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Agenda item 71

ACCELERATION OF THE TRANSFER OF REAL RESOURCES TO  
DEVELOPING COUNTRIES

Report of the Second Committee

Rapporteur: Mr. Theophilos V. THEOPHILOU (Cyprus)

I. INTRODUCTION

1. At its 4th and 5th plenary meetings on 22 September 1978, the General Assembly, on the recommendation of the General Committee, included in its agenda the item entitled:

"Acceleration of the transfer of real resources to developing countries:

"(a) Reports of the Secretary-General;

"(b) Report of the Secretary-General of the United Nations Conference on Trade and Development."

and allocated it to the Second Committee.

2. The Committee considered this item at its 56th to 58th and 61st meetings, on 6, 7 and 13 December. An account of the discussion of the Committee is contained in the relevant summary records (A/C.2/33/SR.56-58 and 61).

3. For its consideration of this item, the Committee had before it the following documents:

(a) Report of the Secretary-General on acceleration of the transfer of real resources to developing countries, containing the report of the Group of High-Level Experts on Finance for Development (A/33/280);

(b) Report of the Secretary-General on progress achieved in the implementation of General Assembly resolution 32/181 (A/33/301);

- (c) Report of the Trade and Development Board on the second and third parts of its seventeenth session and on the first part of its eighteenth session. 1/

## II. CONSIDERATION OF DRAFT RESOLUTIONS

### A. Draft resolution A/C.2/33/L.75

4. At its 57th meeting, on 6 December, the representative of Sweden, on behalf of Denmark, Norway and Sweden, introduced a draft resolution (A/C.2/33/L.75), entitled "Acceleration of the transfer of real resources to developing countries".
5. At its 61st meeting, on 13 December, the Committee adopted the draft resolution by 103 votes to 1, with 19 abstentions (see para. 11, draft resolution I). 2/
6. Statements were made by the representatives of Finland, Hungary (on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics), Tunisia (on behalf of the States Members of the United Nations which are members of the Group of 77), Australia, Austria, the Netherlands, Spain, New Zealand, Greece, Japan, Portugal, the Niger, Canada.

### B. Draft resolution A/C.2/33/L.76

7. At its 58th meeting, on 7 December, the representative of Tunisia, on behalf of the States Members of the United Nations which are members of the Group of 77, introduced a draft resolution (A/C.2/33/L.76), entitled "Finance for development".
8. At the 61st meeting, on 13 December, he orally revised it by:
- (a) Inserting in the second line of operative paragraph 3 the words "and proposals" in the third line of the same paragraph;
- (b) Revising paragraph 4 to read:
- "4. Decides to consider the report of the Secretary-General on this item at its thirty-fourth session".
9. At the same meeting, the Committee adopted draft resolution A/C.2/33/L.76, as orally revised, by 105 votes to none, with 16 abstentions (see para. 11, draft resolution II).

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1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15).

2/ After the adoption of the draft resolution, the representative of the Niger informed the Committee that, had he been present during the voting, he would have voted in favour of the draft resolution.

10. Statements were made by the representatives of Hungary (on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics), Mexico, the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Federal Republic of Germany and France.

### III. RECOMMENDATIONS OF THE SECOND COMMITTEE

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

#### DRAFT RESOLUTION I

##### Acceleration of the transfer of real resources to to developing countries

The General Assembly,

Recalling its resolution 2626 (XXV) of 24 October 1970 containing the International Development Strategy for the Second United Nations Development Decade, 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 and 3281 (XXIX) of 12 December 1974 containing the Charter of Economic Rights and Duties of States,

Recalling also its resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation, in which it, inter alia, called for an increased, predictable, continuous and increasingly assured flow of concessional financial resources for development on more favourable terms and conditions,

Recalling further its resolutions 3489 (XXX) of 12 December 1975 and 32/181 of 19 December 1977 on the acceleration of the transfer of real resources to developing countries and 31/174 of 21 December 1976 on ways and means of accelerating the transfer of real resources to developing countries on a predictable, continuous and increasingly assured basis,

Bearing in mind Trade and Development Board resolution 165 (S-IX) of 11 March 1978 on debt and development problems of developing countries, 3/

Deeply concerned that, during the Second United Nations Development Decade flows of official development assistance have steadily declined in relation to gross national product, despite repeated commitments by developed countries to increase effectively and substantially their official development assistance,

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3/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), vol. I, annex I, pp. 43-45.

Convinced of the urgent necessity of a considerable and sustained increase in the transfer of real resources to developing countries in support of their development objectives and priorities,

Welcoming recent increases in development assistance in some developed market economy countries and statements by some developed countries indicating their intention to increase significantly their future official development assistance,

Recognizing that all donor countries should share equitably in the contribution of official development assistance and that the lower their relative performance, the greater their efforts should be,

Considering that stepped-up transfers of resources, both official and private, would enhance the productive capacity of developing countries and could stimulate non-inflationary growth,

1. Takes note of the report of the Secretary-General 4/ submitted in response to General Assembly resolution 32/181;

2. Urges all developed countries that have not reached the 0.7 per cent target for official development assistance, established by the International Development Strategy for the Second United Nations Development Decade, to exert all their efforts in order to reach this target by the end of the Decade, and stresses that possible measures to achieve this could include increasing annually the official development assistance budgets of donor countries by a specific percentage on a multiyear basis, setting aside at least 1 per cent of the annual increase in gross national product expected to accrue in donor countries to augment official development assistance flows, and the inclusion of aid volume targets in the economic planning of the donor countries;

3. Reaffirms that official development assistance flows should be made predictable, continuous, increasingly assured and to the greatest possible extent unaffected by budgetary difficulties, balance-of-payment problems or other factors of a similar nature;

4. Calls upon the developed countries to improve the quality of official development assistance flows by calculating their official development assistance net of amortization and interest payments, by raising the minimum grant element for qualifying for inclusion in official development assistance from the present 25 per cent to 50 per cent, by providing official development assistance to the least developed countries essentially in the form of grants, by not including flows to dependent territories in their official development assistance flows, by increasing their share of untied aid and by increasing local cost financing;

5. Emphasizes that the assistance of the United Nations development system must be made available to the developing countries on a more predictable, continuous

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4/ A/33/301.

and increasingly assured basis and that it is consequently desirable to achieve an expanding, multiyear financial basis for the programmes and funds concerned;

6. Invites Governments to indicate their probable voluntary contributions to the United Nations development system for a multiyear period;

7. Welcomes decision 25/16 of 3 July 1978, adopted by the Governing Council of the United Nations Development Programme at its twenty-fifth session, to request the Administrator of the Programme to continue consultations on and examine procedures and models for achieving a more secure financial base for the United Nations Development Programme, including the possibility of multiyear financing; 5/

8. Invites the governing bodies of other United Nations development assistance organizations, notably the United Nations Children's Fund and the United Nations Fund for Population Activities, as well as the Office of the United Nations High Commissioner for Refugees and the United Nations Relief and Works Agency for Palestine Refugees in the Near East, to consider ways and means of achieving the long-term financing of their respective organizations;

9. Emphasizes that increased transfers of financial resources, additional to official development assistance flows and made in conformity with and in support of national plans and priorities of developing countries, should be encouraged;

10. Invites the Secretary-General to undertake consultations with a view to appraising the concept of a substantially increased transfer of resources, including potential mechanisms for such transfers, and to report thereon to the General Assembly at its thirty-fourth session, taking fully into account the results of negotiations to be held in the United Nations Conference for Trade and Development at its fifth session, as well as any further negotiations on the subject in the Committee of the Whole Established under General Assembly Resolution 32/174 of 19 December 1977;

11. Calls upon all countries to participate actively and in a positive manner in the negotiations to be held by the United Nations Conference on Trade and Development at its fifth session on the question of the transfer of resources so that satisfactory results can be reached.

## DRAFT RESOLUTION II

### Finance for development

The General Assembly,

Recalling its resolution 31/174 of 21 December 1976 on ways and means of accelerating the transfer of real resources to developing countries on a predictable, assured and continuous basis,

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5/ Official Records of the Economic and Social Council, 1978, Supplement No. 13 (E/1978/53/Rev.1), chap. XX, sect. L.

Recalling also its resolution 32/177 of 19 December 1977, entitled "Finance for development",

Convinced of the urgent need to develop policies to ensure the increased flow of resources to developing countries, including the access of developing countries to capital markets, as indispensable to the mobilization of their resources for development,

Confident that the framework of economic co-operation among developing countries and countries of different economic and social systems can encourage investments in developing countries as determined by them,

1. Takes note of the report of the Secretary-General on finance for development; 6/

2. Takes note of the views of the Group of High-Level Experts on Finance for Development contained in its report and, inter alia, of the view that the provision of multilateral guarantees would help developing countries to gain access to foreign and international capital markets and would help to improve the terms of their borrowing; 7/

3. Requests the Secretary-General, in consultation with other organizations, as appropriate, to study further the suggestions and proposals regarding methods of providing the multilateral guarantees referred to in the report, especially in their technical aspects, and to intensify efforts to evolve practicable solutions for improving, both from a qualitative and a quantitative point of view, developing countries' access to capital markets;

4. Decides to consider the report of the Secretary-General on this item at its thirty-fourth session.

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6/ A/33/28C.

7/ Ibid., annex, sect. II.