

II

Requests the Secretary-General:

(a) To co-ordinate the activities of the Secretariat in the field of natural resources with those of other United Nations organs and programmes, including the United Nations Conference on Trade and Development, the United Nations Development Programme, the regional economic commissions, the United Nations Economic and Social Office in Beirut, the specialized agencies and the International Atomic Energy Agency, and in particular with those of the United Nations Industrial Development Organization;

(b) To take the necessary steps to facilitate, through the work of the Centre for Development Planning, Projections and Policies, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the Advisory Committee on the Application of Science and Technology to Development, the inclusion of the exploitation of the natural resources of the developing countries in programmes for their accelerated economic growth;

(c) To submit to the General Assembly at its twenty-third session a progress report on the implementation of the present resolution.

*1478th plenary meeting,
25 November 1966.*

2169 (XXI). External financing of economic development of developing countries

The General Assembly,

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

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

Deeply concerned at the statements contained in the annual report of the International Bank for Reconstruction and Development for 1965-1966¹¹ 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 \$6,600 million 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 \$3,500 million in 1965, and at the fact that, on the basis of 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 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 such 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:

¹¹ International Bank for Reconstruction and Development; International Development Association, *Annual Report 1965-1966* (Washington, D.C.), and supplementary information for the period from 1 July 1966 to 31 October 1966. Transmitted by notes of the Secretary-General (E/4272 and Add.1).

"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."

*1485th plenary meeting,
6 December 1966.*

2170 (XXI). Flow of external resources to developing countries

The General Assembly,

Noting that the Economic and Social Council at its forty-first session adopted resolution 1183 (XLI) of 5 August 1966 on the flow of external resources to developing countries, which reads as follows:

"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,¹² 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*¹³ and the *World Economic Survey, 1965, part I*,¹⁴ 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 Council¹⁵ 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 1964-1965,¹⁶ that over the next five years the developing

¹² See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11).

¹³ United Nations publication, Sales No.: 66.II.D.3.

¹⁴ *Idem*, Sales No.: 66.II.C.1.

¹⁵ This statement was made at the 1421st meeting of the Economic and Social Council, the records of which are published in summary form.

¹⁶ International Bank for Reconstruction and Development; International Development Association, *Annual Report 1964-1965* (Washington, D.C.) and supplementary information for the period from 1 July to 31 December 1965. Transmitted by notes of the Secretary-General (E/4129 and Add.1).

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 Organization for Economic Co-operation and Development on 22-23 July 1965,¹⁷

"*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 Council¹⁸ 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

¹⁷ See *Official Records of the Economic and Social Council, Forty-first Session, Annexes, agenda item 8, document E/4224/Add.1.*

Monetary Fund, the International Bank for Reconstruction and Development 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 the United Nations Conference on Trade and Development, 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 paragraph 5 of that resolution.

*1485th plenary meeting,
6 December 1966.*

2171 (XXI). Conversion to peaceful needs of the resources released by disarmament

The General Assembly

Takes note with approval of the decision of the Economic and Social Council, in its resolution 1154 (XLI) of 4 August 1966, that reports concerning the economic and social consequences of disarmament should in future be submitted to the Council on a biennial basis, unless developments warrant additional reports.

*1485th plenary meeting,
6 December 1966.*

2172 (XXI). Resources of the sea

The General Assembly,

Recognizing the need for a greater knowledge of the oceans and of the opportunities available for the utilization of their resources, living and mineral,

Realizing that the effective exploitation and development of these resources can raise the economic level of peoples throughout the world, and in particular of the developing countries,

Taking into account with appreciation the activities in the field of resources of the sea at present being undertaken by the United Nations, the United Nations Educational, Scientific and Cultural Organization and, in particular, its Inter-governmental Oceanographic Commission, the Food and Agriculture Organization of the United Nations and, in particular, its Committee on Fisheries, the World Meteorological Organization, the Advisory Committee on the Application of Science and Technology to Development, other intergovernmental organizations concerned, various Governments, universities, scientific and technological institutions and other interested organizations,

Considering the need to maximize international co-operative efforts for the further development of marine

science and technology and to avoid duplication or overlapping of efforts in this field,

1. *Endorses* Economic and Social Council resolution 1112 (XL) of 7 March 1966 requesting the Secretary-General to make a survey of the present state of knowledge of the resources of the sea beyond the continental shelf, excluding fish, and of the techniques for exploiting these resources;

2. *Requests* the Secretary-General—in co-operation with the United Nations Educational, Scientific and Cultural Organization and, in particular, its Inter-governmental Oceanographic Commission, the Food and Agriculture Organization of the United Nations and, in particular, its Committee on Fisheries, the World Meteorological Organization, other intergovernmental organizations concerned, and the Governments of interested Member States, and utilizing, *inter alia*, such voluntary services as may be offered—to undertake, in addition to the survey requested by the Economic and Social Council, a comprehensive survey of activities in marine science and technology, including that relating to mineral resources development, undertaken by members of the United Nations family of organizations, various Member States and intergovernmental organizations concerned, and by universities, scientific and technological institutions and other interested organizations;

3. *Requests* the Secretary-General, in co-operation with the United Nations Educational, Scientific and Cultural Organization and, in particular, its Inter-governmental Oceanographic Commission and the Food and Agriculture Organization of the United Nations and, in particular, its Committee on Fisheries and in the light of the above-mentioned comprehensive survey, to formulate proposals for:

(a) Ensuring the most effective arrangements for an expanded programme of international co-operation to assist in a better understanding of the marine environment through science and in the exploitation and development of marine resources, with due regard to the conservation of fish stocks;

(b) Initiating and strengthening marine education and training programmes, bearing in mind the close interrelationship between marine and other sciences;

4. *Requests* the Secretary-General to set up a small group of experts to be selected, as far as possible, from the specialized agencies and intergovernmental organizations concerned, to assist him in the preparation of the comprehensive survey called for in paragraph 2 above and in the formulation of the proposals referred to in paragraph 3 above;

5. *Requests* that the survey and proposals prepared by the Secretary-General be submitted to the Advisory Committee on the Application of Science and Technology to Development for its comments;

6. *Requests* the Secretary-General to submit his survey and proposals, together with the comments of the Advisory Committee, to the General Assembly at its twenty-third session, through the Economic and Social Council.

*1485th plenary meeting,
6 December 1966.*

2173 (XXI). Development of natural resources

The General Assembly,

Recalling Economic and Social Council resolutions 1113 (XL) of 7 March 1966 and 1127 (XLI) of