhaka Declaration (A/CONF.147/PC.6) which urged donors, including the international financial institutions, to provide timely assistance, minimize the time lags between commitment and disbursement, improve aid procedures and provide technical assistance aimed at enhancing LDCs capacity to formulate and implement national policies and programmes. Kiribati acknowledged with appreciation the external assistance it received from countries such as New Zealand, Australia and France.

337. He emphasized that external assistance must take into account the particular problems of each LDC. Kiribati, a remote multi-island country, heavily dependent on marine resource development and agriculture for its livelihood, would appreciate inclusion in the Programme of Action of policies on these issues and provided guidelines for appropriate and viable exploitation of these resources. To increase overall efficiency, privatization of Kiribati's public enterprises had been initiated and a programme designed to assist the private sector had been developed. To encourage formation of joint ventures highly attractive investment policies had been prepared.

338. With respect to follow up and monitoring of the New Action Programme, he believed it important to establish appropriate mechanisms at all levels.

339. The representative of Botswana said that while most of the recent economic developments augured well for economic growth and prosperity in most countries of the world, for the LDCs prospects remained dim. In spite of commitments made by the LDCs themselves and their development partners within the framework of the SNPA, the development performance in the LDCs in the 1980s had been disappointing. The recent developments in the Middle East would have a negative impact on the world economy and had particularly severe implications for the LDCs. It was also disappointing to note that the number of LDCs had increased over the last decade and that all these countries were trapped in a circle by poverty and stagnation, a crushing debt burden, acute shortages of foreign exchange, depressed commodity prices and limited difficult access to the markets of the industrialized countries. In addition, high population growth rates, high levels of unemployment, shortages of skilled manpower, weaknesses in economic management and environmental degradation

constituted other negative factors which continued to constrain economic development. It was therefore a matter of urgency for the donor community to increase its development assistance to the LDCs. Botswana might appear to have done well compared to some LDCs which had been ravaged by war and other calamities, but it was equally vulnerable. All the LDCs faced the challenge of freeing themselves from the poverty trap, and in this respect they should vigorously undertake policies to expand the production base, encourage private investment, promote employment opportunities, protect the environment and increase the role of women in economic development. The donors, for their part, should increase ODA flows and technical assistance on grant terms, give serious consideration to debt relief and provide greater access to markets through such arrangements as those envisaged in the Lomé Convention. It should however be emphasized that assistance to LDCs should not be at the expense of the legitimate right of other developing countries to external assistance. One other important area which provided potential for additional assistance to the LDCs was the promotion of regional cooperation arrangements such as those elaborated in the Southern African Development Conference (SADCC) which helped the LDCs to achieve economies of scale and to strengthen their market position.

340. The representative of Chad stated that the Conference was taking place at the right moment, when general détente prevailed and remodelling of international relations were taking place. His delegation continued to support the United Nations ODA target of 0.15 per cent of GNP of donor countries to LDCs and supported its increase to 0.20 per cent by the end of the decade. Financial contributions by donor countries should be enlarged and specifically allocated to sectors such as education, health, environment, institutions, demography and population.

341. Another major problem for LDCs, he emphasized, was bilateral and multilateral debt. Immediate and total debt cancellation for LDCs would be an ideal solution and an urgent requirement in the struggle against poverty. He referred to the possibility of turning to the Toronto options and the improvements brought about by the Dhaka Declaration relating to the adoption of systems of debt-servicing advantages or refinancing mechanisms concerning the LDCs' multilateral debt. Chad, like all the LDCs, was dependent on a reduced number of export products and was facing protectionism on the international market. He hoped the most favourable proposals for the LDCs would be retained in the Programme of Action concerning access to markets, compensatory financing mechanisms and fair market prices to their export commodities. He expressed satisfaction with the decision by the French Government to transfer only grant resources to the LDCs and advocated that this gesture be followed by other donor countries.

342. Reviewing Chad's current policy of economic recovery he said that reinforcement of the private sector in the overall growth schemes had priority. His Government was determined to implement all necessary measures in order to struggle against poverty and underdevelopment and ensure a better future to the Chadian people. Finally, he appealed to the community of donors for assistance in the country's privatization process.

343. The representative of Venezuela said that the situation of the LDCs had deteriorated in the 1980s: their combined GNP growth has been lower than in the previous decade, agricultural production attained only half of set target, manufacturing growth has been only half of that of two decades ago, the number of illiterates had continued to grow, and their share of exports had declined

from 1.4 per cent in 1960 to 0.3 per cent in 1988. This had led to a decline in investments and a deterioration of productive capacities and physical infrastructure which had diminished still further the chances of growth in the LDCs. In addition to the fact that there had not been sufficient international assistance, LDCs themselves had also not fulfilled their part of the SNPA. The challenge for the 1990s was to stop the continuing marginalization of LDCs and to reactivate their economies and development through comprehensive national measures and international support. He stressed the need to develop the LDCs' indigenous capacities, supported by sufficient external inputs. International cooperation in agriculture should be strengthened as a means to achieve food security, combat oligopolistic forces controlling the international market and reverse the declining prices of LDCs' agricultural exports. Efforts should also be directed to alleviating the debt burden of these countries; to identifying LDC commercial interests and to demanding their special status in the Uruguay Round. His country had implemented a new economic policy that had yielded good and concrete results. It enjoyed a free and democratic system, based on respect for the freedom of individual development. But, this freedom could not be enjoyed unless basic human needs were satisfied. His country felt it was necessary to revise the criteria for LDCs and to include all those countries that were not capable of eradicating underdevelopment without external assistance. There were 130 million people in Latin America living in abject poverty and his country was cooperating with the least developed countries of that region in accordance with the Convention of San José. Finally, he proposed that the manner of international cooperation now prevailing should be replaced by a new concept of shared responsibility.

344. The representative of Kuwait said that development had political, economic and social dimensions which required equal attention. Kuwait was concerned at the lack of progress in improving the situation of the LDCs and the fact that none of the objectives of the SNPA had been achieved during the 1980s. While it was important to review the causes of this failure, the main concern of the Conference was to ensure that the new Programme of Action for the 1990s incorporated all the important principles required for establishing a sound economic development programme to assist the efforts of LDCs in promoting their economic growth and development.

345. Referring to the role played by his country in assisting the LDCs, he said that Kuwait had provided an average of 8.3 per cent of its GNP as ODA. The grants provided to developing countries in 1989 had amounted to \$US 30.1 billion. Kuwait had also contributed to multilateral funding institutions through the Kuwaiti Development Fund. Acting through its investment institutions and companies, Kuwait had invested more than \$US 25 billion in developing countries.

346. Turning to the recent events in the Gulf, he said that these had resulted in a huge waste of economic capacities and human resources. Unfortunately, the recent Iraqi aggression against Kuwaiti sovereignty and the occupation of Kuwait by the Iraqi forces had once again brought the world to the verge of war - a situation that would impede the economic development of all developing countries. Kuwait had decided, despite the current difficult situation, to contribute to the special fund set up to compensate developing countries that have suffered because of the Iraqi occupation. In general, his country would continue to honour its commitments and to participate in any development action that might improve the well-being of the LDCs.

347. The representative of the Democratic People's Republic of Korea said that during the 1980s the situation of the LDCs had deteriorated and the number of countries in that category had increased to 41. Their external debt had reached nearly \$US 70 billion in 1988, or 72 per cent of their GDP. Malnutrition had caused the death of countless people. The gap between rich and poor countries was widening. This worsening of the socio-economic situation of the LDCs has resulted also from the inadequate implementation of the SNPA: while the ODA target was 0.15 per cent of the donors GNP, the actual percentage achieved was 0.09 per cent only. The external trade of the LDCs represented only 0.3 per cent of the world total because of growing protectionism.

348. It was particularly important that the new Programme of Action for the 1990s should take fully into account the experience of the 1980s and should consider accurately the economic situation of the LDCs, in order to define realistic measures and aid targets with a view to enabling LDCs to build up independent economies. Special emphasis should be given to the issues of food self-sufficiency and debt. As to debt, he favoured such measures as extension of the grace period and the freezing of interest payments. The international donor community should be called upon to honour its commitments. Furthermore, a new international economic order should be established, which would create an environment conducive to the development of the LDCs. He also hoped that the Uruguay Round would resolve satisfactorily the question of semi-finished products such as textiles and the agricultural products of the LDCs.

349. He also underlined the need for the LDCs, which had so many able people and large material resources, to reinforce their cooperation among themselves. In this regard, his country had actively promoted and participated in South-South cooperation, in particular with LDCs, and would continue to do so.

350. The representative of Viet Nam stated that the long-term development of the LDCs required international cooperation and concrete aid objectives. The increase of the ODA target to 0.20 per cent of GNP of donor countries, to be achieved at the end of the 1990s was necessary if the LDCs were to be gradually liberated from the vicious circle of underdevelopment. Debt cancellation and alleviation were essential measures for removing major obstacles to the development efforts of these countries. The conditions attached to reduction of the debt or its servicing should be minimal and adapted to the needs of the debtor country. The LDCs' share in world exports had not exceeded 0.3 per cent in 1987, market access for their products could therefore be improved considerably and the elimination of tariff and non-tariff barriers should be envisaged. Another realm where international assistance and cooperation were proving to be indispensable was environmental protection, and prevention of natural disasters.

351. He recognized that it was the responsibility of the LDCs themselves to manage their development policies. Hence, enlarged participation of their peoples in the development process was necessary and human rights and democracy were to be realized through the fulfilment of the rights and duties of their citizens and their right to development in harmony with their traditions and cultural identity. He advocated a non-ideological approach to the development of the private sector. Viet Nam had a mixed economy in which the private sector had a specific role to play. However, in the experience of his country, the development of the private sector was not always a panacea. He added that

the peculiar difficulties of the land-locked countries demonstrated the importance of regional cooperation between those countries and the countries of transit and highlighted the successful cooperation between Viet Nam and the land-locked Lao People's Democratic Republic. Finally, he said that the international community also had a responsibility to help the LDCs in meeting their challenges during the 1990s. In this connection, Viet Nam supported President Mitterrand's proposal for a solidarity contract between the LDCs and their development partners.

352. The representative of Bahrain stated that his Government had devoted substantial efforts to raising the standard of living of its people and had always been willing to assist all other developing countries, in particular the least developed among them. Moreover, his country had always supported efforts to promote human welfare and, in various international forums, it had appealed to the international community to bridge the gap between the rich and the poor. Creating a favourable international economic environment was a shared responsibility between the LDCs and their development partners. Solidarity between nations should make it possible to accelerate the social and economic development of the LDCs, and the Programme of Action to be adopted by the Conference should elaborate measures to halt the deterioration in their situation. These measures should attempt to overcome the negative trends of the last decade and focus on the development of human resources, the removal of trade barriers, facilitating access to markets for LDCs' products, preventing declines in commodity prices, debt alleviation; promotion of the necessary conditions for the attraction of foreign investment, and environmental protection. In that connection, he expressed his satisfaction with the initiative taken by some developed countries to cancel the debt of some LDCs.

353. Referring to the occupation of Kuwait, he said that Kuwait was dedicated to the cause of development and devoted 7 per cent of its GNP to the developing countries, in particular LDCs. The present situation in the Gulf would inevitably have repercussions on the world economy and on the economies of the LDCs in particular. In addition to the rise in the oil prices, transfers of financial resources had been stopped, and in Kuwait foreign labour from developing Asian and African countries had started moving out of the country. The international community must act quickly and prevent the Gulf events from degenerating. Withdrawal by the invading authorities from Kuwait territories without conditions would be in conformity with the resolutions of the United Nations Security Council, the Arab League and the Islamic Conference in this regard.

354. The representative of Sri Lanka said that the dismal economic performance of the LDCs during the 1980s meant that stronger support would be necessary from the international community during the 1990s. He was grateful to donor countries which had expressed their solidarity with the LDCs in tangible forms. However, although there had been remarkable success in promoting technical cooperation among developing countries, ample room remained for its improvement, and donor assistance was required to strengthen South-South cooperation.

355. Sri Lanka, which had liberalized its economy five years previously, had achieved considerable progress, as the increased role of the private sector had given renewed impetus to the growth and prosperity of the economy as a whole. However, the situation in the Gulf had served to demonstrate the

fragility of the economy. Not only had the country to forego the foreign remittances which it derived from its nearly 100,000 citizens working in Kuwait, but it had to spend large amounts of money to secure the safe return of its citizens. Simultaneously, Sri Lanka's tea trade to the Middle East had dropped. That, together with soaring petrol prices, had created a problem with enormous foreign exchange implications. All this had taken place at a time when the country was utilizing substantial resources to suppress an armed rebellion. The Gulf crisis had demonstrated more than ever before that peace, harmony and security were on sine qua non for development. In an increasingly interdependent world it was imperative that the industrialized countries help the less fortunate. The Programme of Action for the LDCs for the 1990s should recognize the need for structural reform, but in order to succeed, the relevant programmes must be supported by substantial external flows. Sri Lanka supported the proposal to devote 0.2 per cent of donor GNP as ODA for LDCs. The latter would also require debt relief and trade preferences. Firstly, the Programme of Action for the LDCs should also include programmes not only at the national and international level but also at the regional level.

356. The representative of the United Nations Centre on Transnational Corporations said that transnational corporations had an important role to play in helping to reverse the current economic problems of the LDCs. Interest in an expanded role for transnational corporations had been clearly expressed by LDCs. Many legislative changes in the LDCs had been implemented to make their investment climate more conducive to foreign direct investment. These changes related, inter alia, to simplification of authorization procedures, easing of ownership restrictions, and granting of new or increased fiscal incentives. The interest shown by LDCs in eliciting greater contributions from transnational corporations had so far had little effect because the LDCs could not guarantee high profitability. Despite the current unsatisfactory situation, there were clear opportunities for transnational corporations to act as catalytic agents in the LDCs. To realize fully this potential, a coordinated action programme should be put in place with clear functional responsibilities for LDCs and the transnational corporations. For LDCs, major elements should include, inter alia, a constant review of foreign investment policies, the improvement of the administrative structures and practices, and adoption of a more targeted and promotional approach to foreign direct investment. Transnationals in the home countries should remove disincentives for outward investment, strengthen measures to increase the flow of information on viable projects, widen product coverage, relax rules of origin and provide fiscal incentives. International organizations should complement LDCs and transnational corporation inputs by assisting in the design of innovative investment packages, providing co-finance and developing data banks. The current involvement of international organizations was insufficient and needed strengthening. With assistance from international organizations, regional cooperation could also help in promoting foreign direct investment by enlarging the size of the market.

357. The representative of the Asian Development Bank said that during the 1980s out of a total of around \$US 8 billion concessional lending by the Bank, about half had been provided to LDCs. Given the primacy of agriculture in the economies of most Asian-Pacific LDCs, over half of the Bank's financial support to these countries had been directed to this sector. Other major sectors of Bank assistance had been energy, physical and social infrastructure, and industry (including direct and indirect assistance to both public and private sectors). To further improve the absorptive capacity of LDCs, the Bank

had provided technical assistance for enhancing the institution of capability of project executing agencies and public sector entities, availability of adequate domestic resources and an appropriate policy environment. The Bank also covered a large measure of the local currency requirements of projects by financing up to 80 per cent of total project cost.

358. The future directions of Bank assistance to LDCs would seek to both modernize their economic base and mobilize their human resources. To ensure a more direct attack on poverty alleviation, the Bank would pay more attention to poverty issues in traditional projects, finance more projects specifically designed for poverty allocation, and provide greater support to programmes and policies for poverty alleviation. In this context, the Bank would also cooperate more intensively with NGOs. Other major forms of assistance would be for protection of the environment, promotion of the private sector; and efforts to involve women more actively in development.

359. All Bank assistance to LDCs would continue to be exclusively from the concessional Asian Development Fund resources, on terms akin to IDA. The Bank's policy dialogue with LDCs would help these countries bring about greater efficiency in sector performance and the Bank would also support such policy reform financially. The Bank would pay greater attention to disaster mitigation, preparedness and prevention in LDCs. In conclusion, the Bank's operational priorities and programmes of assistance were substantially in line with proposals for a Programme of Action for the LDCs for the 1990s, within the framework of its own operational policies and guidelines.

360. The representative of the United Nations Development Fund for Women (UNIFEM) said that the Fund, created in 1976, provided financial and technical assistance for women in development. By the end of the United Nations Decade for Women in 1985, the General Assembly had enlarged the Fund's mandate, and UNIFEM had become an autonomous organization associated with UNDP. Under its new mandate, UNIFEM had two main objectives: first, to provide direct financial and technical support to poor women in rural and semi-rural areas; second, to ensure that the needs of women were taken into account equitably with those of men in the provision of large-scale assistance to developing countries through participation in programming and conception and monitoring and evaluation of such activities. UNIFEM's activities were now decentralized, with field posts in Dakar, Harare, Mexico, Rio de Janeiro, Bangkok and New Delhi.

361. The majority of LDC governments had created national institutions for women to eliminate discrimination against women. In preparation for the second Conference on LDCs, the UNCTAD secretariat had organized a high-level experts' meeting on the role of women in LDCs (Niamey, Niger, 29-31 January 1990). The Niamey meeting had called upon LDC governments to include at least one woman in each delegation to the Paris Conference. It had also called upon women's NGOs to participate as observers at the Paris Conference. The composition of the delegations at the Conference showed that even such a theoretical recognition of the role of women in the development of their countries was not easy to achieve.

362. The participation of women in the definition of policies and strategies of development could not be limited to traditional areas like health, nutrition and family planning. It should cover all sectors of development, including political, economic, scientific and technical issues. Women's

participation in science and technology was a necessary condition for promoting their contribution to self-reliance and assuring food security in their countries. It was also important that each session of the Intergovernmental Group on the LDCs should be preceded by in-depth studies on women's situation in the LDCs. An exchange of information on women's issues between other developing countries and LDCs could also be useful. UNIFEM was ready to reinforce its cooperation with UNCTAD and other agencies of the United Nations system to ensure efficient participation of women in the implementation of the Programme of Action.

363. The Director of the United Nations Sudano-Sahelian Office referred to a paper entitled "Drought and desertification: the case of the African least developed countries", which reflected the fact that there was a close link between poverty and a poor resource base. These factors reinforced each other, in a vicious circle of underdevelopment. The paper suggested that the speed of this process was alarming, although more recently favourable climatic conditions had led to somewhat better agricultural production.

364. He stressed that increasing the potential for productivity in agriculture and livestock, even in the more arid regions, was a matter of priority issue. Another priority was the strengthening of national capabilities in preventing ecological degradation. It would be necessary to strengthen national institutions and human capacities. He noted that UNSO considered that support for government efforts in planning, coordination and monitoring was crucial. Finally, he suggested that the new Programme of Action should reflect the fact that the conservation of the natural productive resource base was a priority issue, as a large number of LDCs ran the risk of not being able to secure their own food production and had extremely limited economic alternatives.

365. To utilize resources most effectively and to avoid duplication and overlap, the Bank fully supported established aid coordination mechanisms.

366. The representative of the International Confederation of Free Trade Unions (ICFTU) said that his organization represented free labour organizations worldwide, including many members in LDCs. These organizations formulated, promoted and executed joint economic and social projects with the aim of achieving development, full and productive employment and an end to poverty. He stressed the importance of strong and independent trade unions and workers' organizations in protecting workers' rights and enforcing international labour standards. A free, democratic and equitable society would elicit popular participation, which was essential to the economic development of nations. In this respect the role of trade unions as responsible partners in the development process should be recognized in the new SNPA for LDCs in the 1990s. He drew attention to the fact that trade unions were the only major development agent to have been omitted from the draft programme and requested that due attention be given to the rights and role of trade unions. Regarding trade, LDCs presently accounted for only 0.3 per cent of world exports. Those LDCs which were committed to respecting workers' rights should receive better access to industrialized countries markets. He called on industrialized countries to set a binding timetable for the removal of barriers in areas of intense competition, if such barriers could not be dropped right away.

367. The representative of the World Confederation of Labour said that the 1980s had ended with the LDCs in a much worse economic situation than they had been 10 years ago. The targets set in the SNPA had all remained

unfulfilled. The World Confederation of Labour fully endorsed the proposals of the United Nations regarding the domestic policies of the LDCs as well as those pertaining to external assistance by the donor community. It was the view of the Confederation that special emphasis should be put on the development of agriculture, which was the foundation of the economic livelihood in the LDCs. Furthermore, it was important for the LDCs to give particular support to the private sector and to the increased use of indigenous resources for production. The private sector should also be restructured, streamlined and motivated and the bureaucratic bottle-necks should be removed. In order to provide support to economic activities, special emphasis should also be placed on the development of physical infrastructure facilities. The participation of trade unions and workers and other social organizations, in particular the non-governmental organizations, was also indispensable. With respect to external assistance, the Confederation supported fully the appeal to help the LDCs to expand their exports to the markets in the developed countries and to ease their external debt burden. Lastly, the LDCs should give increased attention to the respect for human rights and to the promotion of the role of women in development.

368. The representative of Colombia stated that one practical way of supporting the "solidarity contract" proposed by the President of France would be for his country to share with LDCs its successful experience in lowering population growth. The short, medium- and long-term effects on the social welfare of unbalanced population growth had already been expounded by the Executive Director of UNFPA. His country's success in drastically lowering birth rates had not been enforced by government policies or programmes, the size of a family being left to the decision of the couple. He praised the role played by non-governmental organizations, such as PROFAMILIA, which had successfully promoted family planning by word of mouth. Their work had been held up as an example for others and in 1989 it had received the international recognition of the United Nations. Lower birth rates, complemented by decisive government actions for better social welfare, had improved the status of the Colombian woman and allowed her to participate in, as well as enjoy equally, the benefits of national progress. Indeed, GNP per capita had doubled in the past 20 years, and Colombia was an exception to the concept of a lost decade for development in the Third World countries. Economic growth alone would not have been enough to make such advancement possible had it not been for the decrease in population growth rates. Drug trafficking had not contributed to the current situation. On the contrary, it had brought pain and tragic losses for decent men and women and had imposed immense social, economic and financial costs on his country. In conclusion, he said that the new Programme of Action for the 1990s should ascribe the same importance to the challenges of world demography as to other aspects affecting the development of LDCs.

369. The representative of Togo agreed that the 1980s had been a lost decade for the LDCs. The decade had been characterized by a sharp decline in commodity prices, a deterioration in the terms of trade, a decrease in external resources and a growing debt problem. As a consequence, countries of sub-Saharan Africa had witnessed a steady decline in their per capita GNP and a serious increase in their indebtedness. In 1989, indebtedness had amounted to 45 per cent of sub-Saharan LDCs' GDP, and debt servicing had risen to 50 per cent of their export earnings. Togo's earnings had fallen sharply as a result of a number of imbalances compounded by a drop in commodity prices. Meagre economic performance had caused the country to implement a

series of structural adjustment programmes, and in the short and medium term, implementation of these programmes had produced improvements in the balance of payments and in private sector performance. Togo had also created an industrial free zone with the objective of tapping the resources of the country more efficiently and creating additional employment opportunities.

370. Democratization and respect for human rights were an integral part of Togo's development policy. For LDCs, and Togo in particular, it was essential to find satisfactory answers and solutions to all the problems of development in order to escape underdevelopment. To that end, LDCs needed to put in place strategies that favoured the creation of a positive domestic environment conducive to growth and sustainable development. A new policy of partnership between North and South that could assure the creation of an industrial base in the course of the 1990s should be developed. Donors should agree to provide 0.15 per cent of their GNP by 1995 and 0.2 per cent by the end of the decade. International multilateral institutions should review the particular situations of the LDCs and tailor repayment conditions and debt accordingly. Innovative measures on debt relief for bilateral and multilateral debt were needed to support the LDCs' internal efforts. There was also a need to support financial assistance with technical inputs, especially with regard to demographic, health and education policies.

371. The representatives of Senegal said that the changes in East-West relations and in Central Europe had opened up new perspectives, but it would be dangerous to believe that the industrialized countries could enjoy peace while the vast majority of nations, particularly the LDCs, continued to face serious economic problems. During the last decade, in most developing countries, and especially the LDCs, per capita income in real terms had stagnated or decreased. The terms of trade for LDCs had declined by 15 per cent between 1980 and 1988. The SNPA and the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 had not achieved the expected results. The LDCs had to face internal and external structural obstacles, and though each developing country had to depend primarily on its own resources for its development, international solidarity was indispensable to help them to accelerate their development. A favourable external economic environment was necessary to encourage investment and private initiative and to improve productivity. Commodity markets must be stabilized in order to ensure stable prices for exports, and the capacity for processing primary products should be expanded. Measures to protect the environment should be undertaken and appropriate technological solutions should be found to combat desertification, drought and natural disasters. South-South cooperation should also be encouraged.

372. He welcomed the decision of UNDP to allocate 55 per cent of its resources to LDCs. With regard to ODA, the main external source of financing for LDCs, donors should double the volume of their ODA assistance within five years and devote 0.2 per cent of their GNP to ODA for LDCs by the end of the century. He emphasized the need to alleviate substantially LDCs' debts and indicated that ODA should be provided in the form of grants. With regard to trade, the LDCs needed access to expanding markets in developed countries for their exports, and they should also benefit from compensatory financing measures. The current Gulf crisis would not fail to have important repercussions for the LDCs, and these should be assessed. Finally, he stressed the importance of establishing follow-up mechanisms at the national, regional and global level, with UNCTAD assuming a coordinating function.

373. The representative of the United Kingdom of Great Britain and Northern Ireland said that the Programme of Action should draw upon the lessons learned in the 1980s. The consensus on the broad themes of the development agenda agreed at the special session of the United Nations General Assembly in April 1990 should guide internationally agreed measures to address the concerns of the LDCs.

374. One of the main issues was the complex relationship between population, poverty, and the environment. All had to be addressed in national development policies. The United Kingdom would support population policies and measures to reverse damage to the environment.

375. He considered that structural adjustment programmes in the LDCs should not focus on a small number of macro-economic targets, but rather on a broad package of reforms which were capable of changing the balance of forces within an economy, resulting in a more effective use of resources. These programmes should address short-term and long-term objectives and should contain measures to alleviate the negative impact they might have on vulnerable groups. Furthermore, they should be pursued within a social and political framework which respected the rule of law and the observance of fundamental human rights, and which involved the participation of all parts of society.

376. Donors should provide support to Governments which pursued prudent policies. This involved providing adequate levels of external resources, including a reduction of the debt burden and reinforcing the global trading environment. The United Kingdom's aid in the coming years would grow in real terms. As part of its efforts to improve aid modalities and aid effectiveness, the United Kingdom would remove all limits on the extent to which its bilateral project aid to the LDCs could be used to meet local costs. The United Kingdom would also allow LDCs to procure from other poor countries as well as in the United Kingdom under future aid grants.

377. The representative of Iraq stated that the adoption of the SNPA for the 1980s had been expected to provide a development strategy that would help the LDCs to move along a path of self-sustained growth that would ensure a minimum acceptable standard of living to their peoples. Unfortunately, all the economic indicators for the 1980s showed that the LDCs economic performance had been so inadequate that most of them had failed to even maintain their already very low per capita income. The SNPA had set a target of 7.2 per cent for annual growth, yet the actual average had barely reached the 2.2 per cent. Both agriculture and manufacturing production had expanded by 2 per cent annually - well below the objectives of the SNPA. The LDCs foreign debt had also increased from \$US 35.8 billion in 1982 to \$US 69.3 billion in 1988. The lack of progress in LDCs was due to many factors such as military conflicts, decline in commodity prices and adverse terms of trade. Although the LDCs were responsible for their own growth and development and should attach great importance to appropriate national policies, they also required special attention from the international community. One of the priorities was for the LDCs to diversify their export base but such measures should be supported by international measures designed to provide - through elimination or substantial reduction of tariffs and non-tariff barriers - guaranteed favourable terms of trade. Iraq suggested a plan to allocate one dollar out of the price of every barrel of oil sold by OPEC countries to form a fund for helping the LDCs. Iraq stressed its offer

of supplying free oil for Third World countries based on solidarity and friendship with these countries due to the rise of oil prices because of the Gulf crisis.

378. Since the LDCs were heavily dependent on concessional aid, there was an urgent need for all donors to fulfil the aid targets. During the 1980s only a few of them have respected the SNPA target of 0.15 per cent of their respective GNP for ODA. Whereas Western countries and their allies had earmarked billions of dollars to pay for the United States intervention in the Gulf, they were refusing to provide modest sums for the development of the LDCs.

379. External debt was also a serious problem for the LDCs; debt relief was imperative for these countries. Military expenditures in the Gulf region could be better used as additional resources for the benefit of the LDCs. Iraq maintained its offer to settle the Gulf crisis by peaceful means.

380. The representative of Peru endorsed the views of previous speakers on the failure of the first SNPA. The resources destined to increase the development and growth of LDCs had been insufficient and as the situation had aggravated over time, more resources would be required in the future. The need for urgent and significant increases of ODA flows to LDCs was stressed but additional resources for LDCs should not come at the expense of other developing countries. Moreover, these additions should be further complemented by an adequate solution to the debt problem. A political solution was needed more than ever and Peru had noted with interest the proposals of President Mitterrand. Although the Conference was not the most appropriate forum to deal with financial questions, LDCs were perfectly capable of taking political decisions on this crucial obstacle to their development.

381. On the export markets of LDCs, the Generalized System of Preferences had not been sufficiently productive, thus it was imperative that LDCs obtain better conditions at the Uruguay Round. Likewise, the recently established Common Fund for Commodities should be strengthened. Apart from ample access to developed countries' markets, LDCs should be assured of a steady income from their exports to allow capital accumulation for the expansion of their productive bases. This was the only viable road to development and had been blocked for developing countries in the 1980s. Finally, she hoped that the new era of understanding among the super-Powers would lead to direction of resources to vulnerable areas whose harmonious and balanced development was the only guarantee of peace and stability. This principle should constitute the basis for the new Programme of Action and should be applied with popular participation.

382. The representative of Zambia said that the weak economic position of the LDCs and other developing countries was a reality that needed the full recognition of the international donor community. The Conference should try to identify concrete ways of creating the political and structural conditions that would enable areas of production and trade in LDCs and other developing countries to generate a dynamic and sustainable development process. In initiating structural programmes, the LDCs had moved towards a common faith in free trade. However, the agricultural and industrial transformations in LDCs and other developing countries had shaken this faith to the foundations as quantitative restrictions on labour-intensive goods exported by the LDCs and

other developing countries could never be overcome. In this connection, he thought it was necessary to enforce the concept of "worldwide job sharing" at the political level. He did not accept the excuse used by some developed countries that aid flows were low because of inefficient use of funds by recipients. The root cause of the downward trend in the development of the LDCs was the lack of adequate finance to promote development. The unfair international trade practices worked against LDCs and other developing countries. The debt problem of the LDCs required further measures in addition to those adopted at the Toronto Summit. LDCs needed to adopt quickly multiple and environment friendly technologies. First and foremost, the eradication of poverty in the LDCs remained a major challenge that had to be addressed satisfactorily if a process of dynamic and sustainable development was to take place. To implement all crucial development objectives, the LDCs should take full responsibility for their economic and social development. The concept of self-reliance should be stressed in their national plans in order to achieve positive changes in the lives of their peoples. Finally, he joined in the appeal to the donor countries to meet their commitments of providing 0.15 per cent of their GNP to the LDCs and to increase the pledges to 0.2 per cent. The proposals made to the Conference by the President of France, including the conversion of all loans owed by the LDCs into grants, should be adopted.

383. The representative of Israel hoped that the Conference would agree on adequate proposals for inclusion in the Programme of Action which would drastically improve the economic situation of the LDCs. Development of the agricultural sector in the LDCs would remain an important vehicle for future growth. Israel had first-hand development experience because, on independence in 1948, it had been faced with problems similar to those of the LDCs. Thanks to the implementation of relevant policies over a long time, his country had been able to achieve noticeable development success. As a result of this success, Israel had been able to share its experience with many developing countries. While thousands of citizens from developing countries had been trained in Israeli institutions, many programmes of technical assistance had also included components where Israeli technicians worked in developing countries. The main emphasis of these inputs was to ensure a form of training that would guarantee a maximum multiplier effect and to expose trainees to effective methods, procedures and innovations.

384. To accelerate development, LDCs and other countries could resort to the strategy of a transitional economy which would stimulate mainly rural area development and would have the diversification and intensification of agriculture as its main objective. This could only be achieved with the fullest participation of the population. Development success could only be secured through concerted and joint efforts on the part of all LDCs and their development partners. Israel was willing to place its expertise and capabilities at the disposal of interested LDC Governments and international organizations.

385. The representative of Nepal said that the SNPA had promised a better future for the poor and disadvantaged people all over the world but the 1980s had clearly demonstrated that the efforts undertaken had not done much to diminish the magnitude of the problems that the LDCs were still facing. There were many factors, both internal and external - including aid-related constraints - that were responsible for this disappointing state of affairs. While the rest of the world had enjoyed steady progress, the weaker nations

were becoming further marginalized. The obstacles faced by the LDCs during the last decade were formidable. In the case of Nepal, three decades had been lost as the former Government had prepared development programmes and made representations in world assemblies only to gain legitimacy and resources to perpetuate a system that was basically anti-democratic and therefore anti-development. Now that a democratic and accountable Government was in place, it was hoped that both domestic and external resources could be used more efficiently to support rapid, sustainable and just development. Nepal would continue throughout the 1990s to restore its trade balance, and poverty alleviation would be central to its development strategy. Rural urban imbalances would also be redressed. Among other measures to be undertaken by the Government, special emphasis would be laid on the control of population growth, the protection of the environment, the fostering of complementary relationships between the Government and the private sector, the integration of the non-governmental organizations in the development process and the promotion of indigenous skills. The Government would also attach high priority to the mobilization of domestic resources, since it considered that external finance should play only a supplementary role to domestic efforts. The LDCs would also have to put special emphasis on a better mechanism for aid coordination. On the part of donors, greater efforts were called for not only to increase ODA flows but also to adopt measures for debt relief. Lastly, it was important to ensure that the new Programme of Action should include effective mechanisms to monitor and follow up on the progress in the implementation of the agreed measures at national, regional and international levels.

386. The representative of the United Arab Emirates said that nine years after the first United Nations Conference on the LDCs, the situation in the LDCs had worsened. International assistance to support all major sectors such as health, education, food and housing was urgently required, with more dynamism and additional commitments from the international community, in order to allow the LDCs to achieve a minimum standard of living. His country endorsed the ODA target of 0.15 per cent of GNP, and that target should be raised to 0.20 per cent during the 1990s. The United Arab Emirates had in fact already surpassed the agreed ODA target under the SNPA. It would continue and further increase its assistance to the LDCs through its national financial institution the Arab Abu Dhabi Fund for Development, and through international institutions such as the OPEC Fund for Development. The international community was also requested to provide debt relief to the LDCs and to facilitate access for their exports to the markets of the developed countries.

387. Concerning the Gulf crisis, the United Arab Emirates requested Iraq to respect international law and conform to the resolutions of the Security Council, which demanded the unconditional retreat of Iraqi forces from Kuwait, so as to enable Kuwait to assume its traditional role as one of the contributors to assistance programmes for LDCs.

388. He also believed that international solidarity vis-à-vis the fellow Arab country of Kuwait would inevitably lead to the restoration of its position among civilized nations. He added that he was not in agreement with the representative of Iraq on the question of assistance to the LDCs. This issue did not necessitate invasion of a country by another and Kuwait had indeed had a long tradition in assistance to these countries. "Law was above all".

389. The representative of the Dominican Republic said that, in view of the development failures of LDCs in the 1980s, there was an urgent need for greater efforts to reverse this situation of economic decline. Their destitution was an affront and disgrace to the international community and civilization as a whole. His Government therefore endorsed the proposals that donors fulfil the ODA target of 0.15 per cent of GNP, that LDC debt be softened, rescheduled, reduced and forgiven, and that access for LDC exports to the international market be improved. There had been a great deal of rhetoric about the LDCs' devastating poverty, yet many countries had remained indifferent. Apart from material, technical and scientific assistance, LDCs also needed to be helped to eradicate illiteracy. Without education, there would be no possibility of economic, social or cultural development.

390. His country was experiencing sustained economic growth in spite of the pressures imposed by the IMF assistance programme. Attention was being given to the construction of low-income housing, the promotion of rural development and the development of a national infrastructure that encouraged tourism. ~~This sector had become the main source of foreign income, compensating for the loss incurred by the decline in the prices of its principal agricultural exports, namely coffee, cocoa and sugar.~~ In spite of the adverse external economic environment, the country's development prospects appeared good.

391. The Director-General of the World Intellectual Property Organization (WIPO) reviewed areas in which WIPO's contribution would have a meaningful impact within the framework of the Programme of Action. With regard to the reduction of the financial burden he stated that, in October 1989, the Governing Bodies of WIPO had established a new category of contribution for LDC countries, which were members of WIPO or party to treaties administered by WIPO. This new category of contribution involved payment by LDCs of only one eighth of the amount paid so far by the lowest contributing countries, which represented an 87.5 per cent reduction. The proposal to exempt these LDCs from their pending arrears to the tune of 90 per cent still had to be considered by the Governing Bodies of WIPO.

392. The development of human resources was one of WIPO's most important fields of action and government officials administering intellectual property laws and institutions in several LDCs were benefiting from WIPO's training programme.

393. WIPO's other contribution was the programme to foster increasing regional or subregional cooperation and promote cooperation between the LDCs and other developing countries, in which it participated for example through assistance to two regional organizations: the African Intellectual Property Organization (OAPI) and the African Regional Industrial Property Organization (ARIPO). These organizations worked for protection of inventions, trade marks and industrial designs in their respective member States through a registration system at regional level.

394. WIPO gave priority to LDCs in its work related to the formulation of intellectual property laws and regulations, the creation of relevant institutions for their efficient implementation, and the training of negotiators involved in the licensing of technology and know-how related to intellectual property. WIPO would shortly institute a new assistance

programme for developing countries, including LDCs, whereby they would receive the latest computer hardware and software to assist them in accessing information contained in patent documentation.

395. The Director-General of the OPEC Fund for International Development said that, although the 1980s had been a period of set-backs for the LDCs, there was much to be gained from periodic progress reports and from the formulation of policies and goals. Without the SNPA, there would have been no agreed targets for ODA performance, nor would the qualitative difference of LDCs' problems and the corresponding need for a special approach to them have been enshrined as commonly accepted principles. The OPEC Fund had so far been active in 38 of the 41 LDCs. Over the 1988/89 period, about 90 per cent of the Fund's commitments had been to LDCs and other low-income countries, and half of the loan commitments had benefited LDCs alone. The OPEC group had not only consistently fulfilled, but had also largely surpassed, the SNPA target of devoting 0.15 per cent of GNP to concessional aid to LDCs. Furthermore OPEC Fund assistance had been extended on highly concessional terms, as it was untied and given without conditionalities. The OPEC Fund also attached high priority to projects of direct benefit to the poorest segments of the populations in LDCs. The bulk of project lending was devoted to transportation infrastructure, health, national development banks, agriculture and agro-industry, education, water supply and sewage. Although each individual country bore the responsibility for its development, domestic efforts had been constrained by the unfavourable external environment, in particular declining commodity prices, high interest rates and protectionism on the part of the developed countries. All this had been compounded by the failure of donors to fulfil the agreed aid targets. The Fund fully endorsed the adoption of the proposed new goal of 0.2 per cent of GNP within a five-year timeframe. Donors should also make every effort towards debt relief for the LDCs.

VI. STATEMENTS MADE IN EXERCISE OF THE RIGHT OF REPLY UNDER
RULE 25 OF THE RULES OF PROCEDURE OF THE CONFERENCE

396. The representative of Saudi Arabia observed that the representative of Iraq had spoken of respecting the territorial sovereignty of the LDCs when that country had itself violated the territorial sovereignty of Kuwait - a fellow Arab country. The international community had been unanimous in its condemnation of the invasion of Kuwait and had called on Iraq to withdraw from Kuwait at once. Although the Iraqi representative had lectured the participants in the Conference on how best their countries should spend their resources, the whole world was well aware that the Iraqi Government had spent a large part of its oil revenues to finance the war against the Islamic Republic of Iran - a war which had been waged against the will of the Iraqi people. The present Iraqi régime had brought about instability in the region and aroused deep anxiety. Saudi Arabia had thus called on the multinational forces of friendly countries for its self-defence, in order to contain Iraq's expansionist designs. Moreover, the state of human rights in Iraq was such that the Iraqi representative was in no position to invoke the role of human rights in development. The Iraqi people did not enjoy freedom of expression. He added that the proposal made by Iraq to offer oil free-of-charge to the developing countries was nothing but an attempt to buy the goodwill of honest people with oil stolen from a country which had contributed many billions of dollars in assistance to the developing world during the past 10 years. It was a well-known fact that Iraq, one of the richest Arab countries, had never given financial assistance to the developing countries.

397. The representative of Qatar said that Iraq had accused the Gulf States of improper use of their oil revenues and inadequate investment policies in order to conceal the real cause of the Gulf crisis, namely its own military invasion of a sovereign State, member of the United Nations and the Arab League. The Iraqi representative had tried to justify the occupation of Kuwait by alleging that Kuwaiti policies had once badly prejudiced the interests of his country. However, there was no justification for the invasion and mistreatment of a people in complete disregard of human rights. Had Iraq not rejected the diplomatic solutions, negotiations between the two countries would still have been possible in full respect for international laws and charters. Iraq should withdraw unconditionally for the sake of its people who had also had to suffer the consequences of this war. He added that, if Iraq had been eager to allocate money for development, it should have assisted the poor Arab nations and the developing countries, in particular the LDCs, instead of investing in military operations against the Islamic Republic of Iran and now Kuwait. The plight of thousands of innocent working people from Arab, Asian and African countries caused by Iraq reflected the callousness and disregard with which the Iraqi régime treated the very poor people it claimed to have concern for. So did its treatment of civilians from many countries who were being treated as hostages, as prisoners of war and as a human shield for its military installations. Referring to Iraq's offer of free oil for poor countries, most probably oil stolen from Kuwait, he said that this sudden generosity was suspect and, moreover, meaningless under a strict embargo.

398. The Gulf countries, which depended on one source of income liable to be depleted in a few years' time, had every right to seek ways of diversifying it by investing their proceeds from oil wherever they found guarantees. In all cases, it was better than squandering their income on military adventures ending in huge debts. He asked how much Iraq had invested in other needy fellow countries.

399. The representative of Kuwait said that he would not use discourteous language against Iraq for fear that it might inconvenience France, the host country. As far as Kuwaiti assistance for development was concerned, the figures spoke for themselves; Kuwait had even transferred financial resources to Iraq in the past. He said that his presence at the Conference, together with other delegates, was aimed at promoting development not backwardness, construction not destruction. His country was proud to confirm that, despite Iraqi occupation, Kuwait would continue to assist the LDCs. In this connection, Iraq did nothing to contribute to development. It had instead indulged in 10 years of war which had jeopardized world security and cost the country 1 million casualties and unreasonable military spending, especially spending on chemical armaments. This war had imposed sacrifices on the Iraqi people, who lived in sheer misery in one of the wealthiest Arab countries. The Iraqi régime had not stopped short at military occupation and violation of international law but had threatened to take hostages. Kuwait had been the most ancient independent country of the Gulf region, long before Iraq had acquired its own independence. He could not understand Iraq's aggression towards his country, in total violation of international conventions, when not later than last year, President Saddam Hussein had sent Sheikh Sabbah, Emir of Kuwait, the highest Iraqi decoration as an expression of thanks for Kuwait's contribution to his country.

400. The representative of the United States of America said he supported the statements by the representative of Saudi Arabia, Qatar, Kuwait and, earlier in the session, by the United Arab Emirates. The United States delegation found it regrettable that Iraq had chosen to abuse the hospitality of the present forum by using it to launch a spurious attack on countries opposing its aggression. The entire world community, acting through the United Nations, had condemned Iraq's aggression against Kuwait. As President Bush had said before Congress, the goals of total withdrawal of Iraq from the territory of Kuwait, restoration of the legitimate Kuwaiti Government, and peace in the region were not goals of the United States alone. These goals had been endorsed by the United Nations Security Council five times in five weeks. Finally, he said the Conference was meant to discuss the issues of development in the LDCs. It was therefore concerned with people and their well-being and in this context, he would wish the same for the people of Iraq as well as all those affected by the Iraqi aggression.

401. The representative of Iraq said that he understood the nervousness of the distinguished Ambassadors. Saudi Arabia, together with the other countries members of the Gulf Co-operation Council, had put itself in a difficult position by allowing the United States and other foreign forces to be stationed in their territory. The presence of these troops had turned out to be a real occupation and, as stated by the United States Secretary of State, the United States military forces would remain in the region several years. He stated that Saudi Arabia was, in fact, financing its own occupation, paying \$US 12 billion for the stationing of United States troops on its soil. The United States objective of gaining control of oil wells in the region had therefore been realized thanks to Saudi Arabian financing. The spectre of war was now prevailing throughout the region. The deployment of the multinational forces had not been undertaken in accordance with international law, because no resolution had been adopted by the Security Council to form them. In contrast, preventing food and medicines from reaching Iraq was a clear violation of international law and human rights. Moreover, the stationing of United States forces had given rise to many social contradictions and cultural shocks between Saudi Arabian and American people.

402. The representative of Saudi Arabia knew very well that Iraq had no belligerent intentions against his country since a convention of non-aggression existed between the two countries, a convention which did not exist between Iraq and Kuwait.

403. Those Governments eager to behave in conformity with international law should have requested the United States to comply with a Security Council resolution providing for the setting up of a multinational force under the aegis of the United Nations. This action would have meant adequate international protection of Saudi Arabia.

404. The representative of Saudi Arabia said that his country, in the exercise of its sovereignty and freedom of decision, would do everything it judged useful to confront the expansionist designs of Iraq. The Iraqis, whose very régime revealed hatred and contempt for the Islamic religion, were quite unqualified to make groundless allegations about the colonization of the holy places by foreigners. Finally, he said that, as a result of the Iraqi invasion, hundreds of thousands of Kuwaitis had been transformed into refugees living in tents in the desert.

405. The representative of Qatar observed that what the Gulf countries were doing for the development of the LDCs was very well known. Kuwait had been the leading country in these developmental activities and its contribution would not have stopped had it not been for the Iraqi aggression.

406. The representative of Kuwait asked whether Iraq was seeking a return to the law of the jungle. It had defiled the holy places and devastated whole areas. These aggressions were totally unacceptable.

407. The representative of Nigeria said that the grave situation in the Persian Gulf needed to be dealt with through the concerted action of the international community if it was not to engulf the rest of the world. He pointed out that the origin of such conflicts could be traced back to the glaring disparities between the rich and the poor countries. While such disparities persisted, there would always be a danger of such conflicts threatening world peace.

VII. ADOPTION OF THE PROGRAMME OF ACTION

408. At the 16th (closing) plenary meeting, on 14 September 1990, the President announced that the main Committees had fulfilled their mandates, completing their consideration of the sections of the draft Programme of Action assigned to them in a series of formal and then informal meetings.

409. The Chairman of Committee I introduced a text, A/CONF.147/C.1/L.1 and Corr.1, which contained the outcome of the Committee's consideration of the items referred to it.

410. He said that the work of the Committee had dealt with macro-economic and major policy issues and was an important contribution to the draft Programme of Action. The report of the Committee was both a substantive and a key document in that it outlined not only the commitments which Governments were taking but the policy framework within which they would be taking them. Moreover, it was important because it was based on the conception of the world as an interdependent entity and on a growing consensus on the basic premises which underlined the way in which peoples related to each other, whether in political, economic or social terms. There were four principles in the document; first the idea of shared responsibility; second, a reaffirmation of the sovereignty and responsibility of the least developed countries; third, a reaffirmation of the need for a strengthened partnership to assist the LDCs; and, fourthly, a perception that all countries must make commitments which could be seen, acted upon and followed up. These principles pervaded the remaining elements of the Committee's work.

411. At the closing meeting of Committee I, he had been mandated to undertake informal consultations regarding paragraphs 37 and 43 of the document because of concerns expressed by certain delegations. It had not proved possible to resolve those concerns and the delegations involved could make statements in that regard.

412. The Chairman of Committee II introduced two texts, A/CONF.147/C.2/L.1/Rev.1 and Corr.1 and A/CONF.147/C.2/L.2/Rev.1 and Corr.1, which contained the outcome of the Committee's consideration of the items referred to it.

413. He said that the successful result of the Committee's work was due to the cooperative attitude which had prevailed during its proceedings.

414. The President recalled that, at the second meeting of the Bureau and Co-ordinators, it had been decided to entrust certain ministers present at the Conference with the conduct of consultations on a number of essentially political questions. Mr. Jan Pronk, Minister of Development Co-operation of the Netherlands, had thus assumed responsibility for questions relating to the volume of external public resources, Mr. Rukikaire, Minister of State, Minister for Economic Planning and Development of Uganda, had assumed responsibility for external debt and Mr. Devendra Raj Pandey, Minister of Finance of Nepal, had assumed responsibility for a series of political questions.

415. Reporting on his consultations on paragraph 19 of the draft Programme of Action, Mr. Jan Pronk, Minister of Development and Co-operation of the Netherlands, said that it had been clear from the outset that it would be necessary to aim at a consensus which could not be based on the minimum possible common denominator but first should lead to an overall significant and substantial increase in the flow of resources to LDCs - unlike the situation 10 years earlier when it had become clear after the Conference that the total flow of resources to LDCs would not amount to much more than a 30 per cent increase over a 10-year period - and, secondly, would have to cover all individual developed countries as donor countries, not enabling any one of them to disassociate itself from the results of the negotiations - again unlike the situation 10 years earlier when some countries had not been part of the outcome of the negotiations.

416. Participants in negotiations had thus decided on a "menu of options" approach to such a consensus, taking into account the different starting positions of the individual donor countries. It had been decided to distinguish four different categories of donor countries, which were listed in paragraph 19. Within each of the four categories there was a political commitment to increase efforts. Given the commitments assumed individually within each of the categories, this should lead to adequate external support to promote the implementation of the Programme of Action. The consensus represented a political breakthrough as compared to the past decade and the positive atmosphere which had prevailed throughout the negotiations augured well for the implementation of the Programme. The outcome of the menu of options was a good meal which contained more meat than in the 1980s, and was both transparent and credible.

417. The representative of Uganda, reporting on the consultations on paragraphs 39 and 40 (paras. 34 and 34 bis of document A/CONF.147/C.1/L.1) conducted by Mr. I. Rukikaire, Minister of State for Planning and Economic Co-operation of Uganda, said that consideration guiding the approach of most delegations to this task was the international community's recognition of the problem of debt and debt servicing as representing an impediment to the growth of LDCs. The text agreed represented some progress, although not as much as every Group would have liked. It was his understanding that document A/CONF.147/L.3 represented a consensus text.

418. Reporting on his consultations on paragraphs 64 and 67 of Chapter IV (paras. 53 and 56 of A/CONF.147/C.2/L.1/Rev.1), Mr. Devendra Pandey, Minister of Finance of Nepal, said that a consensus had been reached. The negotiations had involved essentially the need to reconcile differing perceptions as to concepts such as popular participation, human rights, democratization and observance of the rule of law and the need that some delegations saw to be able to determine their own ways of progressing towards these ideals.

419. He observed that the outcome of the Conference was more concrete and comprehensive than the outcome of the first Conference 10 years earlier.

420. The President inviting the Conference to adopt the Programme of Action, stated that this comprised: an assessment of the socio-economic situation during the 1980s, a statement of basic principles; national policies and measures designed to accelerate the development process during the 1990s; and arrangements relating to implementation and follow-up. In this latter context, he drew attention to paragraph 144 of the draft Programme of Action, in which the Secretary-General of the United Nations was requested to make proposals in that connection. Document A/CONF.147/Misc.8 listed the various documents of which the Programme of Action was comprised.

421. He announced further that it had been agreed in informal consultations that the Programme of Action would be accompanied by a final Declaration which, submitted by France, was contained in document A/CONF.147/L.10/Rev.1 and Corr.1.

Action by the Conference

422. At the 16th (closing) plenary meeting, on 14 September 1990 the Conference adopted without dissent the Programme of Action for the Least Developed Countries for the 1990s contained in the documents listed in A/CONF.147/Misc.8, supplemented by A/CONF.147/L.2/Rev.1/Corr.1 and A/CONF.147/GC/L.2/Add.1.

423. The Conference further adopted the declaration submitted by France in document A/CONF.147/L.10/Rev.1.

Criteria for designating the least developed among the developing countries

424. At the same plenary meeting, the President drew attention to a text submitted to the Conference by the Chairman of Committee I (A/CONF.147/C.1/L.2/Rev.1) as a result of the consideration in Committee I of the issue of the criteria for identifying least developed countries.

Action by the Conference

425. Also at the 16th (closing) plenary meeting, the Conference adopted the text submitted by the Chairman of Committee I and decided to include it in its report under the section on "Other decisions" (for the text, see annex I below, section B).

VIII. ECONOMIC ASSISTANCE AND LEAST DEVELOPED COUNTRY
STATUS FOR NAMIBIA

(Agenda item 11)

426. At the 16th (closing) meeting, on 14 September 1990, the Conference adopted without dissent a draft resolution (A/CONF.147/L.8), submitted by Mexico on behalf of the States members of the Group of 77, inviting the General Assembly to consider the question of the inclusion of Namibia in the list of least developed countries (for the text, see annex I below, resolution I).

427. The representative of Namibia stated that it had been a great honour for Namibia to participate in the Conference for the first time as an independent, sovereign State and she thanked all participants for their support and good wishes. The resolution adopted was a clear testimony that, with the independence of Namibia, the international community continued to provide special assistance to Namibia to ensure that this young baby of the family would be well brought up to be a good citizen of the international community. It was Namibia's great hope that the support given to it at the Conference would be carried over to New York where the final decision would be taken.

428. The President observed that the resolution was a translation of the great satisfaction that all participants felt in welcoming Namibia as a sovereign, independent member of the international community.

IX. CLOSING STATEMENTS

429. At the closing plenary meeting, on 14 September 1990, the representative of Italy, speaking on behalf of the European Economic Community and its member States, said that, based as it was on a framework of mutual obligations and dialogue between the LDCs and their partners, the Programme of Action was indeed a "contract of solidarity" which assembled the international community around its most unprivileged members to assist them in their progress towards development. The Programme marked the commitment of donors to support a coherent and ambitious set of clearly defined policies towards whose implementation the LDCs had decided to work. The success of their effort would also depend on the effective implementation of the commitments which all countries represented at the Conference had subscribed in the fields of human rights, democracy, popular participation and good governance. He pointed out that the Programme had rightly emphasized the implementation by the LDCs of population policies which would contribute towards the solution of the problem of poverty and environmental degradation.

430. Over the years, the Community and its member States had endeavoured to foster contractual cooperation with their development partners on a long-term basis and stimulated by permanent dialogue. The Community believed that the new Programme of Action could be the instrument for such cooperation between the LDCs and the donors as a whole, in particular as a result of the very thorough review mechanism which, based on the lessons of the past, had been made an essential element. The strength of the adhesion of the European Community and its member States to the Programme of Action derived from that conviction. In the years to come it would be essential for the implementation of the Programme of Action to be based on the dialogue and confidence which had allowed the Conference to succeed. The spirit of solidarity and openness

which had been manifested in Paris, and the agreement enshrined in the Programme regarding the application of policies and the conditions for their success, should permit the dissolution of the political difficulties which had so far worked to marginalize certain countries in the common effort.

431. In adopting the Programme of Action the international community had gauged the efforts which would be necessary if the LDCs were to meet the challenges of the 1990s.

432. The Community would not fail to discharge the duty incumbent upon it with regard to the essential of solidarity by providing the LDCs with assistance, substantially higher in terms of quality and quantity, to promote the success of the policies which they had undertaken to implement. The Community and its member States were in the first rank of providers of assistance to the LDCs and, generally speaking, to the whole of the developing countries. Following a few months after the renewal of the Lomé Convention, which remained an exemplary model of cooperation, the commitments in favour of the LDCs which the States members of the Community had taken at the Conference again reflected the awareness which the Community had of its role. The commitments as well as the continuation of the considerable and long-standing undertakings, should lead to a situation in which the Community, which already devoted slightly less than 0.13 per cent of GNP to the LDCs, would devote more than 0.15 per cent of its GNP to them before the end of the decade. Furthermore, the Community would continue to play an active role in the search for solutions to lighten the debt burden of the poorest countries. One of the States member of the Community had suggested at the Conference that consideration be given to the cancellation of the whole of the public bilateral debt of the most indebted LDCs. Another State member had announced its decision to cancel its bilateral public credit to the LDCs. These initiatives were an example of the continuing attention which the Community was giving to the difficulties of the most indebted countries. The Community was already offering very broad access to its markets for products from LDCs. It continued to help these countries to derive the maximum benefit therefrom. In the view of the Community and its member States there was no cause which was more worthy of the efforts of all concerned. As the Declaration adopted stated, the commitment to the least developed countries was dictated by ethical imperatives. By persevering with these efforts the international community would ensure that the victory of the LDCs over poverty was the victory of all mankind.

433. The representative of Sweden, speaking also on behalf of Denmark, Finland and Norway, said that the Nordic countries endorsed the new Programme of Action. The international community could not allow a further marginalization of the LDCs. The Nordic countries had been participating in the negotiations with the objective of reaching international consensus on clear commitments and measures which would place the LDCs firmly on the path of growth and sustainable development.

434. During the deliberations the LDCs had shown their firm commitment to, inter alia, growth-oriented economic reforms, human resource development, sound environmental policies, democratization and respect for human rights. The Programme was based on the concept of partnership in development. Indeed, international support measures were vital to the success of the reform and development efforts of the LDCs themselves.

435. The Nordic countries would have liked to see a higher level of commitment, both domestically in the LDCs and in relation to international assistance, particularly with regard to the targets for the transfer of concessional resources. They hoped, however, that the new commitments now undertaken by those donor countries whose ODA transfers to LDCs were considerably below the 0.15 target would lead to a substantial increase in the flow of concessional finance to the LDCs in the course of the next decade.

436. In this respect, he quoted from the communiqué from the current meeting of the Nordic Ministers of Development Co-operation: "The Nordic Ministers of Development Co-operation are concerned about the stagnation and signs of reduction in international ODA and the flow of resources from the North to the South. The ODA declined from 0.36 per cent of the combined GNP for DAC members in 1988 to 0.33 per cent in 1989. This is an all-time low, and is far below the internationally set target of 0.7 per cent. At the same time the need for development cooperation has continued to rise. The least developed countries' share of ODA is far below the international target of 0.15 per cent. Increased efforts to assist this group of countries must remain one of the main goals, also for the Nordic countries."

437. He stressed the fundamental importance the Nordic countries attached to an effective follow-up to the Programme of Action. Only through a committed implementation by all countries of the measures embedded in the Programme could its success be ensured.

438. The representative of China said his delegation was gratified to see that, after two weeks of intensive consultation, the Conference had finally arrived at the expected goals by adopting the Programme of Action for the 1990s and the Paris Declaration. In preparing the Programme, delegations had exerted great efforts. However, the task of implementing this Programme required the exertion of even greater efforts.

439. The LDCs should shoulder the primary responsibility for the development of their economies, but external support was also indispensable. The strengthening of support and cooperation from the international community for these countries would be an important aspect of the coming decade.

440. The model and strategy for economic development of a country was a matter of State sovereignty. Only by respecting State sovereignty could their economic development be assured. The Chinese delegation sincerely hoped that the adoption of the Programme would contribute to the economic development of the LDCs, and would help them in strengthening their own development efforts and in improving their situation.

441. China was a developing country. It was prepared to further develop its economic and technical cooperation with the friendly countries of the third world, especially the LDCs among them. China wished to continue to identify and expand its cooperation with them.

442. The spokesman for the Group of 77 (Mexico) said that the consensus reached was proof of the success of the Conference, which had adopted a Programme of Action for the least privileged and most vulnerable members of the international community. Ten years earlier, the international community had had the same aspirations and similar hopes in adopting the Substantial New

Programme of Action for the Least Developed Countries. However, as President Mitterrand had pointed out, the objectives set for the 1980s had unfortunately not been attained and, far from improving, the situation of these countries had in general deteriorated; not only had least developed countries been unable to break out of the LDC category, but their number had increased.

443. The Conference had been held against the background of major changes in the world scene, and he hoped that the positive spirit which had prevailed in the Conference would be a step towards a new horizon of international cooperation for the 1990s.

444. It was his Group's sincere hope that the international community had put the 1980s and their shortcomings and inadequacies behind it and that it could move forward in strengthening the consensus that had now been reached in favour of the least developed countries. The consensus adopted was based on the recognition of a shared responsibility and a strengthened partnership. It committed both the LDCs and the donor countries and this was the crucial factor. The Group of 77 believed that the commitment of both to the implementation of the Programme, and the spirit of understanding demonstrated throughout the negotiations, was a clear sign of the political will for comprehensive implementation.

445. Understandably, the LDCs, given their precarious situation and critical economic and social situation, might not be totally satisfied with regard to the outcome; that was to be expected and was understandable if their serious deficiencies as recognized by all participants were taken into account. However, this result could only be justified if the negotiations had as their objective the adoption of such a comprehensive and global international economic cooperation programme as had just been adopted.

446. However, the Programme did take into account the needs and aspirations of the LDCs, and in the final analysis this was what mattered. In adopting this Programme, the international community had transcended the psychological barrier of conditionality and everything now depended on the goodwill which existed to move forward and give practical meaning to what had been agreed.

447. The Programme of Action involved benefits for and commitments by the LDCs. These countries had accepted the outcome, and his Group were pleased to have been able to give them their solidarity and support.

448. The representative of Bangladesh, speaking on behalf of the least developed countries, said that the Conference had achieved its major objective by finalizing and adopting a new Programme of Action for the Least Developed Countries. This Programme, a product of a long and arduous exercise, would serve as the framework for national action and international support measures. The 1980s had been a decade of lost opportunities and stagnation or retrogression for most LDCs. By adopting this new Programme, all countries had committed themselves not to allow a repetition of past experience and to take effective measures to promote growth and development in these countries in a spirit of true partnership. The decisions taken on the increased flow of resources, alleviation of external indebtedness, greater market access for LDC products, commodity related initiatives and sectoral actions constitute important elements in this regard. However, the LDCs would have been particularly happy if consensus reached on the support measures could have

involved specific commitments in such key areas as ODA target and external indebtedness. The LDCs also wished to see the most generous support and solidarity expressed during the plenary debate translated into specific commitments for international action. Nevertheless, they believed that the essence of the Programme of Action lay in its full, effective and expeditious implementation, and that all would be able to stand up to this task in a steadfast manner.

449. The outcome of the Conference was no doubt vital for the future of the LDCs. But equally important in the LDCs' view was the attitude and commitment of their development partners during the coming years in support of the LDCs, in respect of both what had been agreed and what had eluded them in their search for consensus. The Conference had been crucial in generating worldwide attention, sympathy and understanding relating to the challenges facing their group of countries. The LDCs would like to leave the Conference with the hope that this would carry them forward in the days ahead in their collective action to break, once and for all, the vicious cycle of poverty and underdevelopment in the LDCs - a common goal that had brought countries together in Paris.

450. In concluding, he referred to the Final Declaration of the Conference, which, inter alia, pointed to the common destiny binding the countries together, and he quoted "refusal to accept the marginalization of the least developed countries is an ethical imperative". It also corresponds to the long-term interest of the international community. In an increasingly interdependent world, the maintenance or deepening of the gap between the rich and poor nations contains serious seeds of tension. The world will not enjoy lasting peace without respect for international commitments and shared development.

451. The representative of Denmark, speaking on behalf of the States members of the Organisation for Economic Co-operation and Development said that the Conference had completed its task of establishing a framework for development for LDCs in the coming decade, adopting a Programme of Action, based on a true partnership in development, and the Paris Declaration. An even more important phase would now begin requiring even greater efforts, namely, the phase of implementation, whereby commitments must be transformed into flesh and blood in the form of cooperation in the field between individual LDCs and their individual development partners, aimed at improving the lives of the millions of poor people in the LDCs who constituted the real target of the joint efforts of the international community.

452. The Secretary-General of the Conference and Secretary-General of UNCTAD said that the Conference had been one of convergence. There had been a remarkable unity of purpose among the countries assembled in Paris and the Declaration and Programme of Action together constituted a strong statement of shared responsibility for the future well-being of the people of the LDCs - a commitment to act urgently and effectively to reverse their marginalization. It would also give fresh impetus to international cooperation aimed at supporting the development efforts of the developing world as a whole in the interests of a healthy and equitable world economy.

453. The Programme of Action contained several new features: its basic principles of development partnership, its comprehensive treatment of structural adjustment, resource flows, and debt, and its emphasis on the role

of different actors - including women, entrepreneurs and NGOs - were perhaps the most notable. Overall, the Programme made a qualitative step forward beyond the SNPA of 1981.

454. The Programme was a comprehensive statement of strategy and policy which, if vigorously carried forward by all parties, should put the least developed countries on a sound basis to assure their own future. Efforts to achieve this aim would have to be sustained over the long term, despite setbacks which might occur.

455. One noteworthy feature of the Programme was its recognition that development centred on human welfare was much broader and more complex than a linear process of growth. The democratic and equitable participation of all social actors was essential. At the same time, it must not be forgotten that, without economic growth in the least developed countries, none of the other objectives of the Programme would be achieved.

456. On the key issues of external financial resources for the least developed countries, the Conference had achieved a result which was both positive and realistic. On ODA, it mapped out more clearly than before the different undertakings given by donors to increase resource transfers substantially. In this respect, the Programme was faithful to its own principle that commitments should be measurable and transparent. He hoped that the "ladder" of commitments would give an incentive to donors to climb to a higher level during the 1990s. On debt, it provided a comprehensive agreed statement of the problem and a broad indication of action to be taken to receive it as a matter of priority.

457. The economic uncertainty engendered by the current crisis in the Gulf would undoubtedly affect the conditions for the implementation of the results of the Conference. The President of the French Republic, echoed by so many other speakers, had appealed for action by the international financial institutions to alleviate the negative impact on the LDCs and other countries.

458. As with any Programme of Action, the proof of the one just adopted lay in its follow-up. Effective mechanisms to implement the Programme should be an immediate result of the Conference. These must mobilize the efforts and the perseverance of all parties. They must enable the international community and public opinion to judge progress in fulfilling the commitments made at the Conference. Linkages between different levels of follow-up must ensure that the global context was always borne in mind in planning and undertaking action at the national level and providing flexible responses to changes in the international economic environment. UNCTAD would spare no effort to make the major contribution expected of it to this collective enterprise.

459. In its future work on follow-up, UNCTAD would as in the past rely on the cooperation of the relevant organizations of the United Nations system, especially the World Bank, as well as UNDP.

460. In his closing address the President observed that the Conference had been rich in achievement. First of all, a frank, wide-ranging and informed dialogue had been established on the situation of the LDCs. Nothing had been neglected and no one had shirked his responsibilities. The high level of this dialogue lent originality to the two texts adopted by the Conference: the Programme of Action and the final Declaration, which contained no jargon or

verbiage, but diagnoses and solutions, and no dispersion or scattering, but priorities. Priority was given to partnership, human resources and human rights, environmental protection and rural development, the diversification of the productive sector, and so forth.

461. Commitments, too, had been made in the dialogue - a solemn commitment by the most fortunate to increase substantially their support for the 41 most disadvantaged countries. Without external support, as all were now convinced, the 41 could do their utmost, struggling and intensifying their efforts and sacrifices, without ever escaping from the vicious circle of poverty. More might, then, have been hoped for - more assistance and a greater willingness to alleviate debts. But a contract had been signed in Paris, a true contract of solidarity which was binding on all the participants, in other words, on all the countries of the planet. He called on all to combine their efforts, starting from tomorrow, to make it work.

462. Together, the participants in the Conference had broken the silence and cast off the veil of oblivion; they had refused to accept fate and, he sincerely believed they had held out new hope for those countries.

463. This success must now be consolidated. The failure of the last Programme, adopted in the very same forum nine years earlier, bade the international community to be modest. It also prompted it to be vigilant and determined. It was through follow-up, careful follow-up, and unceasing partnership that the battle for development would be won.

464. He reminded participants of the most self-evident fact: they lived on the same planet. Solidarity was without any doubt an ethical imperative. It was inherent first of all in geography; there were no two categories of human beings. There could be no lasting peace without shared development. If the Programme adopted today was carried into effect, participants could then - and only then - be proud and feel that they had truly worked for solidarity and dignity, in other words for peace.

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Part Three

ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the Conference
(agenda item 1)

1. The Second United Nations Conference on the Least Developed Countries was opened by the Secretary-General of the United Nations at UNESCO Headquarters, Paris, on 3 September 1990.

B. Election of the President
(agenda item 2)

2. At its 1st plenary meeting, on 3 September 1990, the Conference elected as President by acclamation Mr. Roland Dumas, Minister of State and Minister for Foreign Affairs of France.

C. Report of the Consultation among Senior Officials

3. At its 1st plenary meeting, on 3 September 1990, the Conference took note of the report of the Chairman of the Consultation among Senior Officials (A/CONF.147/6), which had taken place in Paris on 30 and 31 August 1990, containing recommendations on the procedural, organizational and administrative matters relating to the Conference.

D. Adoption of the rules of procedure
(agenda item 3)

4. At its 1st plenary meeting, on 3 September 1990, the Conference adopted as the rules of procedure the provisional rules of procedure approved by the Preparatory Committee for the Conference on 6 April 1990 (A/CONF.147/3).

E. Adoption of the agenda and organization of work
(agenda item 4)

5. At its 1st plenary meeting, on 3 September 1990, the Conference adopted as its agenda the provisional agenda approved by the Preparatory Committee for the Conference on 6 April 1990 (A/CONF.147/1), as follows:

1. Opening of the Conference
2. Election of the President
3. Adoption of the rules of procedure
4. Adoption of the agenda and organization of work
5. Establishment of sessional bodies
6. Election of officers other than the President
7. Credentials of representatives participating in the Conference:
 - (a) Appointment of the members of the Credentials Committee;
 - (b) Report of the Credentials Committee

8. Review of progress at the country level thus far in the decade
9. Review of the progress in international support measures and particularly in official development assistance
10. National and international policies and measures for accelerating the development process in the least developed countries during the 1990s in accordance with their long-term national, social and economic objectives, and finalization and adoption of a Programme of Action for the least developed countries for the 1990s
11. Other business
12. Adoption of the report of the Conference.

F. Establishment of sessional bodies
(agenda item 5)

6. At the same meeting, the Conference established two sessional committees and allocated items to them as follows:

Committee I

Programme of Action for the Least Developed Countries for the 1990s:

- (a) Basic principles
- (b) Global framework
- (c) Arrangements for implementation, follow-up and monitoring and review.

Committee II

1. Review of progress at the country level
2. Review of progress in international support measures
3. Programme of Action for the Least Development Countries for the 1990s
 - (a) Mobilizing and developing human capacities in LDCs
 - (b) Development, particularly expansion and modernization of the economic base.

G. Report of the work of Committee I

7. At its 1st meeting, on 3 September 1990, the Conference elected Mr. Glen Bailey (Canada) as Chairman of Committee I.
8. At its 1st meeting, on 4 September 1990, Committee I elected Mr. Victor Kolbassine (Byelorussian Soviet Socialist Republics) as its Vice-Chairman.
9. At the 16th (closing) meeting of the Conference, on 14 September 1990, the Chairman of Committee I introduced a text, A/CONF.147/C.1/L.1 and Corr.1, which contained the outcome of the Committee's consideration of the items referred to it.

Action by the Conference

10. At the 16th (closing) plenary, on 14 September 1990, the Conference adopted the texts submitted by the Chairman of Committee I and decided to include them, as appropriate, in the Programme of Action.

H. Report of the work of Committee II

11. At its 1st meeting, on 3 September 1990, the Conference elected Mr. Awad Mohamed El Hussan (Sudan) as Chairman of Committee II.

12. At its 1st meeting, on 4 September 1990, Committee II elected Mr. Conor Barrington (Ireland) as Vice-Chairman.

13. At the 16th (closing) meeting of the Conference, on 14 September 1990, the Chairman of Committee II introduced two texts, A/CONF.147/C.2/L.1/Rev.1 and Corr.1 and A/CONF.147/C.2/L.2/Rev.1 and Corr.1, which contained the outcome of the Committee's consideration of the items referred to it.

Action by the Conference

14. At the 16th (closing) meeting, on 14 September 1990, the Conference adopted the texts submitted by the Chairman of Committee II and decided to include them as appropriate in the Programme of Action.

I. Election of officers other than the President
(agenda item 6)

15. At the 1st meeting, on 3 September 1990, in accordance with rule 6 of the rules of procedure, the Conference elected the following officers who, in addition to the President, constituted the General Committee:

Vice-Presidents:

Bhutan
China
Colombia
Cuba
Czechoslovakia
Haiti
Italy
Japan
Namibia
Netherlands
Niger
Philippines
Union of Soviet Socialist Republics
United States of America
Vanuatu

Chairman of Committee I:

Mr. Glen Bailey (Canada)

Chairman of Committee II:

Mr. Awad Mohamed El Hassan (Sudan)

Rapporteur-General:

Mr. Alexei N. Rybak
(Ukrainian Soviet Socialist Republic)

J. Credentials of representatives participating in the Conference
(agenda item 7)

1. Appointment of the members of the Credentials Committee
(agenda item 7 (a))

16. At the 1st meeting, on 3 September 1990, pursuant to rule 4 of the rules of procedure, the Conference designated the following States as members of the Credentials Committee: Antigua and Barbuda; Australia; China; Colombia; Malawi; Philippines; Union of Soviet Socialist Republics; United States of America; Zaire.

2. Report of the Credentials Committee
(agenda item 7 (b))

17. At the 16th (closing) plenary meeting, on 14 September 1990, the Conference, having considered the report of the Credentials Committee (A/CONF.147/13), adopted without dissent a resolution approving that report (see annex II below).

18. The representative of Iraq wished to place two reservations on record; the first concerning the participation of Israel. As had already been stated in other international forums and on other occasions, there was opposition to such Israeli participation. Secondly, as to Kuwait and its participation in the Conference, he pointed out that Kuwait was part of Iraq and therefore no longer had legal status.

19. The representative of Qatar said that Kuwait was a country enjoying full sovereignty and recognized as such by the United Nations, the specialized agencies, regional organizations, the Arab League and other organizations. The status and the sovereignty of Kuwait were recognized by all. The representative of Iraq was endeavouring to mislead world opinion. The idea that Kuwait was an integral part of Iraq was rejected by all countries and organizations participating in the Conference.

20. The situation in Kuwait had repercussions in other developing countries and was due to disregard of the Geneva Conventions and international law, the latest example of which was the invasion of the French Embassy and other activities involving inhuman acts and the violation of human rights. His delegation rejected the assertions of the Iraqi régime. The Conference had been dealing with the problems of the least developed countries and it was obvious to all that the representative of the Iraqi régime, which was engaged in oppressive activities, had no right to raise such matters, particularly as all countries recognized the sovereignty of Kuwait under its legitimate Government. The only purpose of the Iraqi statement was to hinder the work of the Conference, which should focus on the achievement of precise goals in favour of the LDCs. Kuwait was a pioneer among those countries which had granted aid and assistance to the least developed countries.

21. The representative of Kuwait said that the representative of the Iraqi régime was deluded, for the sovereignty of Kuwait and its Government under its Emir was recognized by the entire international community, which had condemned Iraq's invasion and the ensuing conflict. Pursuant to resolutions adopted by the international community, the delegation of Kuwait did not recognize the Iraqi régime, which was isolated from the rest of the world and did not

represent the Iraqi people, but rather a junta. The activities of the Iraqi régime involved daily violations of human rights in Kuwait and Iraq and violations of international conventions, the latest such being the intrusion into the French Ambassador's residence and the taking hostage of four embassy members. It seemed likely that Iraq would continue to engage in such activities, which were nothing less than war crimes. Those responsible should be sanctioned through their expulsion from all international organizations. His delegation recorded its reservations with regard to the delegation of Iraq and refused to recognize that the Iraqi régime was in any way legitimate.

22. The representative of Saudi Arabia endorsed the statements by the delegations of Qatar and Kuwait. Iraq had taken advantage of a Conference devoted to purely technical and economic matters to seek support from the international community for its aggression and violation of international conventions. Yet Iraq was in no position to do so as it was the main transgressor of international law and civilized behaviour. Kuwait had been an independent State before Iraq. It was a member of the Arab League and of the United Nations and no one had any doubt with regard to its legitimacy. Challenges to Kuwait should not be allowed to disturb a Conference which was endeavouring to promote the development of the least developed countries. Saudi Arabia and Kuwait in the past had contributed to the full to the development of these countries and hoped to do so in future. The Conference should not linger over negative matters.

23. The representative of the United States of America observed that there was no basis whatsoever to question the participation of two sovereign States, namely Israel and Kuwait. The Conference should return to the subject which it had been convened to discuss.

24. The representative of Italy, speaking on behalf of the European Economic Community and its member States, pointed out that on 9 August 1990 the United Nations Security Council had decided that the so-called "annexation" of Kuwait by Iraq had no legal validity and was null and void, and it had called on all States not to recognize it and to avoid any action that might be interpreted as granting recognition.

25. The representative of Egypt said that Kuwait and its Government were recognized by all countries in the world as well as by international and regional organizations. Its "annexation" had been condemned by all members of the Security Council and nobody challenged the legitimacy of the Kuwaiti Government. In fact, on 12 September 1990, the representative of Iraq had addressed himself in the Conference to the Ambassador of Kuwait and this in itself was an implicit recognition of the State of Kuwait.

26. The representative of Bahrain said that the reservation advanced by Iraq was null and void as Kuwait was a member of the United Nations and its official representation was recognized by all countries of the world. His delegation therefore joined Kuwait, Saudi Arabia, Qatar and Egypt in rejecting the reservation of Iraq.

27. The representative of the United Arab Emirates wondered how an aggressor could speak in the name of international law, notwithstanding its violation of international law in invading Kuwait. The international community had condemned the occupation and no country had recognized it. As a law-abiding

country, the United Arab Emirates could only denounce the occupation of Kuwait and join Kuwait in vehemently opposing what the representative of Iraq had said.

Credentials of Cambodia

28. The representative of Cambodia thanked the delegations of friendly countries - especially China, the Philippines and the ASEAN countries - for their support for his delegation. Given the fact that its representation at the current Conference had been challenged, his delegation wished to make the following points: if there was to be a durable peace in Cambodia there must be a veritable national reconciliation and it was in that spirit that his delegation hoped that all countries which were friends of Cambodia and the Cambodian people would assist them to achieve this harmony by refraining from excluding or supporting this or that party. While the four Cambodian parties at Jakarta had formed the Supreme National Council in the framework of the document prepared by the five permanent members of the Security Council, the Supreme National Council had not yet elected a President - although it was about to do so. Pending the actual change of the authority recognized as such in Cambodia his delegation hoped that the Conference would endorse the status quo.

29. The representative of Australia said that Australia's position on the credentials of the delegation of Cambodia was reflected in the records of the Credentials Committee. He reiterated that his delegation welcomed the establishment in Jakarta of the Supreme National Council and believed that the United Nations should take early and positive note of the outcome of its deliberations.

30. The representative of the Philippines said that his delegation had submitted a letter to the President of the Conference reiterating his Government's views on the question of Cambodian representation and had asked that this letter be annexed to the report of the Credentials Committee.

31. The representative of China noted that the report of the Credentials Committee reflected China's position on the representation of Cambodia at the Conference. China supported the establishment in Jakarta of the Supreme National Council which was shortly to hold its first meeting to study the question of representation in the United Nations and other organizations. In the view of China, there should be no change in the representation of Cambodia until the United Nations had taken a decision in the replacement of the seat of the National Government of Cambodia. He supported the position of the Philippines as set out in its letter to the President.

Communications

32. Communications relating to agenda item 7 were circulated to the Conference from: Cyprus (A/CONF.147/14); Pakistan (A/CONF.147/16); Philippines (A/CONF.147/17); Turkey (A/CONF.147/11) and Viet Nam (A/CONF.147/15).

K. Attendance

33. The following States members of UNCTAD were represented at the Conference: Afghanistan; Albania; Algeria; Angola; Antigua and Barbuda; Argentina; Australia; Austria; Bahrain; Bangladesh; Belgium; Benin; Bhutan; Bolivia; Botswana; Brazil; Brunei Darussalam; Bulgaria; Burkina Faso; Burundi; Byelorussian Soviet Socialist Republic; Cambodia; Cameroon; Canada; Cape Verde; Central African Republic; Chad; Chile; China; Colombia; Comoros; Congo; Costa Rica; Côte d'Ivoire; Cuba; Cyprus; Czechoslovakia; Democratic People's Republic of Korea; Denmark; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Equatorial Guinea; Ethiopia; Finland; France; Gambia; German Democratic Republic; Germany, Federal Republic of; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Haiti; Holy See; Honduras; Hungary; Iceland; India; Indonesia; Iran (Islamic Republic of); Iraq; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kenya; Kiribati; Kuwait; Lao People's Democratic Republic; Lebanon; Lesotho; Liberia; Libyan Arab Jamahiriya; Luxembourg; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nauru; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; Norway; Pakistan; Panama; Paraguay; Peru; Philippines; Poland; Portugal; Qatar; Republic of Korea; Romania; Rwanda; Samoa; San Marino; Sao Tome and Principe; Saudi Arabia; Senegal; Seychelles; Sierra Leone; Singapore; Somalia; Spain; Sri Lanka; Sudan; Sweden; Switzerland; Syrian Arab Republic; Thailand; Togo; Tunisia; Turkey; Tuvalu; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uruguay; Vanuatu; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia; Zimbabwe.

34. The Pan African Congress of Azania was present, pursuant to General Assembly resolution 3280 (XXIX) Section II, paragraph 4 (b) and 4 (c) of General Assembly resolution 35/205 .

35. The following United Nations offices and bodies were represented at the Conference: Office of the Director-General for Development and International Economic Co-operation; Department of International Economic and Social Affairs; Department of Technical Co-operation for Development; United Nations Centre on Transnational Corporations; United Nations Centre for Science and Technology for Development; Economic and Social Commission for Asia and the Pacific; Economic Commission for Africa; Economic and Social Commission for Western Asia; World Food Council; United Nations Environment Programme; United Nations Centre for Human Settlements; United Nations Children's Fund; United Nations Development Programme; United Nations Development Fund for Women; United Nations Sudano-Sahelian Office; United Nations Capital Development Fund; United Nations Volunteers; World Food Programme; Office of the United Nations High Commissioner for Refugees; United Nations Population Fund; Office of the Co-ordinator for the United Nations Humanitarian and Economic Assistance Programmes relating to Afghanistan; United Nations Conference on Environment and Development. The Joint Inspection Unit was also represented. The International Trade Centre UNCTAD-GATT was also represented.

36. The following specialized agencies were represented at the Conference: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; International Civil Aviation Organization; World Health

Organization; World Bank; International Monetary Fund; Universal Postal Union; International Telecommunications Union; World Meteorological Organization; International Maritime Organization; World Intellectual Property Organization; International Fund for Agricultural Development; United Nations Industrial Development Organization. The International Atomic Energy Agency was also represented at the Conference. The General Agreement on Tariffs and Trade was also represented at the Conference.

37. The following intergovernmental organizations were represented at the Conference: Agency for Cultural and Technical Co-operation; African Development Bank; Asian Development Bank; 1/ Economic Community of West African States; Common Fund for Commodities; 1/ African, Caribbean and Pacific Group of States; Organisation for Economic Co-operation and Development; Organization of the Islamic Conference; Organization of African Unity; Commonwealth Secretariat; European Economic Community; Islamic Development Bank; OPEC Fund for International Development.

38. The following non-governmental organizations having status with UNCTAD were represented at the Conference: Afro-Asian People's Solidarity Organization; Friends World Committee for Consultation (Quakers); International Agency for Rural Industrialization; International Alliance of Women; International Association of Crafts and Small and Medium-sized Enterprises; International Association of State Trading Organizations of Developing Countries; International Chamber of Commerce; International Co-operation for Socio-Economic Development; International Co-operative Alliance; International Coalition for Development Action; International Confederation of Free Trade Unions; International Council of Women; International Hotel Association; International Organization of Consumer Unions; International Organization of Employers; Lutheran World Federation; Society for International Development; Women's International League for Peace and Freedom; World Assembly of Small and Medium Enterprises; World Association of Former United Nations Interns and Fellows, Inc.; World Confederation of Labour; World Federation of Trade Unions; World Peace Council; World Veterans Federation; Youth for Development and Co-operation.

39. The following non-governmental organizations having status with ECOSOC were represented at the Conference: All Pakistan Women's Association; Associated Country Women of the World; Baha'i International Council of Social Welfare; CARE International; Caritas Internationalis; Change; Church World Service; European Federation of National Associations of Engineers; European Federation of National Engineering Associations; International Association for Volunteer Effort; International Cartographic Association; International Commission of Jurist; International Commission of Health Professionals for Health and Human Rights; International Confederation of Mid-wives; International Council of Jewish Women; International Federation Terre des Hommes; International Federation of Business and Professional Women; International Federation of University Women; International Fellowship of Reconciliation; International Juridical Organization for Environment and Development; International Movement ATD Fourth World; International Organization of Experts; International Secretariat of Catholic Technologists, Agriculturalists and Economists; International Social Science Council;

1/ Specially invited by the secretariat.

International Student Union; International Union of Family Organization; International Union of Young Christian Democrats; League of Red Cross and Red Crescent Societies; Mediterranean Women's Studies Institute; Movement Against Racism and for Friendship among Peoples; Muslim World League; Pan African Committee for United Nations; Pan African Women's Organization; Pax Romana; Permanent International Association of Road Congress; Population Council; Richmond Fellowship International; Union of International Technical Associations; Union of Technical Assistance for Motor Vehicle and Road Traffic; World Assembly of Youth; World Association for Element-Building and Prefabrication; World Association for Psychosocial Rehabilitation; World Development Movement; World Federation of Associations of Clinical Toxicology Centers and Poison Control Centers; World Federation of UNESCO Clubs Centers and Associations.

L. Expression of gratitude to the Government and people of France
(agenda item 11)

40. At the 16th (closing) plenary meeting, on 14 September 1990, the Conference adopted by acclamation a draft resolution (A/CONF.147/L.9), submitted by Mexico on behalf of all States participating in the Conference, expressing gratitude to the Government and people of France for hosting the Conference (for the text, see annex I below).

M. Adoption of the report of the Conference
(agenda item 12)

41. At the 16th (closing) meeting, on 14 September 1991, the Conference adopted its draft report (A/CONF.147/L.6 and Add.1-16) and authorized the Rapporteur to complete the final version as appropriate.

N. Closure of the Conference

42. At the 16th plenary meeting, on 14 September 1990, the President, having delivered a closing address (see part two above) declared closed the Second United Nations Conference on the Least Developed Countries.

ANNEXES

Annex I

RESOLUTIONS ADOPTED AND OTHER ACTION BY THE CONFERENCE

A. Resolutions

1. Economic assistance and least developed country status for Namibia

The Second United Nations Conference on the Least Developed Countries,

Taking great pride in welcoming here the entry of independent Namibia into the community of nations, following the heroic struggle of its people for independence,

Welcoming the important role played by the United Nations in facilitating the accession of Namibia to independence,

1. Encourages all members of the international community, as well as all organizations of the United Nations system, to provide all possible support to the fledgling economic and social structures of the new nation and to its development aspirations;

2. Considers that Namibia should be given special consideration in support of its economic and social development;

3. Decides to invite the General Assembly to consider, in accordance with established procedures, the question of the inclusion of Namibia in the list of least developed countries.

16th meeting
14 September 1990

2. Credentials of representatives to the Second United Nations Conference on the Least Developed Countries

The Conference,

Approves the report of the Credentials Committee.

16th meeting
14 September 1990

3. Expression of gratitude to the Government and people of France

The Second United Nations Conference on the Least Developed Countries,

1. Expresses its profound gratitude to the Government of France and in particular to the President of the Republic, for its political commitment to the Conference, its generosity in hosting it, and its hospitality to participants;

2. Also records its grateful thanks to the Presidents of Afghanistan, Bangladesh, Cape Verde, Djibouti, Equatorial Guinea, Sudan, and Uganda, for their participation in the Conference, as well as to the Secretary-General of the United Nations, and the Director-General for Development and International Economic Cooperation;

3. Expresses also its particular appreciation to Mr. Kenneth K.S. Dadzie, Secretary-General of the Conference and Secretary-General of UNCTAD, and to the UNCTAD secretariat for the effective preparation and organization of the Conference;

4. Records its special gratitude to H.E. Mr. Roland Dumas, Minister of State, Minister for Foreign Affairs of the French Republic, for presiding over the Conference.

16th meeting
14 September 1990

B. Other action a/

Criteria for designating the least developed
among the developing countries

1. Almost two decades have elapsed since the United Nations General Assembly established the category of the LDCs. Some have felt a need to review the criteria to ensure that they adequately reflect the concept of the "least developed".

2. The Committee on Development Planning (CDP) is currently reviewing criteria for designating the least developed among the developing countries. It is desirable that the CDP, which may wish to avail itself of the experience of the UNCTAD secretariat, complete this work on an expeditious basis. It is also recommended that, as already discussed in the CDP, this review could introduce a dynamic element into the application of the criteria.

3. It is understood the completed review and its recommendations will be submitted to the Economic and Social Council for consideration and subsequently forwarded to the United Nations General Assembly.

16th meeting
14 September 1990

a/ Text adopted by the Conference, upon the recommendation of Committee I, for inclusion in the report of the President to the General Assembly.

Annex II

CREDENTIALS OF REPRESENTATIVES PARTICIPATING IN THE CONFERENCE

Report of the Credentials Committee

1. At its 1st plenary meeting, on 3 September 1990, the Second United Nations Conference on the Least Developed Countries, in accordance with rule 4 of its rules of procedures, appointed a Credentials Committee consisting of the following member States: Antigua and Barbuda, Australia, China, Colombia, Malawi, Philippines, Union of Soviet Socialist Republics, United States of America and Zaire.
2. The Credentials Committee met on 12 and 13 September 1990.
3. Mr. Ramazani Baya (Zaire) was unanimously elected Chairman.
4. The Conference secretariat informed the Committee of the status of credentials of representatives as at 12 September 1990. Credentials issued by the Head of State or Government or by the Minister of Foreign Affairs or by the Permanent Mission to the United Nations of the State at Geneva upon the explicit authorization of the Head of State or Government or the Minister of Foreign Affairs had been submitted by 129 States. The appointment of the representatives of 14 States had been communicated to the Secretary-General of the Conference by means of a letter or a note verbale or a cable from the Embassy in Paris. The appointment of the representatives of six States had been submitted to the Secretary-General of the Conference by means of a communication from another authority.
5. The representative of the United States of America stated that the United States remained deeply concerned about the situation in Afghanistan. In not pressing an objection concerning the representatives of Afghanistan, the United States should in no way be considered as having accepted the régime in Kabul as legitimate or representative of the Afghan people.
6. The representative of the Union of Soviet Socialist Republics reiterated the position of his country in respect of the credentials of the representative of Afghanistan as reflected in the report of the Credentials Committee of the General Assembly at its forty-fourth session (A/44/639).
7. With regard to the credentials of the representative of Afghanistan, the representative of China reiterated the position of his country as reflected in the report of the Credentials Committee of the General Assembly at its forty-fourth session (A/44/639).
8. The representative of the United States of America stated that Secretary of State, Mr. J. Baker, had announced on 18 July 1990 that the United States would no longer support a seat at the United Nations for a Cambodian delegation which included the Khmer Rouge, nor would it support seating a delegation of the current régime in Phnom Penh. The United States welcomed the formation of the Supreme National Council (SNC) on 10 September 1990 and encouraged the SNC to promptly name a delegation to the United Nations and to its specialized agencies. She said that her statement should not be seen as prejudicing the United States' position on representation for Cambodia in the General Assembly of the United Nations.

9. The representative of China explained the position of his country concerning the participation of the representative of the National Government of Cambodia in the Conference. China had consistently favoured a comprehensive, just and rational political solution to the question of Cambodia. Over 100 member States of the United Nations had for many years maintained a correct position, supporting the legitimate seat of the National Government of Cambodia in the United Nations. Now, the four parties concerned in Cambodia had reached agreement on the establishment of a Supreme National Council which would have the right to occupy the seat of Cambodia in the United Nations and its specialized agencies. China welcomed this development. It was understood that the Council would hold its first meeting in the near future to discuss, inter alia, its representation in the United Nations. China maintained that the representation of Cambodia should not be changed until the United Nations made a decision on the replacement of the seat of the National Government of Cambodia in the United Nations by the Supreme National Council. Any proposals which would in essence leave the Cambodian seat vacant was unacceptable to the Chinese delegation.

10. The representative of the Union of Soviet Socialist Republics stated that he did not consider the delegation of so-called Democratic Kampuchea as lawful and, in view of its position of principle, his country stood for just representation of the Khmer people in the United Nations and other international organizations on the basis of the appropriate decisions of the SNC of Cambodia.

11. The representative of the Philippines stated that the Committee should note that the ASEAN Foreign Ministers, during their 23rd Ministerial Meeting in Jakarta on 23-24 July 1990, had continued to support the National Government of Cambodia as the representative of Cambodia at the United Nations. While the Philippines welcomed the developments that have taken place in Jakarta on 10 September 1990 with respect to the Cambodian situation, it was nevertheless clear that, for the present, the SNC was still to hold its first session when hopefully it may be able to inform the United Nations of its intentions regarding representation. In the meantime, therefore, the proposal to have an "empty chair for Cambodia" was unacceptable to the Philippine delegation.

12. The representative of Australia welcomed the decision recently reached in Jakarta to form the SNC and for it to represent Cambodia in the United Nations, the specialized agencies and international conferences. He acknowledged that delegations, including that of the National Government of Cambodia, may not yet have received instructions relating to the seating of the SNC at this Conference. Australia would have preferred that, since the National Government of Cambodia had subscribed to the Jakarta Agreement, it withdrew its credentials, or, failing that, that no action be taken by the Conference on these credentials pending receipt of a communication from the SNC on its intentions regarding representation. Since the National Government of Cambodia insisted on its credentials being examined, although the delegation of Australia considered this quite inappropriate, and given the imminence of the forty-fifth regular session of the General Assembly, he accepted that the issue should be addressed by the forthcoming General Assembly.

13. The Chairman proposed that, taking into account the statements made by members of the Committee, which would be reflected in its report, the Committee should decide to accept the credentials of the representatives referred to in paragraph 4 above. In connection with the credentials which had not yet been submitted in due form, the Chairman proposed that the Committee accept the assurances given by the representatives concerned, on the understanding that their credentials, in conformity with rule 3 of the rules of procedure of the Conference, would be submitted promptly to the Secretary-General of the Conference. There was no objection to this proposal.

14. The Chairman then proposed the following draft resolution for adoption by the Committee:

"The Credentials Committee,

Having examined the credentials of the representatives of the Second United Nations Conference on the Least Developed Countries,

Taking into account the statements made by delegations,

Accepts the credentials of the representatives to the Second United Nations Conference on the Least Developed Countries and recommends to the Conference that it approve the report of the Credentials Committee."

15. The Committee adopted the above draft resolution without a vote.

16. The Chairman then proposed that the Committee should recommend to the Conference the adoption of the draft resolution in paragraph 17 below. The proposal was adopted by the Committee without a vote.

17. In the light of the foregoing, the present report is submitted to the Conference.

RECOMMENDATION OF THE CREDENTIALS COMMITTEE

The Credentials Committee recommends to the Conference the adoption of the following draft resolution:

"CREDENTIALS OF REPRESENTATIVES TO THE SECOND UNITED NATIONS
CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

"The Conference

Approves the report of the Credentials Committee."

Annex III

LIST OF HEADS OF DELEGATIONS, CHIEF EXECUTIVE OFFICERS OF
INTERGOVERNMENTAL BODIES AND OTHER REPRESENTATIVES AND
OBSERVERS WHO MADE STATEMENTS DURING THE GENERAL DEBATE

STATES

AFGHANISTAN <u>a/</u>	Mr. NAJIBULLAH
ALGERIA	Mr. Ahmed Amine KHERBI
ANGOLA	Mr. Domingos GINGA
ANTIGUA AND BARBUDA	Mr. James A.E. THOMAS
ARGENTINA	Mr. Jorge ZAIN ASIS
AUSTRALIA	Mr. Peter Stephen WILENSKI
AUSTRIA	Mr. Erich HOCHLEITNER
BAHRAIN	Mr. Abdulaziz BUALI
BANGLADESH <u>a/</u>	Mr. Hussain MUHAMMAD ERSHAD
BELGIUM	Mr. André GEENS
BENIN <u>a/</u>	Mr. Nicéphore SOGLO
BHUTAN	Lyonpo Dawa TSERING
BOLIVIA	Mr. Hugo NAVAJAS-MOGRO <u>b/</u>
BOTSWANA	Mr. Festus G. MOGAE
BRAZIL	Mr. João Hermes PEREIRA DE ARAUJO
BURKINA FASO	Mr. Pascal ZAGRE
BURUNDI	Mr. Cyprien MBONIMPA
BYELORUSSIAN SOVIET SOCIALIST REPUBLIC	Mr. Mikhail V. MIASNIKOVITCH
CANADA	Mr. Walter McLEAN
CAPE VERDE <u>a/</u>	Mr. Aristides PEREIRA
CENTRAL AFRICAN REPUBLIC	Mr. Gomina-Pampali LAURENT
CHAD	Mr. Saleh IBN OUMAR MAHAMAT
CHILE	Mr. José Miguel BARROS

CHINA	Mr. WANG Wendong
COLOMBIA	Mr. Fernando REY
COMOROS	Mr. Mtara MAECHA
CUBA	Mr. Raúl ROA KOURI
CZECHOSLOVAKIA	Mr. Jan KOLLERT
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	Mr. Kim Hyong RYUL
DENMARK	Mr. Uffe ELLEMANN-JENSEN
DJIBOUTI <u>a/</u>	Mr. Elhaji Hassan GOULED APTIDON
DOMINICAN REPUBLIC	Dr. Caonabo FERNANDEZ NARANJO
EGYPT	Mr. Ahmed SIDKY
EQUATORIAL GUINEA <u>a/</u>	Mr. Obiang NGUEMA MBASOGO
ETHIOPIA	Mr. Mersie IJIGU
FINLAND	Mr. Ilkka RISTIMAKI
FRANCE	Mr. Jacques PELLETIER
GAMBIA	Mr. Mbemba JATTA
GERMANY, FEDERAL REPUBLIC OF	Dr. Jürgen WARNKE
GREECE	Mr. P. ECONOMOU
GUINEA	Mr. Ibrahima SYLLA
GUINEA-BISSAU	Mr. Filinto BARROS
HAITI	Mr. Ludovic PIERRE
HOLY SEE	Mgr Jorge MEJIA
HONDURAS	Mr. Jaime GUELL BOGRAN
HUNGARY	Mr. Tomás SOMJEN
INDIA	Mr. Indejit Singh CHADHA
INDONESIA	Mr. Poedji KOENTARSO
IRAN (ISLAMIC REPUBLIC OF)	Mr. Mohammad Mehdi AKHOUNZADEH BASTI
IRAQ	Mr. Abdul Razzak AL HASHIMI

IRELAND	Mr. Sean CALLEARY
ISRAEL	Mr. Itzhak AZURI
ITALY	Mr. Gianni de MICHELIS c/ Mr. Valerio Brigante COLONNA
JAMAICA	Mr. Lloyd M.H. BARNETT
JAPAN	Mr. Ichiji ISHII
KENYA	Mr. Zachary ONYONKA
KIRIBATI	Mr. Teato TEANNAKI
KUWAIT	Mr. Tanek RAZZOUQI
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Mr. Phoume SIPRASEUTH
LESOTHO	Mr. Abel Leshele THOAHLANE
LIBYAN ARAB JAMAHIRIYA	Mr. Bashir SALAMAH
MALAWI	Mr. Louis J. CHIMANGO
MALAYSIA	Dato' Musa HITAM
MALDIVES	Mr. Fathulla JAMEEL
MALI	Mr. Souleymane DEMBELE
MAURITANIA	Mr. Moustapha OULD ABEIDARRAHMANE
MEXICO	Mr. Manuel TELLO d/
MOROCCO	Mr. Hassan ABOU AYOUB
MOZAMBIQUE	Mr. Jacinto VELOSO
MYANMAR	U. SOE THWIN
NAMIBIA	Mrs. Netumbo NDAITWA
NEPAL	Mr. Devendra Raj PANDEY
NETHERLANDS	Mr. Jan PRONK
NIGER	Mrs. Moumouni AISSATA
NIGERIA	Alhaji A. ABDULKADIR
NORWAY	Mr. Tom Eric VRAALSEN
PAKISTAN	Mr. Ahmad KAMAL

PERU	Mrs. Norah NALVARTE
PHILIPPINES	Mrs. Rosario G. MANALO
POLAND	Mr. Marek KULCZYCKI
PORTUGAL	Mr. José Manuel DURAO BARROSO
QATAR	Mr. Abdul Rahman Bin Hamad AL-ATTIYAH
REPUBLIC OF KOREA	Mr. Sang Yong PARK
ROMANIA	Mr. Gheorghe STEFAN
RWANDA	Mr. Augustin NGIRABATWARE
SAMOA	Mr. Tanuvasa LIVINGSTONE
SAO TOME AND PRINCIPE	Mr. Guilherme POSSER DA COSTA
SAUDI ARABIA	Mr. Jamil AL HEJAILAN
SENEGAL	Mr. Alioune SENE
SIERRA LEONE	Mr. Sheka H. KANU
SINGAPORE	Miss Karen TAN
SOMALIA	Mr. Ahmed Jama ABDULLE
SPAIN	Mr. Luis YAÑEZ-BARNUEVO
SRI LANKA	Dr. Ananda W.P. GURUGE
SUDAN <u>a/</u>	General Omer Hassan AHMED EL BASHIR
SWEDEN	Mrs. Lena HJELM-WALLEN
SWITZERLAND	Mr. Fritz STAEHELIN
SYRIAN ARAB REPUBLIC	Mr. Abd Elkarim SAOUD
THAILAND	Mr. Sawanit KONGSIRI
TOGO	Mr. Yaovi ADODO
TURKEY	Mr. Cem DUMA
TUVALU	Mr. Faimalaga LUKA
UGANDA <u>a/</u>	Mr. Yoweri Kaguta MUSEVENI <u>e/</u>
UKRAINIAN SOVIET SOCIALIST REPUBLIC	Mr. Valentin N. LIPATOV

UNION OF SOVIET
SOVIET REPUBLICS

Mr. Aleksandr Ivanovich KACHANOV

UNITED ARAB EMIRATES

Mr. Ali Moubarak AL MANSOURI

UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND

Mr. Mark LENNOX BOYD

UNITED REPUBLIC OF TANZANIA

Mr. Kighoma A. MALIMA

UNITED STATES OF AMERICA

Mr. Richard T. McCORMACK

VANUATU

Mr. Donald KALPOKAS

VENEZUELA

Mr. Isidro MORALES-PAUL

VIET NAM

Mr. Nguyen LUONG

YEMEN

Mr. Abdul Rahman DAIBAN

YUGOSLAVIA f/

Mr. Budimir LONCAR

ZAIRE

Mr. Ramazani BAYA

ZAMBIA

Mr. Mathias MAINZA CHONA

UNITED NATIONS SECRETARIAT

Secretary-General of the United Nations

Mr. Javier PEREZ DE CUELLAR g/

Secretary-General of UNCTAD and
Secretary-General of the Conference

Mr. Kenneth K.S. DADZIE

Personal Representative of the
Secretary-General of the
United Nations on Debt

Mr. Bettino CRAXI

Department of International Economic
and Social Affairs

Mr. Goran OHLIN

Department of Technical Cooperation
for Development

Mr. KONG Fannong

Economic and Social Commission
for Asia and the Pacific h/

Mr. Shah KIBRIA

Economic Commission for Africa

Mr. Adebayo ADEDEJI

International Trade Centre UNCTAD-GATT

Mr. Göran M. ENGBLOM

Office of the United Nations
High Commissioner for Refugees

Mr. Thorvald STOLTENBERG

United Nations Capital Development Fund

Mr. Daan EVERTS

United Nations Centre for Human Settlements (HABITAT)	Mr. Sumihiro KUYAMA
United Nations Centre for Science and Technology for Development	Mr. Lutz BAEHR
United Nations Centre on Transnational Corporations	Mr. Peter HANSEN
United Nations Children's Fund	Mr. James GRANT
United Nations Conference on Environment and Development	Mr. Maurice STRONG
United Nations Development Fund for Women	Ms. Jacqueline KI-ZERBO
United Nations Development Programme	Mr. William H. DRAPER III
United Nations Environment Programme	Mr. William H. MANSFIELD
United Nations Fund for Population Activities	Mrs. Nafis SADIK
United Nations Sudano-Sahelian Office	Mr. Peter BRANNER
World Food Council	Mr. Gerald I. TRANT
World Food Programme	Mr. James INGRAM
SPECIALIZED AND RELATED AGENCIES	
Food and Agriculture Organization of the United Nations	Mr. Edouard SAOUMA
General Agreement on Tariffs and Trade	Mr. Arthur DUNKEL
International Fund for Agricultural Development	Mr. Idriss JAZAIRY
International Labour Organisation	Mr. Michel HANSENNE
International Monetary Fund	Mr. Michel CAMDESSUS
International Telecommunication Union	Mr. Jean JIPGUEP
United Nations Educational, Scientific and Cultural Organization	Mr. Federico MAYOR
United Nations Industrial Development Organization	Mr. H.P.F. WIESEBACH
World Bank	Mr. Wilfried P. THALWITZ
World Health Organization	Mr. Hiroshi NAKAJIMA

World Intellectual Property Organisation	Dr. Arpad BOGSCH
World Meteorological Organization	Mr. E.J. JATILA
INTERGOVERNMENTAL ORGANIZATIONS	
African, Caribbean and Pacific Group of States	Mr. Abdoulaye LAMANA
Asian Development Bank	Mr. Sayed A. BAHA
Commission of the European Communities	Mr. Dieter FRISCH
Common Fund for Commodities	Mr. Budi HARTANTYO
OPEC Fund for International Development	Mr. Y. Seyyid ABDULAI
Organisation for Economic Cooperation and Development	Mr. Jean-Claude PAYE
NON-GOVERNMENTAL ORGANIZATIONS	
International Chamber of Commerce	Mr. Martin WASSELL
International Coalition for Development Action	Mrs. Olive LUENA
World Confederation of Labour	Mr. Rosalino R. MARTIN
International Confederation of Free Trade Unions	Mr. James HOWARD

Notes

- a/ Addressed the Conference as Head of State or Government.
- b/ Spoke as Chairman of the Chapter of the Group of 77 in New York.
- c/ Spoke on behalf of the Presidency of the Council of the European Communities.
- d/ Spoke on behalf of the Group of 77.
- e/ Speaking also in his capacity as Chairman of the Organization of African Unity.
- f/ As presiding country of the Non-aligned Movement.
- g/ Addressed the Conference at the Inaugural Ceremony.
- h/ Spoke also on behalf of the Economic Commission for Latin America and the Caribbean.

Annex IV

CHECKLIST OF DOCUMENTS

A. General documents

<u>Document No.</u>	<u>Title</u>
A/CONF.147/1	Provisional agenda
A/CONF.147/1/Add.1	Annotations to the provisional agenda
A/CONF.147/2- A/CONF.147/PC/8- TD/B/AC.17/36	Report of the Preparatory Committee for the Conference
A/CONF.147/3	Provisional rules of procedure for the Conference
A/CONF.147/4	Draft Programme of Action for the least developed countries for the 1990s formulated by the Preparatory Committee - Note by the Secretary-General of the Conference
A/CONF.147/4/Add.1	Assessment of the socio-economic situation in the 1980s of the least developed countries prepared by the Chairman of the Preparatory Committee - Note by the Secretary-General of the Conference
A/CONF.147/6 1/	Report by the Chairman of the Consultation among Senior Officials
<u>Contributions from United Nations organizations and other competent international and regional organizations 1/</u>	
A/CONF.147/PC/3/Add.1- TD/B/AC.17/31/Add.1	World Bank
" /Add.2	United Nations Capital Development Fund (UNCDF)
" /Add.3/Rev.1	World Food Programme (WFP)
" /Add.4	United Nations Educational, Scientific and Cultural Organization (UNESCO)
" /Add.5	Food and Agriculture Organization (FAO)
" /Add.6	International Trade Centre UNCTAD/GATT
" /Add.7	General Agreement on Tariffs and Trade (GATT)

1/ Reproduced as received and in the language of submission only.

<u>Document No.</u>	<u>Title</u>
A/CONF.147/PC/3/Add.8/Rev.1- TD/B/AC.17/31/Add.8/Rev.1	World Health Organization (WHO)
" /Add.9	United Nations Development Programme (UNDP)
" /Add.10	Economic and Social Commission for Asia and the Pacific (ESCAP)
" /Add.11 (Parts I-IV)	Department of International Economic and Social Affairs (DIESA)
" /Add.12	United Nations Children's Fund (UNICEF)
" /Add.13	United Nations Industrial Development Organization (UNIDO)
" /Add.14/Rev.1	United Nations Disaster Relief Coordinator (UNDRO)
" /Add.15	Economic Commission for Africa (ECA)
" /Add.16	International Labour Office (ILO)
" /Add.17	Asian Development Bank
" /Add.18	United Nations Centre for Science and Technology
" /Add.19	United Nations Population Fund (UNFPA)
" /Add.21	United Nations Centre on Transnational Corporations
A/CONF.147/PC/2- TD/B/AC.17/30- A/CONF.147/DR/6 and Corr.1 (Arabic only)	Report of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries (22-31 May 1989)
A/CONF.147/PC/5- TD/B/AC.17/33	Elements for a Programme of Action for the 1990s for the Least Developed Countries - Note prepared by the UNCTAD secretariat
A/CONF.147/PC/6- TD/B/AC.17/34 and Add.1 (English only)	Declaration by the Ministers of the Least Developed Countries at their Meeting in Dhaka, Bangladesh - Note by the UNCTAD secretariat
A/CONF.147/PC/7- TD/B/AC.17/35 and Corr.1 (English only)	French proposals to assist the Least Developed Countries

Document No.

Title

Summaries of individual country presentations

UNCLDC II/CP.1	Government of the Union of Myanmar
" CP.2	Government of the Gambia
" CP.3	Government of the Republic of Haiti
" CP.4	Government of Somalia
" CP.5	[no longer relevant]
" CP.6	Government of the People's Republic of Benin
" CP.7	Government of the Kingdom of Nepal
" CP.8	Government of Botswana
" CP.9	Government of Bangladesh
" CP.10	Government of the Republic of Afghanistan
" CP.11	Government of Malawi
" CP.12	Government of Kiribati
" CP.13	Government of Samoa
" CP.14	Government of Guinea-Bissau
" CP.15	Government of Vanuatu
" CP.16	Kingdom of Lesotho
" CP.17	Government of the Comoros
" CP.18	Government of the Republic of Yemen
" CP.19	Government of Chad
" CP.20	Royal Government of Bhutan
" CP.21	Republic of Mali
" CP.22	Government of Tuvalu
" CP.23	Government of Uganda
" CP.24	Government of the Republic of Burundi
" CP.25 and Corr.1	Islamic Republic of Mauritania
" CP.26	Government of the United Republic of Tanzania
" CP.27	Government of Equatorial Guinea
" CP.28	Government of Sao Tome and Principe
" CP.29	Government of the Republic of Maldives
" CP.30	Government of Sierra Leone
" CP.31	Government of the Central African Republic
" CP.32	Government of Sudan
" CP.33	Government of Rwanda
" CP.34	Government of the People's Democratic Republic of Ethiopia
" CP.35	Government of the Lao People's Democratic Republic
" CP.36	Government of Mozambique
" CP.37	Government of Cape Verde
" CP.38	Government of Niger
" CP.39	Government of Djibouti
" CP.40	Government of Togo
" CP.41	Government of Guinea
" CP.42	Government of Burkina Faso

Background documentation

UNCLDC II/1	Report of the Meeting of Eminent Persons on the Least Developed Countries (The Hague, 15-16 September 1989)
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<u>Document No.</u>	<u>Title</u>
UNCLDC II/2	Report of the High-level Experts Meeting on the Role of the Enterprise Sector in the Development of the Least Developed Countries (Helsinki, 4-6 April 1989)
UNCLDC II/3	Report of the Meeting on the Role of Non-governmental Organizations in the Development of the Least Developed Countries (Kathmandu, 8-10 November 1989)
UNCLDC II/4/Rev.1	Aid coordination and effectiveness: Least developed countries 1981-1989. Study prepared by Mr. Devendra R. Panday and Mr. Maurice Williams
UNCLDC II/5	Report of the High-level Experts Meeting on the Role of Women in the Development of the Least Developed Countries (Niamey (Niger), 29-31 January 1990)
UNCLDC II/6	Report of the symposium on trade, technical and economic cooperation between least developed countries and the countries of Eastern Europe (Moscow, 28 February-8 March 1990)
UNCLDC II/7	Compensatory financing - Technical note by the UNCTAD secretariat
UNCLDC II/8	Scope for further debt relief in favour of the Least Developed Countries
UNCLDC II/9	Statistical Profile of the Least Developed Countries
UNCLDC II/10	Atlas of the Least Developed Countries
TD/B/1248 TD/B/1248 (Highlights)	The Least Developed Countries 1989 Report "Highlights"
UNCTAD/TDR/9 (Offprint)	Trade and Development Report, 1989 (Part II)
A/CONF.104/22/Rev.1	Report of the United Nations Conference on the Least Developed Countries
UNCTAD/ITP/TEC/12	Transfer and development of technology in the Least Developed Countries

Document No.

Title

Contributions from United Nations organizations and other competent international and regional organizations submitted to the Donor/Recipient Meeting (May 1989)

A/CONF.147/DR/3/Add.5	Information on least developed countries
" Add.6	Report on implementation by the International Maritime Organization of the SNPA for the 1980s for the least developed countries
" Add.11	International Fund for Agricultural Development's contribution to the preparations for the Second United Nations Conference on the Least Developed Countries, 1990
" Add.15	Review and analysis of the progress made in the implementation of the SNPA for the least developed countries in the ESCWA region
" Add.16	Universal Postal Union action on behalf of the least developed countries

Documents in the information series

A/CONF.147/INF.1	Establishment of a list of speakers: note by the UNCTAD secretariat
A/CONF.147/INF.2	Information for participants
A/CONF.147/INF.3	List of participants

Limited documents

A/CONF.147/L.1	ECLAC resolution "Support for Haïti": note by the Secretary-General of the Conference
A/CONF.147/L.2	ESCAP resolution 46/4: note by the Secretary-General of the Conference
A/CONF.147/L.3	ECA resolution and statement by the 10th meeting of Conference of Ministers of African Least Developed Countries: note by the Secretary-General of the Conference

<u>Document No.</u>	<u>Title</u>
A/CONF.147/L.4	Document distributed at the request of the Organization of the Islamic Conference: note by the Secretary-General of the Conference
A/CONF.147/L.5	Document distributed at the request of the African Development Bank: note by the Secretary-General of the Conference
A/CONF.147/L.6 and Add.1	Draft report of the Second United Nations Conference on the Least Developed Countries held at UNESCO Headquarters, Paris, from 3 to 14 September 1990
A/CONF.147/L.7	Review of the progress in international support measures and particularly in official development assistance: submitted by USSR: note by the Secretary-General of the Conference
A/CONF.147/L.8	Draft resolution submitted by Mexico on behalf of the States members of the Group of 77: Economic assistance at LDCs status from Namibia
A/CONF.147/L.9	Expression of gratitude to the Government and people of the French Republic: draft resolution submitted by Mexico on behalf of all States participating in the Conference
A/CONF.147/L.10	Draft Final Declaration of the Second United Nations Conference on the Least Developed Countries: draft text submitted by France

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