



Twenty-first session
Agenda item 40

ACCELERATED FLOW OF CAPITAL AND TECHNICAL ASSISTANCE
TO THE DEVELOPING COUNTRIES

Report of the Second Committee

Rapporteur: Mr. Georg REISCH (Austria)

1. At its 1415th plenary meeting, on 24 September 1966, the General Assembly allocated to the Second Committee agenda item 40, entitled "Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General".
2. The Committee considered this item at its 1074th to 1079th meetings, held between 24 and 28 November 1966.
3. In considering this item, the Committee had before it a note by the Secretary-General (A/6461), a report of the Secretary-General on the international flow of long-term capital and official donations (E/4170 and Add.1-2 and Add.2/Corr.1), an interim report of a group of experts appointed by the Secretary-General on the measurement of the flow of resources from the developed market economies to the developing countries (E/4171 and Corr.1-3), the summary and conclusions of a study on export credits for the financing of capital goods requirements of developing countries (E/4189 and Corr.1-2), a note by the Secretary-General on the promotion of private foreign investment in developing countries: tax problems (E/4240 and Corr.1) and the report of the Economic and Social Council to the General Assembly at its twenty-first session.^{1/}

^{1/} Official Records of the General Assembly, Twenty-first Session, Supplement No. 3 (A/6303), chapter V, section I.

4. The Committee also had before it a draft resolution on the external financing of economic development of the developing countries, the text of which is reproduced in section I, and two draft resolutions on the flow of external resources to developing countries, the texts of which are reproduced in sections II and III.

I

5. At the 1074th meeting, the representative of Syria, on behalf of Afghanistan, Algeria, the Byelorussian Soviet Socialist Republic, Ecuador, Guatemala, Iran, Libya, Morocco, Nigeria, Pakistan, Sudan, Syria, Tunisia, the United Arab Republic and the United Republic of Tanzania, introduced a draft resolution (A/C.2/L.898 and Add.1), which read as follows:

"The General Assembly,

"Recalling its resolution 1938 (XVIII) of 11 December 1963,

"Noting with concern the fact that the recent trend towards increased outflow of capital from developing countries is depriving them of substantial funds needed for their economic development,

"Deeply concerned over the statements contained in the annual report of the International Bank for Reconstruction and Development for 1965-66 that the net flow of official assistance from the industrial countries to the developing countries and to multilateral institutions remained rather static at about \$6.6 billion during the five years 1961 to 1965 and that the total service payments (interest and amortization) on public and publicly guaranteed debt of ninety-seven developing countries rose to \$3.5 billion for 1965, and over the fact that, on present form, the rapid increase in the debt servicing burden of developing countries would offset the inflow completely in a little more than fifteen years,

"1. Endorses Economic and Social Council resolution 1184 (XII) of 5 August 1966 on the measurement of the flow of assistance and long-term capital;

"2. Requests the Secretary-General to submit to the General Assembly at its twenty-second session, through the Economic and Social Council, a report containing recommendations on possible measures to be taken in order to limit or decrease the outflow of capital from the developing to the developed countries;

"3. Decides to include in the provisional agenda of its twenty-second session an item entitled: External Financing of Economic Development of the Developing Countries:

(i) Accelerated flow of capital and technical assistance to the developing countries

(ii) Outflow of capital from the developing countries."

6. At the 1077th meeting, the representative of Peru, on behalf of Argentina, Colombia, Mexico, Panama, Peru and Venezuela, introduced an amendment (A/C.2/L.906) to delete operative paragraph 2 of the draft resolution.

7. Burundi and Uganda joined as co-sponsors of the draft resolution (A/C.2/L.898/Add.2/Corr.1).

8. At the 1078th meeting, the representative of Lebanon orally proposed the following amendments to operative paragraph 2 of the draft resolution:

(a) The words "containing recommendations" would be deleted;

(b) The following words would be added at the end of the paragraph:

"whenever such an outflow becomes harmful to the development objectives of the developing countries;".

9. The sponsors accepted the first amendment proposed by Lebanon (see paragraph 8 (a) above).

10. Jamaica joined as a co-sponsor of the draft resolution, as orally revised.

11. At the request of the representative of Lebanon, the representative of Peru, on behalf of the sponsors, withdrew the six-Power amendment (see paragraph 6 above), and requested a separate vote on operative paragraph 2.

12. The Committee then voted on the draft resolution (A/C.2/L.898), as orally revised, and on the amendment thereto, as follows:

(a) The second paragraph of the preamble, on which a separate vote was requested by France, was adopted by 69 votes to none, with 10 abstentions;

(b) The second amendment submitted by Lebanon (see paragraph 8 (b) above) was adopted by 27 votes to 5, with 47 abstentions;

(c) Operative paragraph 2, as amended, was adopted by 72 votes to 7, with 10 abstentions;

(d) Sub-paragraph (ii) of operative paragraph 3 on which a separate vote had been requested by Mexico, was adopted by 62 votes to 2, with 8 abstentions;

(e) The draft resolution (A/C.2/L.898) as a whole, as orally revised and amended, was adopted by 73 votes to none, with 10 abstentions (see paragraph 18 below, draft resolution I).

II

13. At the 1074th meeting, the representative of Algeria, on behalf of Afghanistan, Algeria, Ecuador, Gabon, India, Iraq, Iran, Morocco, Niger, Nigeria, Pakistan, Panama, Syria, Tunisia, the United Arab Republic and Yugoslavia, introduced a draft resolution (A/C.2/L.905), which read as follows:

"Flow of external resources to developing countries

"The General Assembly,

"Noting that the Economic and Social Council at its forty-first session adopted the following resolution on the flow of external resources to developing countries:

"The Economic and Social Council,

"Recalling General Assembly resolutions 1522 (XV) of 15 December 1960 and 1711 (XVI) of 19 December 1961 and the relevant recommendations contained in annex A.IV of the Final Act of the United Nations Conference on Trade and Development, which, inter alia, defined the objectives to be reached both as to the volume and as to the terms and conditions of the flow of long-term capital and official donations to developing countries,

"Recalling its resolutions 1088 (XXXIX) of 30 July 1965 and 1089 (XXXIX) of 31 July 1965 as well as General Assembly resolution 2088 (XX) of 20 December 1965, in which concern was expressed at the limited results obtained towards the achievement of those objectives and in which the international community was urged to take immediate action with a view to attaining them,

"Having considered the Secretary-General's annual report entitled International Flow of Long-Term Capital and Official Donations, 1961-1965 and the World Economic Survey 1965, Part I, on the financing of economic development,

"Recognizing the need for the developing countries to continue to improve their own efforts to accelerate their economic and social progress,

'Bearing in mind the statement of the Secretary-General to the Council that "in the first half of the United Nations Development Decade, despite disappointments and failures, the developing countries did succeed over a broad front in increasing their own contribution to their development" and that "there is good reason to believe that the developing countries will succeed in improving still further the mobilization of their internal resources for development during the second half of the Decade",

'Noting with deep concern the fact that, with a few exceptions, the transfer of external resources to the developing countries has not only failed to reach the minimum target of 1 per cent net of the individual national income of the developed countries but that the trend since 1961 has been one of continuous decline,

'Noting the fact that the International Bank for Reconstruction and Development has estimated, in its annual report for 1964-1965, that over the next five years the developing countries could effectively use between \$3,000 million and \$4,000 million a year more external capital than has in fact been provided in the recent past,

'Considering that external resources concentrated over a limited period of time can, in some cases, make a substantial contribution to the rapid economic development of developing countries,

'Emphasizing that increased external resources should be provided, to the greatest extent possible, on a continuing and long-term basis for effective implementation of development plans and programmes and should be aimed exclusively at promoting the economic and social progress of developing countries,

'Believing that both multilateral and bilateral assistance should be increased and extended to the fullest possible extent to the largest number of developing countries,

'Noting that, apart from external resources, international trade could play an important role in promoting the development of developing countries,

'Deeply concerned at the rapid increase in the debt-servicing burden of developing countries which in 1965 absorbed more than half of the total net loans and grants received by them and which, according to the President of the International Bank for Reconstruction and Development, on present form, would offset the inflow completely in a little more than fifteen years,

'Recognizing that to prevent debt accumulation, and consequently its servicing, from becoming a disruptive force is the common concern and is in the interest of both the lenders and the borrowers,

'Welcoming the recommendation on financial terms and conditions adopted by the Organisation for Economic Co-operation and Development on 22-23 July 1965,

'Noting with concern that while some countries have recently eased the terms of their aid, some other countries are providing aid on more stringent conditions,

'Noting further with concern that in some cases tied aid has had, as practical consequences, the adoption of projects, sometimes unrelated to, or with a much lower priority in, national development plans, and the tying of aid to the procurement of goods from the home markets of developed countries which has often resulted in an inefficient use of resources in recipient countries and in the supply of goods and services at higher than world competitive prices,

'Considering that in many cases the tying of loans, by countries supplying the capital, has not been accompanied by the tying of repayments, in full or in part, to purchases from the recipient countries,

'Recognizing that external resources are an important factor in contributing to the economic and social development of the developing countries,

'Noting that the Secretary-General pointed out in his statement to the Council that "in an impressive number of instances the main limitations are not domestic but insufficiency of external resources",

'1. Urges the developing countries to make all possible efforts to increase the mobilization of their domestic resources to the fullest extent possible;

'2. Recommends that the developed countries which have not already done so, take urgent appropriate action to meet the objectives set out in the resolutions of the General Assembly and of the Economic and Social Council as well as in the recommendations of the United Nations Conference on Trade and Development on the financing of economic development referred to above;

'3. Urges the developed countries, in particular:

(a) To reach and, if possible, to surpass by the end of the United Nations Development Decade, the objective of supplying to developing countries external resources equivalent to 1 per cent of their individual national income, having regard, however, to the special position of some countries which are net importers of capital;

(b) To make external resources available to developing countries on easier terms and conditions:

- (i) By providing, to the greatest extent possible, an increased flow of aid on a long-term and continuing basis, and by simplifying the procedure for the granting and the effective and expeditious disbursement of aid;
- (ii) By providing, not later than by 1968, at least 80 per cent of their assistance in the form of grants and loans at interest rates of 3 per cent or less with a repayment period of twenty-five years or more with the exception of those countries which are already providing 70 per cent or more of their total official assistance in the form of grants or grant-like contributions;
- (iii) By increasing the proportion of non-project assistance and particularly of assistance for development plans or programmes or for projects related to them, taking into account the need for the maintenance and expansion of existing capacity in recipient countries;
- (iv) By making all possible efforts to move progressively towards the untying of loans with respect to the source of supply, taking into account the essential need for increasing the over-all volume of aid;
- (v) Where loans are tied to the supply of goods and services, by making such goods and services available at competitive world prices;
- (vi) Where loans are tied essentially to particular sources, by making, to the greatest extent feasible, part of the loans available for utilization by the recipient countries for the purchase of goods and services from other developing countries or from countries belonging to the same zone as the creditor country;
- (vii) Taking into account the debt-servicing burden of the developing countries, by endeavouring to provide additional foreign exchange resources to them through appropriate means and, in particular, through international commercial operations, and by accepting, where such arrangements exist or are practicable, without prejudice to annex A.IV.4 of the Final Act of the United Nations Conference on Trade and Development, repayment of loans and particularly of loans tied to the supply of goods and services, in the form of mutually determined industrial goods, agricultural surplus products and services supplied by recipient countries in addition to their normal exports;
- (viii) By ensuring, as far as possible, that an increasing part of the repayments of loans shall be reinvested in the debtor countries in addition to current flows of external resources;

(c) To review the problem of debt service in developing countries, wherever necessary, in accordance with the recommendations contained in annex A.IV.5 of the Final Act of the United Nations Conference on Trade and Development;

'4. Expresses the hope that the targets set for contributions to the United Nations Development Programme and the World Food Programme will be reached as early as possible and that contributions to the International Development Association will be further increased;

'5. Requests the Secretary-General:

(a) To study the feasibility of setting up, within the United Nations Organization for Industrial Development or any other appropriate United Nations body, an advisory service which could provide information to the developing countries on the sources of supply, the cost and the quality of equipment needed for their development;

(b) To undertake, in consultation with the United Nations Conference on Trade and Development, the International Monetary Fund, IBRD and such other organizations as he considers necessary, a study on:

- (i) Economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries in accordance with the relevant recommendations contained in the Final Act of UNCTAD, particularly its annex A.IV.2, taking into account the increase in the national income of the developed countries;
- (ii) The progress made by individual developed countries in the implementation of operative paragraph 3 (b) (ii) above;

(c) To report to the Economic and Social Council at its forty-third session on the implementation of the present resolution, with particular emphasis on the objectives relating to the volume and the terms and conditions of the flow of external resources to developing countries;

'6. Expresses the wish that the United Nations Conference on Trade and Development continue to give special attention, within the field of its competence, to the problems of financing economic development in developing countries.'

"1. Endorses Economic and Social Council resolution 1183 (XLI);

"2. Decides to consider at its twenty-second session the reports to be prepared by the Secretary-General in response to operative paragraph 5 of Economic and Social Council resolution 1183 (XLI)."

14. At the 1075th meeting, Chile, Dahomey, Indonesia, Madagascar, Peru, the United Republic of Tanzania and Venezuela joined as co-sponsors of the draft resolution (A/C.2/L.905/Add.1), Guinea became a co-sponsor at the 1076th meeting (A/C.2/L.905/Add.2) and Uganda joined as a co-sponsor at the 1078th meeting.

15. At the 1078th meeting, the Committee voted on the draft resolution (A/C.2/L.905) and adopted it by 74 votes to none, with 8 abstentions (see paragraph 18 below, draft resolution II).

III

16. At the 1074th meeting, the representative of Panama introduced a draft resolution (A/C.2/L.902), which read as follows:

"The General Assembly,

"Noting with concern that, halfway through the United Nations Development Decade, the objectives and targets of the Organization in respect of the volume, terms and procedures relating to the long-term flow of capital and official grants to the developing countries have not yet been achieved,

"Recognizing that the pattern of regions differing in their level of economic well-being is a factor which seriously aggravates the numerous and serious world problems,

"Recognizing further that it is necessary to ensure, as quickly as possible, genuine and effective international economic interdependence,

"Noting that the assistance from public sources to the developing countries has decreased for the fifth consecutive year in relation to the income of the industrialized countries,

"Noting with anxiety that the effort to promote development is impeded by a critical shortage of finance,

"Recalling that the developed countries must attach to the financing of development a realistic priority in relation to their other preoccupations and responsibilities,

"Recognizing that an adequate redistribution of income at the international level would generate and encourage, on the part of the developing countries, a feeling of identification with and participation in the international system which today excludes them from the accelerated progress of the industrialized countries,

"Noting that senior officials of the Organization have stated that, while the needs for external assistance for development have been increasing in recent years, bilateral and multilateral co-operation with the poor countries remains at inadequate levels,

"Recognizing that the industrialized countries cannot be expected in the foreseeable future voluntarily to increase their assistance to the developing countries, in spite of all the exhortations and resolutions formulated and adopted by the Organization,

"Recalling that Economic and Social Council resolution 1183 (XLI) requests the Secretary-General to undertake a study on economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries, taking into account the increase in the national income of the developed countries,

"Requests the Secretary-General:

(a) To prepare, as a supplement to the study requested in Economic and Social Council resolution 1183 (XLI), a further study on the feasibility of setting up a system of economic co-operation, which must be interdependent, based on the fixing of a contribution to be drawn progressively from the national income of each and every Member State, so that the funds thus obtained may supplement the internal efforts and savings of the developing countries in their earnest desire to accelerate the pace of their economic growth;

(b) To make the maximum use, for the purposes of this study, of whatever co-operation can be afforded by the Governments of Member States, the Trade and Development Board, the International Monetary Fund, the International Bank for Reconstruction and Development and all United Nations bodies he may deem it necessary to approach;

(c) To report on the study requested to the General Assembly at its twenty-third session, through the Economic and Social Council."

17. The Committee held a general discussion on the draft resolution. The representative of Panama, at the suggestion of the delegation of Peru, agreed to the adjournment of the discussion and of a decision on his draft resolution on the understanding that the matter would be taken up by the Assembly at its twenty-second session.

RECOMMENDATION OF THE SECOND COMMITTEE

18. The Second Committee therefore recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

External financing of economic development of developing countries

The General Assembly,

Recalling its resolution 1938 (XVIII) of 11 December 1963,

Noting with concern the fact that the recent trend towards increased outflow of capital from developing countries is depriving them of substantial funds needed for their economic development,

Deeply concerned over the statements contained in the annual report of the International Bank for Reconstruction and Development for 1965-1966^{1/} that the net flow of official assistance from the industrial countries to the developing countries and to multilateral institutions had remained rather static, at about \$6.6 billion during the five years from 1961 to 1965 and that the total service payments (interest and amortization) on public and publicly guaranteed debt of ninety-seven developing countries rose to \$3.5 billion for 1965, and over the fact that, from the present trends, the rapid increase in the debt-servicing burden of developing countries would completely offset the inflow in a little more than fifteen years,

1. Endorses Economic and Social Council resolution 1184 (XLI) of 5 August 1966 on the measurement of the flow of assistance and long-term capital;

2. Requests the Secretary-General to submit to the General Assembly at its twenty-second session, through the Economic and Social Council, a report on possible measures to be taken in order to limit or decrease the outflow of capital from the developing to the developed countries, whenever an outflow becomes harmful to the development objectives of the developing countries;

3. Decides to include in the provisional agenda of its twenty-second session an item entitled "External financing of economic development of the developing countries:

(a) Accelerated flow of capital and technical assistance to the developing countries;

(b) Outflow of capital from the developing countries".

^{1/} E/4272.

DRAFT RESOLUTION II

Flow of external resources to developing countries

The General Assembly,

Noting that the Economic and Social Council at its forty-first session adopted the following resolution on the flow of external resources to developing countries:

"The Economic and Social Council,

"Recalling General Assembly resolutions 1522 (XV) of 15 December 1960 and 1711 (XVI) of 19 December 1961 and the relevant recommendations contained in annex A.IV of the Final Act of the United Nations Conference on Trade and Development, which, inter alia, defined the objectives to be reached both as to the volume and as to the terms and conditions of the flow of long-term capital and official donations to developing countries,

"Recalling its resolutions 1088 (XXXIX) of 30 July 1965 and 1089 (XXXIX) of 31 July 1965 as well as General Assembly resolution 2088 (XX) of 20 December 1965, in which concern was expressed at the limited results obtained towards the achievement of those objectives and in which the international community was urged to take immediate action with a view to attaining them,

"Having considered the Secretary-General's annual report entitled International Flow of Long-Term Capital and Official Donations, 1961-1965 and the World Economic Survey 1965, Part I, on the financing of economic development,

"Recognizing the need for the developing countries to continue to improve their own efforts to accelerate their economic and social progress,

"Bearing in mind the statement of the Secretary-General to the Council that 'in the first half of the United Nations Development Decade, despite disappointments and failures, the developing countries did succeed over a broad front in increasing their own contribution to their development' and that 'there is good reason to believe that the developing countries will succeed in improving still further the mobilization of their internal resources for development during the second half of the Decade',

"Noting with deep concern the fact that, with a few exceptions, the transfer of external resources to the developing countries has not only failed to reach the minimum target of 1 per cent net of the individual national income of the developed countries but that the trend since 1961 has been one of continuous decline,

"Noting the fact that the International Bank for Reconstruction and Development has estimated, in its annual report for 1964-1965, that over the next five years the developing countries could effectively use between \$3,000 million and \$4,000 million a year more external capital than has in fact been provided in the recent past,

"Considering that external resources concentrated over a limited period of time can, in some cases, make a substantial contribution to the rapid economic development of developing countries,

"Emphasizing that increased external resources should be provided, to the greatest extent possible, on a continuing and long-term basis for effective implementation of development plans and programmes and should be aimed exclusively at promoting the economic and social progress of developing countries,

"Believing that both multilateral and bilateral assistance should be increased and extended to the fullest possible extent to the largest number of developing countries,

"Noting that, apart from external resources, international trade could play an important role in promoting the development of developing countries,

"Deeply concerned at the rapid increase in the debt-servicing burden of developing countries which in 1965 absorbed more than half of the total net loans and grants received by them and which, according to the President of the International Bank for Reconstruction and Development, on present form, would offset the inflow completely in a little more than fifteen years,

"Recognizing that to prevent debt accumulation, and consequently its servicing, from becoming a disruptive force is the common concern and is in the interest of both the lenders and the borrowers,

"Welcoming the recommendation on financial terms and conditions adopted by the Organisation for Economic Co-operation and Development on 22-23 July 1965,

"Noting with concern that while some countries have recently eased the terms of their aid, some other countries are providing aid on more stringent conditions,

"Noting further with concern that in some cases tied aid has had, as practical consequences, the adoption of projects, sometimes unrelated to, or with a much lower priority in, national development plans, and the tying of aid to the procurement of goods from the home markets of developed countries which has often resulted in an inefficient use of resources in recipient countries and in the supply of goods and services at higher than world competitive prices,

"Considering that in many cases the tying of loans, by countries supplying the capital, has not been accompanied by the tying of repayments, in full or in part, to purchases from the recipient countries,

"Recognizing that external resources are an important factor in contributing to the economic and social development of the developing countries,

"Noting that the Secretary-General pointed out in his statement to the Council that 'in an impressive number of instances the main limitations are not domestic but insufficiency of external resources',

"1. Urges the developing countries to make all possible efforts to increase the mobilization of their domestic resources to the fullest extent possible;

"2. Recommends that the developed countries which have not already done so, take urgent appropriate action to meet the objectives set out in the resolutions of the General Assembly and of the Economic and Social Council as well as in the recommendations of the United Nations Conference on Trade and Development on the financing of economic development referred to above;

"3. Urges the developed countries, in particular:

(a) To reach and, if possible, to surpass by the end of the United Nations Development Decade, the objective of supplying to developing countries external resources equivalent to 1 per cent of their individual national income, having regard, however, to the special position of some countries which are net importers of capital;

(b) To make external resources available to developing countries on easier terms and conditions:

- (i) By providing, to the greatest extent possible, an increased flow of aid on a long-term and continuing basis, and by simplifying the procedure for the granting and the effective and expeditious disbursement of aid;
- (ii) By providing, not later than by 1968, at least 80 per cent of their assistance in the form of grants and loans at interest rates of 3 per cent or less with a repayment period of twenty-five years or more with the exception of those countries which are already providing 70 per cent or more of their total official assistance in the form of grants or grant-like contributions;
- (iii) By increasing the proportion of non-project assistance and particularly of assistance for development plans or programmes or for projects related to them, taking into account the need for the maintenance and expansion of existing capacity in recipient countries;

- (iv) By making all possible efforts to move progressively towards the untying of loans with respect to the source of supply, taking into account the essential need for increasing the over-all volume of aid;
 - (v) Where loans are tied to the supply of goods and services, by making such goods and services available at competitive world prices;
 - (vi) Where loans are tied essentially to particular sources, by making, to the greatest extent feasible, part of the loans available for utilization by the recipient countries for the purchase of goods and services from other developing countries or from countries belonging to the same zone as the creditor country;
 - (vii) Taking into account the debt-servicing burden of the developing countries, by endeavouring to provide additional foreign exchange resources to them through appropriate means and, in particular, through international commercial operations, and by accepting, where such arrangements exist or are practicable, without prejudice to annex A.IV.4 of the Final Act of the United Nations Conference on Trade and Development, repayment of loans and particularly of loans tied to the supply of goods and services, in the form of mutually determined industrial goods, agricultural surplus products and services supplied by recipient countries in addition to their normal exports;
 - (viii) By ensuring, as far as possible, that an increasing part of the repayments of loans shall be reinvested in the debtor countries in addition to current flows of external resources;
- (c) To review the problem of debt service in developing countries, wherever necessary, in accordance with the recommendations contained in annex A.IV.5 of the Final Act of the United Nations Conference on Trade and Development;

"4. Expresses the hope that the targets set for contributions to the United Nations Development Programme and the World Food Programme will be reached as early as possible and that contributions to the International Development Association will be further increased;

"5. Requests the Secretary-General:

- (a) To study the feasibility of setting up, within the United Nations Organization for Industrial Development or any other appropriate United Nations body, an advisory service which could provide information to the developing countries on the sources of supply, the cost and the quality of equipment needed for their development;

(b) To undertake, in consultation with the United Nations Conference on Trade and Development, the International Monetary Fund, IBRD and such other organizations as he considers necessary, a study on:

- (i) Economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries in accordance with the relevant recommendations contained in the Final Act of UNCTAD, particularly its annex A.IV.2, taking into account the increase in the national income of the developed countries;
- (ii) The progress made by individual developed countries in the implementation of operative paragraph 3 (b) (ii) above;

(c) To report to the Economic and Social Council at its forty-third session on the implementation of the present resolution, with particular emphasis on the objectives relating to the volume and the terms and conditions of the flow of external resources to developing countries;

"6. Expresses the wish that the United Nations Conference on Trade and Development continue to give special attention, within the field of its competence, to the problems of financing economic development in developing countries."

1. Endorses Economic and Social Council resolution 1183 (XLI) of

5 August 1966;

2. Decides to consider at its twenty-second session the reports to be prepared by the Secretary-General in response to paragraph 5 of that resolution.
