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To: Members of the Executive Board

From: The Secretary

Subject: Report on the Forty-Ninth General Assembly Session
of the United Nations

Attached for the information of the Executive Directors is a report on the forty-ninth session of the United Nations General Assembly held in New York from September 20 through December 23, 1994.

Mr. R. Bhatia (ext. 36959) is available to answer technical or factual questions relating to this paper.

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INTERNATIONAL MONETARY FUND

Policy Development and Review Department

Report on the Forty-Ninth General Assembly Session
of the United Nations

Prepared by the Director of the Fund Office in the United Nations

February 17, 1995

I. Introduction

The United Nations General Assembly (GA) held its Forty-Ninth Annual Session in New York from September 20 to December 23, 1994 under the Presidency of His Excellency Mr. Amara Essy, Minister of Foreign Affairs of the Republic of Cote d'Ivoire. The Assembly considered 162 agenda items and adopted 229 resolutions by consensus.

Statements in the plenary of the General Assembly by heads of country delegations revealed a growing reemergence of pessimism, and indeed frustration, at the failures of the international community to ensure global peace and security in the post-cold war era, and the proliferation of regional and civil conflicts which have burdened the UN with an increasing number of peacekeeping and humanitarian assistance missions and heavy financial costs. At the same time member states have delayed payments of their contributions, thus adding to the seriousness of the financial situation of the UN. Participants in the debate also expressed concern with the declining financial resources provided to the UN for its "operational" activities for development.

In order to address some of these concerns, the General Assembly established a high-level open-ended Working Group, to be chaired by the President of the General Assembly. Elements to be discussed by the Group will include full and timely payment of contributions by member states, payment arrears, the procedure for the approval of peace-keeping budgets and appropriations, the overall cash-flow situation and methods of calculating the scale of assessments. This Working Group is to report to the General Assembly prior to the beginning of the GA's 50th Session.

Reform of the Security Council continued to be an important topic of discussion, with hopes for some concrete agreement on an overall reform package by next year's Fiftieth Anniversary of the UN. In general, there seems to be broad convergence of views that the membership of the Council should be enlarged, but not on how this should be accomplished.

The Secretary-General's *Agenda for Development*, a complementary document to the Secretary General's *Agenda for Peace*, 1/ was a much awaited component of this year's General Assembly discussions (see below). Of note as well was the release, in early 1995, of the Secretary-General's *Supplement to An Agenda for Peace*, which reviewed recent UN activities related to peace and security (28 operations as at mid-December of 1994, involving over 73,000 military personnel and \$3.6 billion in UN budget costs in 1994). In that report, the Secretary-General draws particular attention to the issue of the application of sanctions under Article 41 of the Charter, especially as it concerns addressing (i.e., financing) collateral damage suffered by other member states as a result of the application of sanctions on a member state. In his supplemental report the Secretary-General proposes to establish a mechanism in the United Nation to assess, before sanctions are imposed, their potential impact on the target country and on third countries; to monitor application of the sanctions; to measure the effects with a view to enabling the Security Council to fine tune the sanctions; to ensure the delivery of humanitarian assistance to vulnerable groups; and to explore ways of assisting member states that are suffering collateral damage and to evaluate their claims.

This report also discusses the issue of coordination within the UN system as a whole, stating that "In the past, there has been insufficient interaction, in both directions, between ... [the UN] Secretariat ... and the international financial institutions, who often have an all important say in making sure that the necessary resources are available." The Secretary-General, while promising to use the mechanism of the Administrative Committee on Coordination (ACC) 2/ for enhanced coordination, recommends that governments instruct their representatives in various intergovernmental bodies "to ensure coordination and avoid inter-institutional rivalry and competition." It may be noted that the topic of coordination was a central one under various agenda items discussed during this Session.

What follows is a review of some of the major points which arose from these and other discussions which are of interest to the Fund.

II. Economic Issues

In contrast to the political discussions in the GA debate, discussions on economic issues, mainly in the Second [Economic and Financial] Committee, were characterized by a general sense of optimism that the world economy had re-entered a period of growth and that many developing countries had emerged

1/ Issued by the Secretary-General in June of 1992.

2/ The ACC is chaired by the Secretary-General of the UN and is composed of the executive heads of the UN specialized agencies, including the Fund and the World Bank.

as "engines of growth." While concern was expressed at the slow pace of development in Africa and the least developed countries, it was nevertheless felt that the present growth mode of the world provided an opportunity to strengthen further international development cooperation. In that context, delegates emphasized the importance of South-South cooperation, the priority to be accorded to financial resources ^{1/} and capacity building, and the need to follow up on the results of the Rio and Cairo Conferences, as well as of other forthcoming international conferences, in a more integrated [developmental] framework.

1. Institutional coordination within the UN

Governments, executive heads of competent specialized agencies, and others were urged to continue to present their views to the Secretary-General on institutional developments related to the strengthening of international organizations. As mentioned above, as part of the debate on a varied range of GA agenda topics, many delegations identified the need for closer coordination and cooperation between the United Nations and the Bretton Woods Institutions as an important topic for immediate consideration. As regards the establishment of the World Trade Organization, the General Assembly noted "the ongoing exchange of views between the Secretary-General and the Director-General of GATT on the issue of establishing a relationship between the UN and the WTO." ^{2/}

2. The Agenda for Development

The Secretary-General issued his report, *Recommendations to An Agenda for Development*, on November 14, 1994. This report calls for a "new" framework in international cooperation for development in which the UN must play the major role in both policy leadership and operations, insisting that "the UN cannot be a strong force for peace unless it is also a strong force for development". Within this new approach, however, the report does make an explicit distinction between the UN system, which includes the specialized agencies and the BWIs, and the UN organization; there is also an implicit distinction between the BWIs and other specialized agencies. The report advances recommendations in three broad areas: (1) international development cooperation; (2) a more effective multilateral system in support of development; and (3) the effectiveness of the UN organization itself.

On international development cooperation, the report recommends, *inter alia*, that consideration be given to organizing an International Conference on the Financing of Development "in close consultation with the BWIs, the regional development banks, and the Development Assistance Committee of the OECD." As concerns the multilateral system in support of development, the report's recommendations aim at enhancing the role of the General Assembly

^{1/} Concern was expressed at the recent decline in the ODA/GNP ratio.

^{2/} It is reported that the WTO has decided not to enter into a formal relationship agreement with the UN to be a specialized agency.

and ECOSOC and at strengthening linkages between the UN and the BWIs, as well as between the sectoral and technical agencies of the UN. On collaboration with the BWIs, the report proposes to build on the ongoing dialogue and partnership, and identifies various fields (for example poverty alleviation, post-chaos country operations, and capacity building) where cooperation could be strengthened. The report also takes up the proposal that there should be complementarity between Fund- and Bank-supported policy framework papers (PFPs) and UN-sponsored country strategy notes (CSNs).

It was evident from the discussions in the General Assembly that many delegates consider the relationship between the Bretton Woods institutions and the UN as a crucial and inherent part of this *Agenda*. Delegations put forward various proposals for enhancing this relationship, including establishing a mechanism within the ECOSOC where the BWIs and the UN operational and development agencies would meet at a high level to discuss coordination, and proposals to strengthen the cooperative relationship between the UN and the BWIs at both headquarters and field levels. Further, the discussions also revealed a desire on the part of governments to put more flesh on the recommendations in the Secretary-General's report, with a view to making the *Agenda for Development* an operationally effective document, in line with the Secretary-General's earlier *An Agenda for Peace*, which it is to complement. To accomplish this, the GA has established an open-ended Working Group which will meet over five weeks in the first 8 months of 1995, and report on progress made prior to the beginning of the 50th Session of the GA in September 1995. It is expected that the General Assembly President will chair this Working Group.

3. External debt and financial resource flows

The "traditional" debt resolution was passed this year by consensus. It takes note of the Communiqué of the forty-ninth Meeting of the Joint Ministerial Committee of the Board of Governors of the World Bank and the IMF as well as of the Naples Summit Declaration and calls upon donor countries and the multilateral financial institutions (MFIs), within their prerogatives, to consider appropriate new measures for substantially alleviating the debt burden of low-income countries. The relevant resolution also invites MFIs and creditor countries to continue to extend concessional financial assistance, especially to the least developed countries, in order to support the implementation of economic reforms, while continuing to explore ways of implementing additional and innovative measures to alleviate the debt burdens of developing countries, particularly the highly indebted low-income countries. The resolution further notes the high proportion of multilateral debt of a number of developing countries and invites the international financial institutions (IFIs) to examine proposals to tackle the problems of those countries with regard to multilateral debt.

The resolution on net flows and transfers of resources between developing and developed countries notes that capital flows to capital-importing developing countries have been increasing for the past four years

but that the most dynamic component of this development is private short-term capital. Accordingly, the resolution calls, *inter alia*, for consideration by the international community of ways of dealing, as appropriate and in cooperation with national governments, with the possible negative effects of sudden outflows of private capital from developing countries on their development programs.

4. Africa and the least developed countries

The General Assembly reviewed development in Africa in the context of the UN's "New Agenda for the Development of Africa" (UN-NADAF), agreed in 1991. In the resolution passed on this topic, the GA "urges MFIs, recipient countries and donor countries, within the conceptual framework and design and implementation of structural adjustment policies in Africa, to pay special attention to eradicating poverty and addressing the social impact of these policies, while focusing on public investment, fiscal reform, reform of public enterprises, export expansion and efficient public administration". As part of the discussions on the UN-NADAF last year, the Secretary-General had proposed the establishment of a Diversification Fund for African Commodities (DFAC), to be lodged within the African Development Bank. At that time, many donor countries expressed reservations on this and asked that additional information be provided. After extensive consultations over the past year, and on the basis of a further report by the Secretary-General, the General Assembly "invites State participants in the African Development Fund, existing within the African Development Bank, to pay particular attention to the diversification of African commodities with a view to accelerating this process, and invites them to consider urgently making an initial adequate special contribution to finance the preparatory phases of commodity diversification projects and programmes". Although a specific amount for the Fund is not mentioned in the resolution, the original proposal was to provide it between \$50-75 million. 1/

Following on a resolution adopted last year to convene, in the second half of 1995, a high-level intergovernmental meeting to conduct a mid-term global review on the implementation of the Program of Action for the Least Developed Countries for the 1990's, the General Assembly decided that the meeting would take place in New York in September 1995. The resolution expresses concern at the limited progress achieved so far in the implementation of the Programme of Action and more generally about the continued deterioration of the economic and social situation of the LDCs as a whole.

1/ Following adoption of the resolution, the European Union (EU) stated that the text should not be interpreted in any manner that would prejudice the outcome of the ADB 7th replenishment. The EU representative stated that it was "not wise to set up new financing mechanisms or make contributions to existing ones for political reasons only." The U.S. representative expressed similar sentiments.

5. The World Summit for Social Development and the International Year of Poverty

The GA discussion on the World Summit for Social Development (WSSD) was procedural in nature, resulting in the Assembly approving the draft provisional rules of procedures for the March Summit. An informal working group of the General Assembly convened for one week in October to consider a draft Declaration and Programme of Action for the WSSD, to serve as a prelude in the preparations of this documentation for discussion at the Preparatory Committee Meeting of the WSSD, which met later in New York from January 16-27, 1995. ^{1/}

The GA adopted a resolution on "International cooperation for the eradication of poverty in developing countries: International Year for the eradication of Poverty" which reaffirms last year's resolution proclaiming 1996 as the International Year for the Eradication of Poverty. The resolution inter alia requests the Secretary-General in consultation with concerned specialized agencies ... to achieve at an early date the elaboration of the draft programme concerning the preparations for and observance of the Year, containing the objectives, principles, themes and main recommendations for the Year ... which should be consistent with the declaration and programme of action of the WSSD."

III. Other Issues

As is normal practice, the GA adopted resolutions on a wide range of subjects from strengthening preventive diplomacy, economies in transition, humanitarian assistance, and human rights, to population, migration, and the environment.

Nine resolutions and two decisions were adopted under the heading of environment and sustainable development. Based on the annual report of the Commission on Sustainable Development (CSD), the General Assembly expressed its deep concern that the financial recommendations and commitments of Agenda 21 had not been met, while at the same time noting that overall ODA had in fact declined since the UN Conference on Environment and Development in Rio de Janeiro in 1992. The GA resolution recommends that "members of international financial institutions take the necessary steps, through their respective governing bodies, to ensure that their programmes and activities better reflect Agenda 21, particularly in order to respond to the needs of developing countries." On other issues in the environmental field, the Assembly welcomed the adoption in 1994, of the UN convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or

^{1/} At that meeting the Preparatory Committee finalized the draft (still with a significant number of issues unresolved) which would be considered and adopted at the Copenhagen Summit, March 6-12, 1995.

Desertification, particularly in Africa and invited the Secretary-General to bring this resolution to the attention of various international actors, including the international financial institutions.

As follow-up to the Global Conference on Sustainable Development of Small Island Developing States, which took place in Barbados, April 25-May 6, 1994, the Assembly calls upon the international community to "implement all the commitments achieved and the recommendations made at the Conference and to take the necessary action to give effective follow-up to the Programme of Action".

Under the heading of the *Report of the International Conference on Population and Development (ICPD)*, the Assembly endorsed the Conference's Programme of Action and requested the Secretary-General to consult with various bodies of the UN system as well as with IFIs and various bilateral aid organizations and agencies, "with a view to promoting an exchange of information among them on the requirements for international assistance, maximizing the availability of resources and their most effective utilization." ^{1/} In a related resolution, the Assembly noted the strong support in the ICPD Programme of Action for the convening of a UN conference on international migration and development. In this regard, it requested the Secretary-General to prepare, in consultation with all states and relevant international organizations, a report on international migration and development and the objectives and modalities for the convening of a conference on this subject; the results of this consultation will be submitted to the 1995 session of ECOSOC.

In a resolution on the integration of the economies in transition into the world economy, the GA, while noting "the ongoing efforts of the IMF and the World Bank to encourage sound macroeconomic policies, reaffirms the need for the full integration of the countries in transition from centrally planned to market economies into the world economy". The Assembly calls upon the UN system to continue to conduct analytical activities and to provide policy advice and technical assistance to the economies in transition, tailored to each country's respective stage of economic transformation. In a separate resolution on newly independent and developing land-locked States in Central Asia and their transit developing neighbors, the Assembly invites donor countries and multilateral financial and development institutions, within their mandates, to provide appropriate financial and technical assistance for the improvement of the transit environment of these countries.

On the subject of funding of operational activities for development, the GA agreed that there was a need for a substantial increase in resources

^{1/} Subsequently, the Secretary-General charged the Executive Director of the United Nations Fund for Population Activities to chair a Task Force to consider this issue.

for operational activities for development "on a predictable, continuous and assured basis commensurate with the increasing needs of developing countries."

There were eight separate resolutions on the advancement of women, including a request by the General Assembly to the Commission on the Status of Women to give special attention to women in developing countries who suffer disproportionately from the global economic crisis and heavy debt burden. It may be recalled that the United Nations will convene the "Fourth World Conference on Women" in Beijing, China, in September 1995.