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August 31, 1983

To: Members of the Executive Board

From: The Acting Secretary

Subject: Sixth Session of the United Nations Conference on Trade and Development (UNCTAD VI) - Supplementary Information

Attached, for the information of the Executive Directors, is supplementary information on the sixth session of the United Nations Conference on Trade and Development (UNCTAD VI), which was held in Belgrade, Yugoslavia, from June 6 to July 3, 1983.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

Sixth Session of the United Nations Conference  
on Trade and Development: Supplementary Information

Report by the Fund Observers

August 31, 1983

The paragraphs below provide additional available information on the interpretative statements made by delegations upon adoption of resolutions on selected issues of direct interest to the Fund.

After voting for the resolution on compensatory financing, 1/ the representative of the United Kingdom made an interpretative statement emphasizing that his government's support for the resolution should not be interpreted as putting into question the principle of nondiscriminatory treatment accorded by the Fund to all its members. A number of other Group B countries, including Austria, Denmark, the Federal Republic of Germany, Japan, the Netherlands, and Sweden, supported the statement by the United Kingdom.

Upon adoption of the resolution on international monetary issues, 2/ Group B issued an interpretative statement which emphasized the need to preserve the area of competence of the Fund. The statement noted that the issues which the Fund was invited to take into account were highly technical and complex, and could only be profitably pursued through the detailed knowledge and expertise available within the Fund; in addition, these invitations had to be interpreted in the light of Article IV of the Relationship Agreement between the United Nations and the Fund, and it was to be understood that no part of the resolution was designed to prejudge decisions to be taken by the Fund or to reopen decisions and conclusions already reached. This was particularly noted with regard to SDR allocations (paragraphs 3 and 4), quota review and borrowings (paragraph 5), and other policies and operations of the Fund (paragraphs 6, 10, and 16). The interpretative statement also emphasized that the Fund's access policies must strike a proper balance between anticipated demands and availability of resources, that the Fund's primary concern in its lending policies was the promotion of adjustment, and that supply-side policies must be implemented in the context of a sound macroeconomic framework. It clarified that the phrase "among the factors attributable to external developments" (paragraph 12) should not be taken as qualifying the Fund's guidelines on conditionality. The representative of Turkey made a statement on paragraph 12 of the same resolution. The statement emphasized the contribution of external factors to the balance of payments problems of developing countries, and the need to apply a countercyclical or, if necessary, an expansionary approach to these problems in order to ensure sustained growth and development.

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1/ UNCTAD 157(VI); see SM/83/171 (8/3/83), pp. 8 and 25-27.

2/ UNCTAD 162(VI); see SM/83/171 (8/3/83), pp. 10-13 and 37-39.

Upon adoption of the resolution on external debt, 1/ Group B issued an interpretative statement. As regards debt relief (paragraphs 2 and 3), Group B countries were prepared to consider measures to alleviate debt burdens of developing countries in acute balance of payments difficulties on a case-by-case basis in the context of appropriate multilateral forums. As regards the Secretary-General's consultations with the Chairman of the Paris Club, and with governments and relevant international organizations (paragraph 6), Group B did not regard this as an expansion of the mandate of UNCTAD in the field of multilateral debt rescheduling. As regards the reference to competent international organizations, Group B interpreted them as meaning the Fund, the World Bank, the OECD, and the BIS in paragraph 8 on improving the debt data, and the Fund and the World Bank in paragraph 9 on provision of technical support in dealing with the debt situation.

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1/ UNCTAD 161(VI); see SM/83/171 (8/3/83), pp. 13-14 and 34-36.