

first session, in 1964, and contained in annex A.I.2 of the Final Act of the Conference;²¹

2. *Requests* that the Convention on Transit Trade of Land-locked States be signed by 31 December 1965 and ratified or acceded to as soon as possible in order to promote the economic and social development of the land-locked countries through international trade;

3. *Requests* the Secretary-General of the United Nations and the Secretary-General of the United Nations Conference on Trade and Development to be guided by the terms of the present resolution and the above-mentioned Convention in assisting the land-locked countries to overcome their difficulties regarding transit trade.

*1404th plenary meeting,
20 December 1965.*

2087 (XX). Financing of economic development

The General Assembly,

Recalling its resolutions 1318 (XIII) of 12 December 1958 entitled "Promotion of the international flow of private capital" and 1710 (XVI) of 19 December 1961 entitled "United Nations Development Decade: a programme for international economic co-operation",

Taking into account the recommendations contained in annex A.IV.2 of the Final Act of the United Nations Conference on Trade and Development,²²

Having considered the recommendations on the promotion of private foreign investment in developing countries, contained in annex A.IV.12 of the Final Act of the United Nations Conference on Trade and Development,²³

Noting with interest the fourth and fifth reports of the Secretary-General on the promotion of the international flow of private capital,²⁴

Reaffirming that private foreign investment may contribute to the economic diversification and development of private-capital-importing developing countries and to the accelerated transfer of technical and managerial know-how to these countries, where such investments are made in terms that are satisfactory both to the capital-exporting countries and the capital-importing countries,

1. *Asks* Governments to give serious consideration to the recommendations contained in annex A.IV.12 of the Final Act of the United Nations Conference on Trade and Development;

2. *Calls upon* Governments to give due consideration to the measures and actions for the promotion of private foreign investment in developing countries recommended by the United Nations Conference on Trade and Development, always taking into account the relevant laws and regulations of each country, and the need of respect for the sovereignty of the host countries;

3. *Requests* the Secretary-General to keep in view the above-mentioned measures and actions in the preparation of his further studies on the promotion of the international flow of private capital, as called for under the annex mentioned in paragraph 1 above, as well as under General Assembly resolution 1318 (XIII) and

Economic and Social Council resolution 922 (XXXIV) of 3 August 1962;

4. *Looks forward* to the early publication of the Secretary-General's findings in this field.

*1404th plenary meeting,
20 December 1965.*

2088 (XX). Accelerated flow of capital and technical assistance to the developing countries

The General Assembly,

Recalling its resolution 1938 (XVIII) of 11 December 1963, which requested the Secretary-General to review the conceptual and methodological problems in the measurement of capital flow and aid and to submit proposals for making the presentation of the relevant data as meaningful and purposeful as possible,

Taking into account the recommendation contained in annex A.IV.2, section III, of the Final Act of the United Nations Conference on Trade and Development²⁵ that each economically advanced country should endeavour to supply financial resources to the developing countries of a minimum net amount approaching as nearly as possible 1 per cent of its national income, having regard, however, to the special position of certain countries which are net importers of capital,

Taking also into account the recommendations contained in annex A.IV.4 of the Final Act of the United Nations Conference on Trade and Development²⁶ setting forth the objectives to be met in removing the difficulties experienced by the developing countries under aid programmes of government-to-government transfer of capital through loans and in the availability of suppliers' credits to developing countries, owing, *inter alia*, to short periods of repayment, high rates of interest, limitations on the tying of credits to specific projects and to purchases from countries providing the capital,

Noting the recommendations contained in annex A.IV.5 of the Final Act of the United Nations Conference on Trade and Development²⁷ relating to the problem of debt service in developing countries and the fact that the servicing of external debt constitutes an increasing burden on their resources,

Taking note of Economic and Social Council resolution 1088 A (XXXIX) of 30 July 1965, which recommended that the Governments of developed Member States give early and sympathetic consideration to making their lending terms substantially more favourable to the developing countries by such methods as extending the period of repayment, reducing interest rates and providing a period of grace for both interest and repayment of principal,

Taking note also of Economic and Social Council resolution 1088 B (XXXIX) of 30 July 1965 regarding the financing of economic development and, in particular, the problem of concepts and methodology in the measurement of the flow of capital and aid to developing countries,

Recalling also Economic and Social Council resolution 1089 (XXXIX) of 31 July 1965, which, in paragraph 1, urged the States Members of the United Nations and members of the specialized agencies and of the International Atomic Energy Agency, and particularly the developed countries:

²⁵ 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), p. 43.

²⁶ *Ibid.*, p. 44.

²⁷ *Ibid.*, p. 46.

²¹ *Ibid.*, p. 25.

²² *Ibid.*, p. 43.

²³ *Ibid.*, p. 49.

²⁴ *Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes, agenda item 10, documents E/3905 and Add.1; ibid., Thirty-ninth Session, Annexes, agenda item 8, documents E/4038 and Add.1.*