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RECENT DEVELOPMENTS IN THE UNITED NATIONS SYSTEM
OF INTEREST TO FAO

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INTRODUCTION

1. At its Ninety-fifth Session in June 1989, the Council of FAO considered "recent developments in the United Nations system of interest to FAO" on the basis of document CL 95/17 of May 1989. The discussion and conclusions of the Council on this item are reflected in the Report of the Council, as contained in document CL 95/REP (paragraphs 135-151).

2. The present document provides a brief review of developments in some areas which were not covered in document CL 95/17. It also updates information on a number of subjects as provided in document CL 95/17. It will be noted that this document does not cover developments in such areas as the preparation of an IDS for the fourth UN development decade, the international conference on nutrition, Uruguay Round of multilateral trade negotiations, women in development and FAO/UNIDO Relationship Agreement, as these are presented to the Conference in separate documents.

3. Efforts have again been made, as in the case of document CL 95/17, to make this document more analytical, concise and informative. The views of the Council of FAO in this regard, as expressed at its Ninety-fourth and Ninety-fifth Sessions (document CL 94/REP - paragraph 107 and document CL 95/REP - paragraph 135) were borne in mind in preparing this document.

4. No specific action by the Conference on any part of this document is requested.

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

5. The FAO Council, at its Ninety-fifth Session in June 1989, was informed of developments relating to this subject. FAO has continued to follow closely system-wide matters concerning operational activities in various United Nations fora.

6. The Thirty-sixth Session of the UNDP Governing Council was held in New York from 5 to 30 June 1989. The high-level segment of the session was devoted to a policy review on the role of the UNDP in the 1990s. It had before it a paper entitled "UNDP and World Development by the Year 2000". The paper touched upon matters of direct concern to the operational activities of the United Nations system as a whole. FAO, which had earlier closely followed the evolution of the contents of this paper, contributed to the extensive discussion on the matter. The Organization's main concern, similar to that of the other specialized agencies, was that the existing accumulated technical experience and expertise of the system should continue to be fully available to recipient developing countries through operational activities. FAO also contributed to the discussion of other subjects submitted to the UNDP Governing Council. It bears noting that the Governing Council approved a major global project supporting a joint UNDP/FAO programme for the development of environmentally-acceptable alternative strategies for desert locust control.

7. FAO has also been active recently in cooperating with UNDP-appointed experts in the preparation of "successor" UNDP support cost reimbursement arrangements (to apply from 1992 onwards) as outlined in documents submitted to the Fifty-eighth Session of the Programme Committee and the Sixty-sixth Session of the Finance Committee. Developments in this regard will continue to be brought to the attention of FAO Governing Bodies.

8. In particular through the mechanism of the Consultative Committee on Substantive Questions (CCSQ(OPS)), and in response to various General Assembly resolutions (especially 42/196 and 43/199), FAO has participated in the discussions of important matters affecting operational activities, such as programming, the role of the Resident Coordinators, the harmonization of procedures, field office structures, procurement, and the concept of central funding. Many of these subjects are now featured in the report for the triennial comprehensive policy review, by ECOSOC and the General Assembly in 1989, of the United Nations system's operational activities, presented by the Director-General for Development and International Economic Cooperation (DG/DIEC).

9. FAO participated in the debate on the triennial review at ECOSOC in July 1989, where a number of delegations supported, as highlighted in the report, the importance of building up national capacities in recipient countries and emphasized the need to ensure coordination of UN development system activities. It was noted, however, that the DG/DIEC's report for that discussion still remained to be completed, and thus no resolution emerged. In a decision adopted by ECOSOC, it recommended that the triennial comprehensive policy review be completed by the General Assembly at its Forty-fourth Session (1989). FAO intends to participate in that discussion in the General Assembly.

10. A recommendation of the Director-General/DIEC to ECOSOC, in the context of the discussion of the triennial review, related to the undertaking by his office of a "perspective study of emerging trends in development cooperation requirements and their implications for the United Nations system". This study would proceed in a number of phases - beginning in the second half of 1989 and extending well into 1990. The proposal for the study received a measure of general support at ECOSOC, and will again be discussed at the Forty-fourth Session of the General Assembly. FAO has indicated its willingness to contribute to it, and will - as appropriate - hold discussions with the Director-General/DIEC in this connection. It is important that such a study involve all concerned partners of the United Nations development system in a comprehensive and integrated examination of ways and means to improve operational activities in future, bearing in mind that - through operational activities - the system's substantive capacities must be harnessed to the maximum benefit of recipient developing countries.

THE COMMON FUND FOR COMMODITIES

11. As reported to the FAO Council, at its Ninety-fifth Session in June 1989, the Agreement establishing a Common Fund for Commodities, concluded in 1980, was to enter into force after: (i) it had been ratified, accepted or approved by a minimum of 90 States, accounting for at least two-thirds of the Fund's directly contributed capital of US \$470 million, and (ii) at least 50 percent of the US \$280 million target for pledges of voluntary contributions to the Second Account had been met. While the latter requirement was met soon after the adoption of the Agreement, the former was fulfilled only in July 1988. Following this, the representatives of the 64 States, which had by September 1983 ratified the Agreement establishing the Common Fund, met in New York on 19 June 1989 and decided that the Common Fund would formally enter into force on that day.

12. The Governing Council of the Common Fund held its first annual meeting in July 1989. It appointed the Managing Director of the Fund and chose Amsterdam as the site for its headquarters. It also elected 26 executive directors and their alternates to the 28-member Executive Board of the Fund. The second annual meeting of the Governing Council, which is likely to be held in July 1990, will elect the two remaining executive directors and their alternates for the remainder of the two-year period. The Council directed the Executive Board to submit at its second annual meeting for its consideration draft texts on organizational matters including those on the rules and regulations for the conduct of business of the Fund, relationship agreements with various cooperating institutions and rules and regulations for First and Second Account operations so that the Fund could start operating as soon as possible.

13. The First Account is to contribute to the financing of commodity stocking within the framework of the International Commodity Agreements associated with the Common Fund. The Second Account is meant to finance measures in the field of commodities other than stocking, such as research and development, productivity improvement and marketing.

14. The developments concerning the Common Fund for Commodities are obviously of direct interest to FAO. The Organization expects to become associated with the activities of the Second Account of the Common Fund when it becomes operational, in pursuance of the requests of the FAO Governing Bodies which have, on a number of occasions, recommended that FAO should develop cooperative arrangements between its Intergovernmental Groups on Commodities and the Second Account of the Fund and assist in preparing projects for financing by the Fund. Further, at their most recent sessions, the Intergovernmental Commodity Groups on Hard Fibres (October 1988), Bananas (October 1988), Rice (February-March 1989), Oilseeds, Oils and Fats (March 1989), Meat and its Sub-group on Hides and Skins (March 1989), and on Tea (May 1989) agreed to encourage the Director-General of FAO to approach the Common Fund, when it becomes operational, requesting it to designate these Groups as the eligible international commodity bodies (ICBs) for sponsoring and following up projects for their respective commodities which may be financed from the Second Account of the Common Fund. The Sub-Committee on Fisheries at its Second Session in 1988 also made a similar request to the Director-General. The FAO Council, at its Ninety-fifth Session held in June 1989, welcomed and endorsed these decisions of the FAO intergovernmental commodity bodies.

WORLD FOOD COUNCIL: FIFTEENTH MINISTERIAL SESSION

15. The World Food Council (WFC) held its fifteenth ministerial session from 22 to 25 May 1989 in Cairo, Egypt. The main substantive item on the agenda concerned the implementation of the Cyprus Initiative Against Hunger in the World. The Council's discussion was based on a comprehensive report submitted by its President which reviewed the global hunger situation fifteen years after the World Food Conference (Rome, 1974), assessed the effectiveness of current policies and programmes in reducing hunger, and proposed a Programme of Cooperative Action. The Council's deliberations focused on urgently needed action and its conclusions and recommendations were adopted as the Cairo Declaration.

16. Reviewing the hunger situation, the Council noted that although the world was feeding more people than at the time of the World Food Conference, hunger and malnutrition were growing and would continue to do so unless more effective action was taken in favour of the hungry poor. It recognized that the problems of access to food by those who needed it had been made worse by the economic difficulties of the 1980s. It stressed that when economic activity slowed down it was the poor who suffered most, but with increased economic activity it was often the poor who benefitted least.

17. Regarding policies and programmes to eradicate hunger and malnutrition, the Council stressed that these must be made a central objective of national policies. Supportive policy changes emphasising social and cultural aspects, economic reforms, employment, judicious population policies and comprehensive food strategies were essential. The Council reiterated the importance of ecologically sustainable agricultural practices in food strategies.

18. The Council considered that economic growth in developing countries would require not only improved international economic environment and suitable domestic policies, but also increased resource flows to the developing countries and a solution of foreign debt problems.

19. Regarding the economic adjustment programmes being undertaken by many developing countries, the Council, while recognizing that in most cases it was still too early to judge their longer-term impact, stressed that such programmes often seriously hurt lower-income populations. The Council emphasised the importance of not only protecting the levels of food security and well-being of low-income groups during the adjustment process, but also explicitly incorporating into the design of structural adjustment programmes long-term objectives for food security and poverty alleviation.

20. The Council underlined the importance that all countries be committed to the achievement of a positive result of the multilateral trade negotiations undertaken within the framework of the GATT Uruguay Round. It agreed that issues related to food security should be taken into account in the course of the negotiations.

21. In its call for action, the Council stressed once again that hunger was largely a man-made phenomenon: human error or neglect created it, human complacency perpetuated it, and human resolve could eradicate it. In this spirit, the Council accepted the following steps articulated in the Programme of Cooperative Action proposed by its President, as a framework for individual and collective actions to combat hunger:

- (i) to review policies and programmes, to provide food security for all people, and devise a package of corrective measures to address inadequacies, reporting on progress to the Sixteenth Session of the World Food Council;
- (ii) to make all efforts to achieve, during the next decade, the elimination of starvation and death caused by famine; a substantial reduction of malnutrition and mortality among young children; a tangible reduction in chronic hunger; and the elimination of major nutritional-deficiency diseases;
- (iii) to adopt, evaluate and improve food strategies, as an important instrument to fight hunger within broader development efforts focused on the improvement of the human condition;

- (iv) to cooperate among each other, and with other countries, in the fight against hunger and malnutrition.

22. The Council accepted, in principle, the proposal for an international agreement on the safe passage of emergency food aid to those in need, and supported, in particular, practical measures that could be taken to protect the most vulnerable groups from the effects of civil strife, war and natural disasters. In this connection, it was considered important that donor countries continued to streamline their administrative procedures to make their responses to emergency requests more timely and flexible. Both points, safe passage of emergency food aid and the strengthening of donor procedures, gave rise to debate at the second regular session of 1989 ECOSOC when the WFC report was considered. While no agreement was reached on these points, a resolution was adopted which generally welcomed the report.

23. Stressing the need for raising the level of political support, the WFC considered that hunger and poverty elimination should be a major theme on the agenda of the special session of the United Nations General Assembly devoted to international economic cooperation, to be held in April 1990, and a central objective for the International Development Strategy for the 1990s.

24. FAO welcomed the opportunity to provide support to the WFC's Cyprus Initiative and the Programme of Action. FAO's central role in the struggle against hunger, malnutrition and poverty is fully recognized. The thrust and emphasis of the action identified in the WFC Programme of Cooperative Action can be supported, as well as the view that access to adequate food must be seen by the international community as a fundamental right. In general, FAO is also in agreement with the specific types of action recommended in the Programme of Cooperative Action.

ACC TASK FORCE ON RURAL DEVELOPMENT: SEVENTEENTH SESSION

25. The Conference, at its Twenty-fourth Session, was informed of the work of the fifteenth meeting of the ACC Task Force on Rural Development. Subsequently, two meetings of the Task Force have taken place. The sixteenth meeting of the Task Force, was held in New York at UNDP Headquarters from 11 to 13 May 1988. The Council was apprised of the work of the sixteenth meeting of the Task Force at its ninety-fourth session (document CL 94/12 paras. 128 to 138).

26. The seventeenth meeting of the Task Force was held in Vienna, at UNIDO Headquarters, from 31 May to 2 June 1989. It was attended by representatives of 20 United Nations organizations. The United Nations Fund for Drug Abuse Control, at its request, was represented for the first time. Attendance was at a high level and showed an increase over recent years. The Task Force reviewed the work accomplished since its last meeting and adopted the 1989/90 programme of work for the Task Force, its specialized Working Groups and Panels.

27. The Task Force was informed of the proposed FAO-led inter-agency policy review missions which are planned for 1989/90 to Madagascar, Laos, Surinam and Ecuador. Information was also provided on progress concerning activities which have been planned to commemorate the tenth anniversary of the World Conference on Agrarian Reform and Rural Development. Some of these activities had already taken place, with extensive participation by members of the Task Force.

28. The Task Force decided to maintain a mechanism, introduced in 1988, through which agencies would inform each other in advance of their future activities in the field of rural development so as to enhance collaboration, joint planning and programming of rural development activities among Task Force members. During the last year, collaboration between member agencies had been enhanced through this exercise.

29. The Panel on People's Participation of the Task Force decided that there was a need to systematize agencies' reporting and the discussions in the Panel on the following four basic topics:

- 1) development of the concept of people's participation;
- 2) policy orientations;
- 3) experiences at the field level in technical cooperation activities;
- 4) joint inter-agency activities.

30. The Panel further decided that emphasis should be laid, in its future work, on the interrelationship between technical cooperation and people's participation and the integration of the participatory approach in technical cooperation activities and other programmes.

31. The Panel on Monitoring and Evaluation agreed that the general guidelines which had been prepared should be further substantiated. Specific guidelines need to be prepared and tested for monitoring and evaluation of particular subject areas, such as gender issues, the participation of beneficiaries in rural development projects and the impact of structural adjustment on project beneficiaries. The Panel further proposed to examine ways and means of introducing monitoring and evaluation methodologies in training activities organized by Task Force member agencies.

32. The two Panels decided that there was a need for more consultations and inter-action in planning and preparing for their meetings, as well as those of the Working Group on the Impact of Macro-Economic Policies on the Rural Poor.

33. The Task Force was further apprised of the programme for the preparation of the Third Progress Report on Agrarian Reform and Rural Development on the Follow-up to WCARRD to be submitted to the 1991 FAO Conference and to ECOSOC in 1992, and of the role Task Force members could play in contributing to the report. The Task Force was satisfied with the recommendations made by most of its members with regard to the preparation of the International Development Strategy for the Fourth United Nations Development Decade and decided to continue contributing where possible to developing and defining the issues to be incorporated in that strategy, with emphasis on rural poverty alleviation and economic recovery through growth and overall human development.

34. Several agencies had prepared a plan of action for implementing the activities listed in the Forward Looking Strategies Toward the Year 2000 for Rural Women. Other Task Force members were encouraged to elaborate similar medium-term plans and to include gender issues, where appropriate, in their work programmes, particularly in extension, training, communication and productive employment activities.

35. In examining the report of the Working Group on the Impact of Macro-Economic Policies on the Rural Poor, the Task Force decided that the Group should continue its work in the planning and implementation of a second

phase of activities. This plan would include the preparation of terms of reference and arrangements for country case studies to test a simple methodology, developed in a study prepared by the Working Group in 1988/89. It is foreseen that countries could apply the methodology themselves, using limited resources to analyse the impact of these policies on the rural poor. UNDP will continue to support the exercise financially with contributions from other agencies, when possible.

36. The report prepared by the Joint Inspection Unit (JIU) on the Evaluation of Rural Development Activities of the UN System in three African LDCs was discussed by the Task Force, which found it a valuable contribution to substantiating the work of member agencies. It was decided to discuss the findings further, in more detail, in the Panels which will report to the eighteenth meeting of the ACC Task Force on Rural Development.

37. The importance of creating opportunities for non-farm employment as a means to enhance overall rural development had been a major concern of Task Force members. UNIDO was therefore requested, and accepted, to take the initiative to form a working group of concerned Task Force members with the purpose of exploring ways of integrating industrial, agricultural and rural development in overall plans, programmes and projects which aim at agrarian reform and the development of the people living in the rural areas.

ENVIRONMENT: UNITED NATIONS ENVIRONMENT PROGRAMME GOVERNING COUNCIL:
FIFTEENTH SESSION

38. The Governing Council of the United Nations Environment Programme (UNEP) held its fifteenth session in Nairobi from 15 to 26 May 1989. FAO was represented at the session and participated actively in its work. The Governing Council adopted 46 decisions. A number of them are of direct interest to FAO.

39. Decision 15/1 entitled "Strengthening the role and effectiveness of the United Nations Environment Programme" stressed the need for the Governing Council to be made more effective and efficient so that it could discharge its coordinating and catalytic functions. In this regard the Governing Council decided, on an experimental basis, to mandate the Bureau of its fifteenth session to meet with the bureaux of the counterpart organs of the specialized agencies and other organs of the United Nations to develop more positive and collaborative relationships.

40. The Governing Council, by this same decision, agreed to set a target of \$ 100 million for contributions to the Environment Fund by the year 1992. Previously, the level of the Fund had been approximately \$ 30 million annually. In addition to the appropriation of \$ 68 million for the 1990/91 programme of Environment Fund activities, a supplementary appropriation of \$ 35 million was approved for a supplementary programme of activities. This would nearly double the 1990/91 appropriation for activities in comparison to the level for the 1988/89 biennium.

41. Also, by this same decision, the Governing Council decided that UNEP should focus its efforts and called upon the international community to concentrate on a selected number of areas: (a) Protection of the atmosphere by combating climate change and global warming, depletion of ozone layer and transboundary air pollution; (b) Protection of the quality of freshwater resources; (c) Protection of ocean and coastal areas and resources;

(d) Protection of land resources by combating deforestation and desertification; (e) Conservation of biological diversity; (f) Environmentally-sound management of hazardous wastes and toxic chemicals; (h) Protection of human health conditions and quality of life, especially the living and working environment of poor people, from degradation of the environment. It may be noted that on-going FAO activities, a number of which are of long-standing, relate to many of these areas.

42. The Governing Council clarified its position on sustainable development by stating in an annex to its decision 15/2 "Implementation of resolutions and decisions of direct relevance to UNEP adopted by the General Assembly at its forty-second and forty-third sessions and by ECOSOC at its sessions in 1987 and 1988", that sustainable development does not imply in any way encroachment on national sovereignty and does not represent a new form of conditionality in aid or development financing. It implies the maintenance, rational use and enhancement of the natural resource base that underpins ecological resilience and economic growth.

43. The proposed United Nations conference on environment and development was a major topic of discussion during the session. The Governing Council decided (decision 15/3) to submit to the Forty-fourth Session of the General Assembly, through ECOSOC, its views and elements for a resolution regarding the title, date, scope, objectives, content and preparatory process of the proposed Conference. The Governing Council recommended that the conference be convened in June 1992 with the title "United Nations Conference for Environment and Development" and that the environmental issues to be considered would be those identified as the areas where UNEP should focus its efforts. If this is confirmed by the General Assembly, FAO, from a technical point of view, could play a major role in preparations for the Conference, financial and human resources permitting.

44. It was proposed that the Governing Council of UNEP, open-ended, be the intergovernmental preparatory committee of the conference and that a conference secretariat be established in Geneva. Organs, organizations and programmes of the United Nations system were invited to contribute fully to the conference and its preparation, including through the provision of expert advice and the secondment of staff.

45. ECOSOC, at its second regular session of 1989, discussed this question at some length. The debate revealed divergent views on certain provisions of Governing Council decision 15/3. These centred primarily on (1) the role of the UNEP Governing Council as the preparatory committee for the conference (many delegations indicated their preference for a committee of the whole of the General Assembly) and (2) the balance of the substantive focus of the conference between environment and development. As no agreement was reached, ECOSOC adopted by consensus a procedural resolution in which it decided to transmit UNEP Governing Council decision 15/3, together with its own views and comments, to the General Assembly at its Forty-fourth Session, for consideration and appropriate action.

46. In accordance with General Assembly resolution 43/196, FAO submitted its views regarding the scope, objectives and content of the proposed conference. These are contained in the Report of the Secretary-General on the question of convening a United Nations conference on environment and development (A/44/256 Add. 1 and 2), which will be before the United Nations General Assembly at its Forty-fourth Session.

47. Another matter of particular interest to FAO is dealt with in UNEP Governing Council decision 15/24 entitled "Sustainable Agriculture", by which the Governing Council recommended that a joint FAO/UNEP meeting on sustainable agriculture be convened within the framework of the preparation of the proposed 1992 United Nations conference on environment and development with a view, inter alia, to formulate a world strategy for sustainable agriculture. The strategy would seek to guide agricultural policies at national and international levels in order to encourage farmers to adopt practices that are ecologically sustainable and that lead, inter alia, to improving the quality of life of rural people. Preliminary contacts between UNEP and FAO regarding a joint meeting have been initiated.
48. UNEP Governing Council, in its decision 15/30 "Environmentally safe management of chemicals, in particular those that are banned and severely restricted in international trade" "called upon the FAO Conference to adopt procedures equally protective for man and the environment for pesticides subject to the Prior Informed Consent procedure" (PIC). It noted that UNEP and FAO are both developing prior informed consent procedures, which should be formulated in a complementary fashion and should not duplicate each other. UNEP and FAO have been and will continue to be in close contact to work out the modalities for implementation of these procedures. For additional information related to PIC, see Conference document C 89/20.
49. In view of these efforts made by FAO and UNEP to develop harmonized PIC procedures, activities undertaken by other organizations of the United Nations system in this same field will require close collaboration and consultation in order to avoid duplication and to ensure harmonization of guidance provided to governments.
50. For example, the GATT Council at its meeting held on 19 July 1989 adopted a decision in which the Council agreed to establish a Working Group on the Export of Domestically Prohibited Goods and Other Hazardous Substances. In the light of GATT obligations and principles and having regard to the work of other international organizations on these goods and substances, the Working Group will examine trade-related aspects that may not be adequately addressed.
51. The International Labour Organization is preparing a convention on safety in the use of chemicals at work, which will apply to all chemicals, including pesticides and other agrochemicals. The latter constitute nearly 50% of the chemicals covered by the convention. A number of the provisions of the proposed ILO convention are similar to, but in certain instances less specific, than those contained in the International Code of Conduct on the Distribution and Use of Pesticides. FAO is in contact with ILO regarding this matter with a view to ensuring complementarity in the work undertaken by FAO and ILO in this field. The final text of the convention will be before the ILO Conference for adoption at its next ordinary session in 1990.
52. ECOSOC, at its second regular session had before it the Report of the Secretary-General on protection against products harmful to health and the environment (E/1989/78) which outlined several recommendations for improving the Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or Not Approved by Governments. In this document, reference was made to work undertaken by UNEP and FAO on PIC procedures.

53. Of particular interest to FAO is Governing Council decision 15/34 entitled "Preparation of an international legal instrument on the biological diversity of the planet". The Governing Council, in this decision, requested the Executive Director to convene, in close cooperation with other appropriate international organizations including FAO, UNESCO, WIPO, IBPGR and IUCN, additional working sessions of the Ad Hoc Working Group of Experts on Biological Diversity. Once the Working Group completes its task, the Executive Director is authorized by the Governing Council to convene an ad hoc working group of legal and technical experts with a mandate to negotiate an international legal instrument for the conservation of the biological diversity of the planet.

54. FAO efforts, including the legal instrument (the FAO International Undertaking on Plant Genetic Resources) and the Organization's work on animal and forest genetic resources, are of direct relevance to the formulation of a future legal instrument on biological diversity.

55. It will be recalled that the FAO Council had expressed concern over the proliferation of the initiatives in the field of conservation and use of plant genetic resources and biological diversity in general, and over the likely overlapping or duplication of activities. Also, it "noted the UNEP initiative to develop an international legal instrument on biological diversity and emphasized that FAO and UNEP, as the lead United Nations agencies in this field, should join their efforts to ensure that: (a) there was complementarity and synergy in the respective work of both organizations on the subject, and (b) the concepts of conservation of biological diversity and that of sustainable agricultural and forestry development were fully compatible and complementary" (Report of the Ninety-fifth Session of the FAO Council, document CL 95/REP/1 paragraph 86).

56. Global climate change was another topic of major discussion at the Fifteenth Session of the Governing Council. The Governing Council, in its decision 15/36 "Global climate change" requested the Executive Director, in cooperation with the Secretary-General of WMO to begin preparations for negotiations on a framework convention on climate change, taking into account the work of the Intergovernmental Panel on Climate Change (IPCC) as well as other international meetings on the subject.

57. FAO, as reported in FAO Council document CL 95/17, has attended the meetings of the IPCC and followed closely the work of its Working Groups II and III: For these IPCC Working Groups, FAO will co-author a paper on the linkages between deforestation and climate change and a paper on food security implications of climate change. The Organization is seeking to strengthen its current work on the potential impacts of climate change and to introduce a new sub-programme on sustaining resource potentials in the Programme of Work and Budget for the 1990-91 biennium.

58. An updated version of FAO Council document CL 94/6 "Aspects of FAO's Policies, Programmes, Budget and Activities Aimed at Contributing to Sustainable Development" is being submitted to the General Assembly, at its Forty-fourth Session, through ECOSOC, in compliance with General Assembly resolutions 42/186 and 42/187.

RELATIONS WITH INTERNATIONAL FINANCING INSTITUTIONS

59. Investment support to developing countries is provided through the FAO Investment Centre which, over the years, has built close working relations with multilateral financing institutions lending for agriculture. The basic work of the Centre consists in helping countries to formulate investment projects which will qualify for financial support from the lending agencies. A full analysis of FAO's investment support activities is given in Chapter Three of the Review of Field Programmes 1989-89 (C 89/4). Below is a summary of recent developments in the major financing institutions, both inside and outside the UN system, which are of interest to FAO.

60. Preliminary figures for 1988 indicate multilateral commitments to agriculture of around US\$ 7.3 billion, continuing the downward trend from US\$ 7.8 billion in 1987 and US\$ 8.6 billion in 1986. About US\$ 3.8 billion of the US\$ 7.3 billion represented commitments to agriculture on concessional terms, around the same level as 1987, the fall in total commitments being mainly due to a drop in World Bank lending to the sector on "commercial" terms.

World Bank

61. Following the World Bank's General Capital Increase, the Bank's objectives until June 1991 have been redefined. These include continued support to structural transformation, with special emphasis on poverty alleviation and food security, human resources development, enhancing the role and functioning of the private sector, and the formulation of investment programmes consistent with protection or restoration of a sustainable environment. As part of these activities, the Bank has established a Technical Assistance grant programme to help developing countries draw up environmental programmes and policies.

62. Negotiations are in progress regarding replenishment of the International Development Association, the Bank's concessional loan affiliate (IDA 9, covering the period July 1990-June 1993). These will be continued during the World Bank Annual Meeting in September 1989. In addition to the replenishment, US\$ 3.8 billion from repayments of earlier IDA credits will be available to eligible IDA countries to finance projects for poverty reduction, food security and environmental protection. Special emphasis is being given to food security and FAO is collaborating with the Bank in this regard.

63. The World Bank's fiscal year (FY 89) ended on 30 June 1989. Loan approvals totalled US\$ 21.4 billion (US\$ 19.2 billion in 1988), of which hard-term loans amounted to US\$ 16.4 billion and IDA credits US\$ 4.9 billion. The agricultural sector accounted for US\$ 3.5 billion (16% of total) in FY 89, compared with US\$ 4.5 billion (23%) in FY 1988. This decrease is causing considerable concern in the Bank. A task force is presently studying the underlying forces responsible for the decline and is preparing recommendations to senior Bank management.

64. About 33% of World Bank agricultural projects approved in FY 89 had been prepared with the assistance of the FAO/ World Bank Cooperative Programme, for 25% of loans. The World Bank has reconfirmed its long-term commitment to the Cooperative Programme.

65. Investments during FY 89 by the International Finance Corporation (IFC), the World Bank affiliate which provides direct project financing for

private investment in developing countries, totalled US\$ 1.3 billion, an increase of 30% over FY 88. The IFC and the Netherlands have established a trust fund to finance technical assistance projects. Over the last year similar funds have been set up with bilateral agencies from Canada, Italy, Sweden, the United States and the EEC.

66. The Multilateral Investment Guarantee Agency (MIGA), established to help developing member countries to attract productive foreign investment, has completed its first year of operation. More than a dozen guarantee applications are under consideration and 18 advisory service projects have been completed or are under way.

IFAD

67. FAO attaches particular importance to cooperating with the International Fund for Agricultural Development (IFAD), because of its exclusively agricultural orientation and its special objective of funding development projects which aim to increase food production, improve levels of nutrition and raise incomes of the small farmer and the rural poor.

68. At a special session of IFAD's Governing Council, held in June 1989, an amount of US\$ 523 million was agreed as IFAD's Third Replenishment against the original target of US\$ 750 million.

69. In 1988 IFAD approved 23 projects for total loans of SDR 177 million (US\$ 230 m). Half of these projects were prepared with the assistance of the FAO Investment Centre.

70. IFAD and FAO are working together to devise cost-efficient field survey techniques aimed at developing better understanding of the underlying causes of rural poverty and of the means of overcoming it in areas subject to IFAD project interventions. Another example of FAO/IFAD cooperation is an investment project based on FAO's inter-regional technical assistance project on preventive locust control in North and West Africa. The project has been prepared by FAO's Investment Centre with participation of staff from the Plant Production and Protection Division. IFAD is mobilizing financial support from various donors. Cooperation between FAO and IFAD is expected to remain strong.

Regional Development Banks

71. The Annual Meeting of the African Development Bank (AfDB) group was held in Nigeria in May 1989. Total lending by the Bank in 1988 amounted to US\$ 2,176 million, of which US\$ 419 million or 19% was for agriculture (1987: US\$ 890 million or 42%). Project lending was relatively contained in 1988, largely due to emphasis on economic restructuring in most countries and restrictions on external borrowings and public expenditure.

72. The Annual Meeting of the Asian Development Bank (AsDB) was held in Beijing in May 1989. Total AsDB group lending in 1988 was US\$ 3.1 billion, of which US\$ 677 million or 21% was for agriculture (1987: US\$ 529 million or 22%). AsDB's principal lending orientation, that of financing a vast range of projects in the public sector, has been re-thought during recent years, with the aim of establishing a role adapted to the realities of the next decade. The external high level panel appointed in 1987 to advise on the Bank's course in the 1990s considered that the greatest need for AsDB intervention was for poverty alleviation and for the environment and social services.

73. The Annual Meeting of the Board of Governors of the Inter-American Development Bank (IDB) was held in March 1989 in Amsterdam. After a 3-year stalemate, a capital increase of US\$ 26.5 billion was approved (US\$ 22.5 billion loanable resources for 1990-1993). IDB loan approvals declined in 1988 for the fifth year in succession (from US\$ 3.6 billion in 1984 to US\$ 2.4 billion in 1987 and US\$ 1.6 billion in 1988) and lending for agriculture dropped from US\$ 562 million in 1987 to US\$ 351 million in 1988. However, the meeting was hopeful that renewed international confidence in IDB would help to turn these trends around. The report of the external high-level committee set up to review IDB's activities recommended acceleration of disbursements, introduction of policy-based sector loans, emphasis on lending to the private sector, for exports and for environmental protection, and a basic reform of IDB's internal structure, organization and procedures.

74. Prospects for future cooperation between FAO and the Regional Development Banks are uneven. Due to the near exhaustion of the concessional African Development Fund, work is likely to be concentrated on building up of the project pipeline in view of the forthcoming replenishment of the Fund to cover the period 1991-94. In the Asian region, there is a relative decline in the importance of agriculture in many economies. Many countries no longer need or wish to use substantial amounts of international expertise for agricultural project preparation; others are not eligible for "soft" loans under the Asian Development Fund (ADF) and not interested in borrowing for agriculture on hard terms. For Latin America, the on-going reorganization of IDB should create a favourable administrative framework for reactivation of cooperation.

UN Capital Development Fund

75. FAO's cooperation with the United Nations Capital Development Fund (UNCDF) which supports small projects in the poorest countries, often with technical assistance financed by UNDP, continued to grow. FAO is now responsible for the preparation of around 80% of UNCDF's agriculture projects.

FAO Investment Centre activities over last 5 years

76. In each of the past five years, around 40 projects assisted by the FAO Investment Centre were approved for financing. Total investments involved in these projects are estimated at US\$ 10.1 billion including supporting loans from external sources of US\$ 5.8 billion, the balance being provided by the recipient countries. The table below indicates the number of projects in agriculture, formulated with the help of the FAO Investment Centre, approved for financing by the main lending agencies cooperating with FAO.

	Projects		Loans	
	No.	% 1/	US\$m	% 1/
World Bank/IDA (fiscal years)	88	30	3 348	18
IFAD 2/ (calendar years)	44	51	376	49
African Development Bank 2/ (calendar)	28	50	403	31
Asian Development Bank "	12	14	610	18
Inter-American Development Bank "	3	5	53	2
UN Capital Development Fund 3/ "	14	42	26	45

1/ The share of total approvals for agriculture by the respective institutions.

2/ Projects initiated by IFAD and AfDB only, excluding those co-financed with other institutions.

3/ Since 1985, since regular cooperation between FAO and UNCDF commenced only in mid-1984.

DECOLONIZATION AND RELATED MATTERS

77. The FAO Council, at its Ninety-fourth Session in November 1988, was informed of developments concerning decolonization and related matters through document CL 94/12 (paragraphs 238-241).

78. At its Forty-third Session in 1988, the General Assembly adopted, as in the past, several resolutions regarding decolonization. For example, resolution 43/45 relates to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples; resolution 43/30 relating to the implementation of the above Declaration by the specialized agencies and the international institutions associated with the United Nations; resolution 43/46 on the dissemination of information on decolonization; resolution 43/47 on the International Decade for the Eradication of Colonialism; and resolution 43/26 dealing with the question of Namibia.

79. Resolutions 43/45 and 43/30 in particular request, inter alia, the specialized agencies to continue to provide all moral and material assistance to the colonial peoples struggling for freedom with a view to meeting their immediate needs and creating conditions for development after independence, and also assist the newly independent and emerging States so as to enable them to achieve genuine economic independence. On a request from the Secretary-General, in accordance with the provisions of resolution 43/30, information was provided to the United Nations on FAO activities relevant to the implementation of the Declaration.

80. In resolution 43/47, the General Assembly declared the period 1990-2000 as the International Decade for the Eradication of Colonialism and requested the Secretary-General to submit to it, at its Forty-fourth Session (1989), a report that would enable the Assembly to consider and adopt an action plan aimed at ushering in the twenty-first century a world free from colonialism.

81. Resolution 43/26 urges, inter alia, the specialized agencies to render sustained and increased material assistance to the Namibian refugees who have been forced to flee to the neighbouring front-line States.

82. Subsequent to the adoption of Security Council resolution 632 (1989) of 16 February 1989 on Namibia, the Secretary-General wrote to the Director-General seeking FAO's cooperation particularly for the period of transition in Namibia. In reply the Director-General has assured his full cooperation in this regard, in continuation of the activities of the Organization, in the area of its competence, in support of the people of Namibia.

83. In addition to participation in the implementation of the United Nations nationhood programme for Namibia, FAO is involved in two important activities during the current transition period. With the financial support of UNDP, FAO is at present fielding two missions in the agriculture, rural development and fisheries sectors, with the objective of identifying urgent needs in these sectors and preparing policy options which could be used by a newly-installed government. FAO is also participating in the formulation and preparation of a programme for the rehabilitation of returnees and displaced Namibians. It is intended to carry out the agricultural components of this programme with FAO's own resources as well as with extra-budgetary resources.