



## Resolution 522 (1972)<sup>1</sup>

# Aid and investment, and the role of multilateral institutions

Parliamentary Assembly

The Assembly,

1. Taking note of the reports of its Committee on Economic Affairs and Development ([Docs. 3123](#) and [3125](#)) on aid and investment and the role of the multilateral institutions, and in reply to the 1971 annual report of the Development Assistance Committee (DAC) of OECD,
2. Notes with satisfaction that private direct investment in developing countries and official development assistance, far from being in any way mutually exclusive, have been shown to be complementary ;
3. Notes further that private investment will have an increasingly important role to play in development co-operation ; is convinced that more measures could be taken to stimulate the flow of such investment, in particular through the establishment of a world-wide or European private investment guarantee fund ; but stresses that private investment should be undertaken in close collaboration with the authorities of the country in question and with due regard to its development plans ;
4. Recalls that, notwithstanding the above, developing countries will continue to require, for a considerable time to come, a high level of official development assistance ; declares itself, in this respect, deeply perturbed at the constant decline of the DAC member countries' aid effort, and urges them to consider sympathetically and as a matter of urgency the creation of an International Interest Equalisation Fund and the setting aside of a proportion of Special Drawing Rights for development purposes ;
5. Notes that there is no incompatibility between bilateral and multilateral aid, but draws attention to the political and technical arguments in favour of entrusting a greater proportion of aid funds to multilateral institutions ;
6. Expresses its doubts as to the well-foundedness of the present development strategy, characterised by the importance it attaches to economic growth measured in terms of gross national product ;
7. Conscious of the major importance of trade in relations between developing and industrialised countries, and considering the major repercussions in this field that can be expected to follow from UNCTAD III and the forthcoming GATT negotiations, resolves to examine the role of trade in development co-operation in the Second Development Decade ;
8. Believes that public and political opinion are essential in shaping development assistance policies, resolves to take an active part in the formation of political opinion for better development assistance, and instructs its Committee on Parliamentary and Public Relations to take action to this effect.

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1. Assembly debate on 16 May 1972 (3rd and 4th Sittings) (see [Doc. 3123](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 16 May 1972 (4th Sitting).

