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EB/CW/DC/83/4
Supplement 1

August 26, 1983

To: Members of the Committee of the Whole
on the Development Committee

From: The Secretary

Subject: Development Committee - Annual Report

The Executive Secretary of the Development Committee has informed us that, in response to comments from Bank Executive Directors, two changes are proposed in the draft Annual Report of the Development Committee circulated to Executive Directors as EB/CW/DC/83/4 (8/3/83):

1. paragraph 13 has been reworded (see attachment) in order to bring the language closer to that of paragraph 3 of the Development Committee communiqué of September 5, 1982; and
2. paragraph 27 has been deleted as it was repetitive and unnecessary in the Annual Report.

In the absence of an objection by an Executive Director by the close of business on Tuesday, August 30, 1983, the revised draft Annual Report will be circulated as one of the documents for the September 26 meeting of the Development Committee.

Att: (1)

Other Distribution:
Department Heads

Revised Paragraph 13 - Development Committee Annual Report

13. The Committee viewed with concern the global economic deterioration and, in particular, the bleak prospects for the low-income developing countries. The World Development Report 1982 had shown that between 1979 and 1982 the current account deficit of oil-importing countries had grown by 88 percent, while ODA had increased by only 39 percent. A large part of the increase in ODA had been offset by higher debt-servicing charges, as interest payments had more than doubled. This required ~~the~~ *intensified adjustment efforts by the developing countries with respect to their* domestic policies and programs and, at the same time, increased outside assistance through bilateral and multilateral channels to reduce economic and social strains in the economies of these countries, particularly when they are engaged in carrying out adjustment programs. The World Development Report projections indicated that to attain growth in the high case scenario--an objective which is modest by previous standards--the ODA equivalent from DAC countries would amount to only 0.37 percent of their GNP.