

Transnational Corporations and defined and authorized the institution of expert advisers to support the Commission,

Noting the satisfaction expressed by the Commission with the contribution of the expert advisers to its work and the desire expressed by the Commission to make fuller use of their diversified knowledge,³³

Recommends that adequate provision for the continuation of the services of expert advisers to the Commission on Transnational Corporations beyond 1986 be restored to section 9 of the programme budget for the biennium 1986-1987.³⁴

38th plenary meeting
22 July 1986

1986/56. Net transfer of resources from developing to developed countries

The Economic and Social Council,

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, 3362 (S-VII) of 16 September 1975 on development and international economic co-operation, and 35/56 of 5 December 1980, the annex to which contains the International Development Strategy for the Third United Nations Development Decade,

Taking note with appreciation of the *World Economic Survey 1986*³⁵ and the report of the Committee for Development Planning on its twenty-second session,³⁶

Considering that, owing to the persistent structural imbalance of the world economy, the developing countries continue to face major problems in the areas of money, finance, debt, trade and resource flows and have even become net capital exporters,

Bearing in mind that this serious distortion impedes the development efforts of developing countries and adversely affects the implementation of the goals and objectives of the International Development Strategy for the Third United Nations Development Decade,

Noting with concern that this net transfer of resources from developing to developed countries has reached such proportions and is increasing at such a pace that concerted action is required on the part of the international community to halt and reverse the process,

³³ See *Official Records of the Economic and Social Council, 1986, Supplement No. 7 (E/1986/27)*, para. 121.

³⁴ See *Official Records of the General Assembly, Fortieth Session, Supplement No. 6 (A/40/6)*, vol. I.

³⁵ United Nations publication, Sales No. E.86.II.C.1.

³⁶ *Official Records of the Economic and Social Council, 1986, Supplement No. 6 (E/1986/26)*.

Noting, furthermore, that developing countries face a large and growing financing gap in obtaining meaningful flows of resources over the next decade and that the reverse transfer of resources is seriously endangering the possibilities for development of developing countries and causing the living conditions of their people to deteriorate,

Bearing in mind that this dangerous process, far from being conjunctural or temporary, is a prolonged one which is intensifying, thereby undermining the development efforts of developing countries and causing a regression of serious consequences,

1. *Draws the attention* of the General Assembly and the specialized agencies to the alarming levels reached in the net transfer of resources from developing to developed countries as set out in the *World Economic Survey 1986*;

2. *Emphasizes* the need to reverse this trend, which adversely affects the development efforts of developing countries and runs counter to the goals and objectives of the International Development Strategy for the Third United Nations Development Decade and international co-operation for development;

3. *Stresses* the fact that recent developments in the world economy had resulted in substantial gains for the developed countries because of declining prices of commodities, including oil, and that such benefits have been estimated at over \$100 billion;

4. *Emphasizes* the need to redirect such benefits to promote the development of the developing countries;

5. *Points out* that, additionally, the net interest paid in external debt servicing by developing countries amounted to \$54 billion in 1985 and the income outflow on foreign direct investment amounted to \$13 billion, also in 1985;

6. *Underlines* the fact that while these huge transfers of resources from developing to developed countries are occurring, transfers from developed to developing countries have continued to decline and during 1985 amounted to \$13 billion in loans and credit facilities, \$14 billion in official development assistance and \$9 billion in direct investment, leaving a balance of immense proportions to the detriment of the developing countries;

7. *Calls upon* all States, specialized agencies and other competent organizations of the United Nations system to take appropriate and effective measures in the fields of money, trade and finance, including debt, in order to halt and reverse the net transfer of resources from developing to developed countries;

8. *Requests* the Secretary-General, in consultation with the executive heads of the competent bodies and organizations of the United Nations system, to prepare a comprehensive analytical report on the net transfer of resources from developing to developed countries, on its impact on the development of developing countries, and on the measures to be taken within the framework of the United Nations system to halt and reverse that process,

and to submit it to the General Assembly at its forty-second session, through the Economic and Social Council.

*38th plenary meeting
22 July 1986*

1986/57. Amendment of the terms of reference of the Economic and Social Commission for Asia and the Pacific: admission of the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau as associate members of the Commission

The Economic and Social Council,

Noting that the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau have become associate members of the Economic and Social Commission for Asia and the Pacific in accordance with paragraph 5 of the terms of reference of the Commission³⁷, in place of the Trust Territory of the Pacific Islands,

Decides to amend paragraph 4 of the terms of reference of the Economic and Social Commission for Asia and the Pacific accordingly.

*38th plenary meeting
22 July 1986*

1986/58. Proposals for updating the programme of work of the Economic Commission for Africa for the biennium 1986-1987 in the light of appropriations approved by the General Assembly and the availability of extrabudgetary resources

The Economic and Social Council,

Recalling resolution 554 (XX) of 29 April 1985 of the Conference of Ministers of the Economic Commission for Africa³⁸ on the programme of work and priorities of the Economic Commission for Africa, 1986-1987,

Having examined the proposals for updating the programme budget of the Commission for the biennium 1986-1987,³⁹

Concerned about the declining resources available to the Commission for the effective implementation of its programme of work and activities,

Convinced that the programme of activities of the Commission should reflect available resources,

1. *Decides* to update the programme of work and priorities of the Economic Commission for Africa for the biennium 1986-1987 in accordance with the above-mentioned proposals;

³⁷ *Official Records of the Economic and Social Council, 1986, Supplement No. 11 (E/1986/32), annex V.*

³⁸ *See Official Records of the Economic and Social Council, 1985, Supplement No. 15 (E/1985/36), chap. IV.*

³⁹ E/ECA/CM.12/36.

2. *Expresses its gratitude* to the members of the Committee for Programme and Co-ordination for their support of the programme of work and priorities of the Commission for the biennium 1986-1987;

3. *Requests* the Executive Secretary of the Commission to revise the relevant programmes of the Commission for the biennium 1986-1987 in accordance with the updated programme of work and priorities;

4. *Calls upon* the Secretary-General to take the above-mentioned proposals into account when preparing the report on programme performance for the biennium 1986-1987.

*38th plenary meeting
22 July 1986*

1986/59. Financial status of the Economic and Social Commission for Western Asia

The Economic and Social Council,

Having examined resolution 149 (XIII) of 24 April 1986 of the Economic and Social Commission for Western Asia⁴⁰ on the financial status of the Commission,

Having taken note of the concern expressed by the members of the Commission at any measures aimed at curtailing any of the Commission's mandated activities for the biennium 1986-1987 or at restricting the ability of the Commission to supplement the human resources necessary to carry out those activities,

Noting the concern of the members of the Commission, in view of the special and unique situation of the Commission, at the serious shortage of the human resources that are a basic necessity if it is to carry out its mandated programmes and activities, especially since the Commission has already undertaken, in adopting its budget, to cancel 30 subprogrammes because of the lack of financial and human resources,

Calls upon the General Assembly to strengthen the positive and constructive role assumed by the Economic and Social Commission for Western Asia in the economic and social development of the region so that it may make a more far-reaching contribution to promoting regional and national development plans and programmes.

*38th plenary meeting
22 July 1986*

1986/60. Request for the relocation of the headquarters of the Economic and Social Commission for Western Asia

The Economic and Social Council,

Having taken note of resolution 152 (XIII) of 24 April 1986 of the Economic and Social Commission for

⁴⁰ *See Official Records of the Economic and Social Council, 1986, Supplement No. 14 (E/1986/35), chap. IV.*