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ACCELERATION OF THE TRANSFER OF REAL RESOURCES TO
DEVELOPING COUNTRIES

Finance for development

Report of the Secretary-General

1. In resolution 33/137 of 19 December 1978, the General Assembly requested the Secretary-General to study further the suggestions and proposals regarding methods of providing multilateral guarantees contained in the report of the Group of High-Level Experts on Finance for Development (A/33/280, annex). The resolution further requests the Secretary-General to intensify efforts to evolve practicable solutions for improving, both from a qualitative and quantitative point of view, the access of developing countries to capital markets. The present progress report, which has been prepared by the United Nations Conference on Trade and Development, is submitted in response to that resolution.

2. The issue was discussed at the fifth session of the United Nations Conference on Trade and Development on the basis of proposals submitted by the Group of 77 at its Fourth Ministerial Meeting in Arusha. ^{1/} A draft resolution submitted by the Group of 77 to the Conference read as follows:

"Attention should be given to the establishment of a separate multilateral guarantee facility for the borrowings of interested developing countries and to the amendments of appropriate articles of agreement of multilateral financial institutions in order to enable them to provide guarantees more easily, including partial guarantees on the borrowings of interested developing countries from private capital markets. These steps should be taken in such a way so as to ensure that they bring additional capital flows to the developing countries concerned and do not in any way

^{1/} Arusha Programme for Collective Self-Reliance and Framework for Negotiations (TD/236), p. 58.

adversely affect the access to capital markets already enjoyed by some developing countries as well as by multilateral financial institutions.^{2/}

3. The discussions on the subject remained inconclusive and the Conference decided to remit the draft resolution to the permanent machinery of UNCTAD. The suggestions contained in the draft resolution are the subject of continuing study by the UNCTAD secretariat and will be pursued further at the next session of the Committee on Invisibles and Financing related to Trade scheduled to meet early next year.

4. The results of those deliberations will be brought to the attention of the General Assembly at its thirty-fifth session.

^{2/} For a text of the resolution, see the report of the United Nations Conference on Trade and Development on its fifth session (TD/268/Add.1), annex T.D.