



Fourth session

### ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

#### Note by the Secretary-General

1. The provisional agenda of the fourth regular session of the General Assembly (A/932) issued on 22 July 1949 contained the following item:

"28. Economic development of under-developed countries: report of the Economic and Social Council (Resolution 198 (III) of 4 December 1948)."

The supplementary list (A/964) issued on 26 August 1949 contained the following item:

"6. Economic development of under-developed countries:

"(a) Technical assistance for economic development: report of the Economic and Social Council (Resolution 200 (III) of 4 December 1948).

"(b) Expanded co-operative programme of technical assistance for economic development through the United Nations and the specialized agencies: item proposed by the Economic and Social Council."

2. The Secretary-General has recommended in a memorandum to the General Committee (A/BUR/118) that these items be combined as follows:

"Economic development of under-developed countries:

"(a) Economic development of under-developed countries: report of the Economic and Social Council (Resolution 198 (III) of 4 December 1948)

"(b) Technical Assistance for economic development: items proposed by the Economic and Social Council (Resolution 200 (III) of 4 December 1948)

"(c) Expanded co-operative programme of technical assistance for economic development through the United Nations and the specialized agencies: item proposed by the Economic and Social Council."

/The Secretary-General

The Secretary-General has also recommended in the same memorandum that this item, together with Chapter II A of the report of the Economic and Social Council (A/972)\*, which constitutes the principal document required for the consideration of the item, be referred to the Second Committee.

3. The matters presented by the Economic and Social Council for the consideration of the General Assembly include two on which action is recommended by means of draft resolutions.

4. The first relates to the current United Nations programme of technical assistance for economic development and reads as follows:

"The General Assembly

"Having considered the Economic and Social Council's recommendation, in accordance with paragraph 6 of General Assembly resolution 200 (III), including its recommendations concerning 'budgetary action required by the General Assembly to carry on the functions instituted' by resolution 200 (III), and

"Having decided in resolution 200 (III) 'to appropriate the funds necessary to enable the Secretary-General to perform' certain functions set out in that resolution,

"Agrees with the recommendations of the Economic and Social Council that the activities under resolution 200 (III) should be expanded in 1950 in accordance with the Secretary-General's proposals, that increased appropriations should be provided therefor and that the regular budget of the United Nations should continue to provide for the activities authorized by that resolution; and

"Notes with approval that the Secretary-General has included an amount for these services in the budget of the United Nations for the year 1950."

5. The second draft resolution relates to the proposed expanded programme of technical assistance for economic development and reads as follows

"The General Assembly,

"Having considered the Economic and Social Council's resolution 222 (IX) A of 15 August 1949 on an expanded programme of technical assistance for economic development,

"Approves the observations and guiding principles set out in Annex I of that resolution and the arrangements made by the Council for the administration of the programme;

"Notes the decision of the Council to call a Technical Assistance Conference for the purpose of negotiating contributions to the programme;

\* See Official Records of the fourth session of Supplement No. 3.

"Authorizes the Secretary-General to set up a special account for technical assistance for economic development, approves the recommendations of the Council to Governments participating in the Technical Assistance Conference regarding financial arrangements for administering contributions and authorizes the Secretary-General to fulfil the responsibilities assigned to him in this connexion; and

"Invites all Governments to make as large voluntary contributions as possible to the special account for technical assistance."

6. The full text of the resolutions of the Economic and Social Council (222 (IX) A to D), from which these proposed draft resolutions are extracted, is attached as Appendix A.

7. The attention of the General Assembly is also drawn to the following documents which relate to this item and which are referred to in chapter II A of the report of the Economic and Social Council:

- (a) E/1345 - Economic development of under-developed countries:  
Measures devised by the Economic and Social Council and the specialized agencies to promote economic development and raise standards of living of under-developed countries.
- (b) E/1335 ) Technical assistance for economic development  
E/1335/Add.1 ) under resolution 200 (III).  
E/1335/Add.2 )  
E/1335/Add.3 )
- (c) E/1327 ) Expanded co-operative programme of technical  
E/1327/Add.1 ) assistance for economic development.  
\*E/1327/Add.2 )
- (d) E/1333 - Economic development of under-developed countries:  
Methods of financing the economic development  
of under-developed countries.

\* Incorporating E/1327/Add.1/Corr.1, E/1327/Add.1/Corr.2, E/1372/Rev.1, E/1381, E/1383, E/1383/Add.1, E/1408.

APPENDIX A

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES.

Resolutions (222 (IX)) adopted by the Economic and Social Council  
on 14 and 15 August 1949

A.

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR ECONOMIC  
DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

(Resolution of 15 August 1949)

The Economic and Social Council,

Having considered the report prepared by the Secretary-General, in consultation with the specialized agencies, on an expanded programme of technical assistance for economic development, pursuant to resolution 180 (VIII)\*,

Being impressed with the significant contribution to economic development that can be made by an expansion of the international interchange of technical knowledge through international co-operation among countries,

Believing that a sound international programme of this character must combine and make use of the experience of many nations, with different social patterns and cultural traditions and at different stages of development, so as to facilitate progress in the less-advanced countries and to help solve their technical and economic problems.

1. Transmits to the General Assembly the above-mentioned report together with the observations and guiding principles set out in Annex I of this resolution;

2. Recommends that the General Assembly approve the draft resolution in Annex II, which provides for an expanded programme of technical assistance for economic development of under-developed countries;

3. Requests the Secretary-General, subject to such decision as may be taken by the General Assembly on the draft resolution in Annex II, to invite the Administrative Committee on Co-ordination to set up a Technical Assistance Board (TAB) which shall consist of the executive heads, or their representatives, of the United Nations and of the specialized agencies which participate in accordance with this paragraph in the expanded programme of technical assistance. The Secretary-General, or his representative, shall be Chairman of the Board. Within the TAB:

\* See documents E/1327/Add.1, E/1327/Add.1/Corr.1 and 2, E/1373/Rev.1, E/1381, E/1383, E/1383/Add.1 and E/1408.

(a) Each participating organization shall inform the other organizations of requests to it for technical assistance for economic development;

(b) Important requests for such assistance shall be promptly discussed;

(c) The participating organizations shall discuss their co-ordination efforts under this programme, shall consult before comprehensive missions and programmes of assistance involving several organizations are arranged, and each shall be prepared to co-operate fully with the others in activities involving their common interests;

(d) The participating organizations shall exchange information which becomes available to them on current developments in the field of technical assistance, including the progress of technical assistance rendered or projected by them, by Governments and by private organizations;

(e) The TAB shall inform the Technical Assistance Committee of the Council (TAC), mentioned below, of any requests for technical assistance for economic development as soon as they have reached the TAB, so that the TAC shall always be in possession of a list of projects being discussed or reviewed by the TAB or participating organizations;

(f) Periodic reports shall be made by the TAB to the TAC; these reports shall include an examination of activities undertaken and results achieved, and a statement on funds received and committed under this expanded programme;

(g) Each participating organization shall present annually to the TAB its proposed programme for the next fiscal year in the light of its experience with the expanded programme. The programmes of the several participating organizations shall be examined in relation to each other, and the TAB shall make recommendations concerning them and the total programme to the Council through the TAC;

(h) All decisions other than on procedural matters shall be taken by general agreement and, when agreement cannot be reached, the issue in dispute shall be referred for decision to the TAC;

4. Authorizes the Secretary-General, after consultation with the other participating organizations, to designate the Executive Secretary of the TAB, who shall:

(a) Convene and service the TAB and prepare the needed documents;

(b) Collect and circulate to members of the TAB:

(i) Information regarding enquiries for technical assistance received by the participating organizations;

/(ii) Programmes of

- (ii) Programmes of the participating organizations for technical assistance in the fields for which they are responsible;
- (iii) Information on technical assistance rendered and projected by the participating organizations and any other information which becomes available to them concerning such assistance rendered by Governments or by other public or private bodies;

(c) Prepare or arrange for such studies in regard to requests and plans for technical assistance as may be needed by the TAB, and furnish, when required by the TAB, information and analyses relating to the needs and conditions of the various countries requesting assistance;

(d) Prepare for the TAB, with the assistance of the organizations concerned and on the basis of information supplied by the Governments concerned, such reports on the operations carried out under the expanded co-operative programme of technical assistance as may be necessary;

(e) Perform such other functions as the efficient operation of the TAB may require;

5. Requests the Secretary-General to make appropriate arrangements whereby the executive heads of the participating organizations may assign members of their staff to the staff of the TAB as necessary;

6. Decides to establish, subject to such decisions as may be taken by the General Assembly on the draft resolution in Annex II and after the conclusion of the Technical Assistance Conference proposed in paragraph 12, a standing Technical Assistance Committee of the Council (TAC), consisting of the members of the Council, which is authorized to sit while the Council is not in session and which shall have the following terms of reference:

(a) To make for the Council critical examinations of activities undertaken and results achieved under the expanded programme of technical assistance;

(b) To examine each year's programme presented to it by the TAB and report to the Council concerning it, making such recommendations as it may deem necessary;

(c) To interpret this resolution in cases of conflicts or questions submitted to it by the TAB, through its Chairman, and decide any such conflicts or questions;

(d) To receive reports from the TAB on progress and implementation of, and disbursements of funds under the expanded programme;

/(e) To review the

(e) To review the working relationships between the participating organizations and the effectiveness of the methods of co-ordination in connexion with their technical assistance programmes, making recommendations when appropriate;

(f) To perform such other relevant functions as the Council may assign to it from time to time;

7. Requests that the TAB and the TAC, in carrying out their terms of reference, be guided by the "Observations on and guiding principles of an expanded programme of technical assistance for economic development" (Annex I) and take into account the records of the debate on the expanded programme which occurred during the ninth session of the Council;\*

8. Recommends to the General Assembly that it authorize the Secretary-General to set up a special account for technical assistance for economic development, to which contributions of countries shall be credited and from which transfers shall be made to the participating organizations exclusively for the expanded technical assistance programme to be carried out in the light of the observations and guiding principles contained in Annex I and for administrative expenses connected therewith. The Special account may include an evaluation of services or materials on the basis of credits in domestic currencies which Governments are prepared to make available;

9. Recommends to the Governments attending the Technical Assistance Conference, provided for in paragraph 12 below, that they approve the following financial arrangements:

(a) Contributions shall be made by Governments in such forms and subject to such conditions as may be agreed between the Secretary-General, after consultation with the TAB, and the contributing Governments, provided that contributions shall be made without limitation as to use by a specific agency or in a specific country or for a specific project;

(b) The Secretary-General shall allot contributions received during the first fiscal year as follows:

(1) The first \$10,000,000 in contributions shall be automatically available for distribution to the participating organizations for the expanded technical assistance programme;

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\* See documents E/SR.303 and 307-312, E/AC.6/SR.55-80 and E/SR.340-343.

(ii) Of the second \$10,000,000 of contributions received, 70% shall be automatically available for distribution to the participating organizations and 30% shall be retained for subsequent allocations, bearing in mind the desirability of retaining an appropriate proportion of convertible currencies;

(iii) All contributions above \$20,000,000 shall be similarly retained;

(c) Contributions automatically available for distribution to the participating organizations, in accordance with sub-paragraph (b) (i) and (ii) above, shall be transferred by the Secretary-General to the organizations in accordance with the following percentages:

	Per cent
United Nations . . . . .	23
International Labour Organization. . . . .	11
Food and Agriculture Organization. . . . .	29
United Nations Educational, Scientific and Cultural Organization. . . . .	14
International Civil Aviation Organization . . . . .	1
World Health Organization. . . . .	<u>22</u>
Total. . . . .	100

(d) Contributions retained under sub-paragraph (b) (ii) and (iii) above shall be allotted by the TAB in such a manner as it may decide and at such time as it may decide, taking into consideration all relevant factors, in particular the amounts and kinds of resources on hand and receivable, the technical assistance requests received which fall within the field of the several participating organizations, the uncommitted balances held by them, and the need for the retention of any reserves to meet unforeseen requests from Governments;

(e) The TAB shall determine the manner in which different currencies and services or materials can be most effectively utilized;

(f) The amounts received by the participating organizations shall be available to them for the purpose of assuming obligations or commitments during the fiscal year in which these amounts are received, but actual expenditures shall be allowed to extend over a period of not more than the two ensuing fiscal years;

/(g) The Secretary-General



(g) The Secretary-General and the executive heads of the other participating organizations shall, after consultation, make appropriate arrangements for the audit of contributions and expenditures under this programme;

10. Recommends that the specialized agencies concerned take such steps as may be necessary to enable them:

(a) To participate fully under this programme, to adhere to the principles set out in Annex I and to receive monies and other resources from the special account established by paragraph 8;

(b) To use these monies and resources for the purposes set out in paragraph 8, to exercise the required controls over the technical assistance activities and the monies and resources received, and to account for their expenditure; and

(c) To report to the TAC through the TAB on their technical assistance activities, including those financed from the special account;

11. Decides that the financial and allocation arrangements shall be reviewed by the Council not later than its twelfth session in the light of experience during the first year, taking into account the recommendations of the TAB to the TAC;

12. Decides, subject to such decision as may be taken by the General Assembly on the draft resolution in Annex II, to call, in accordance with the supplementary rule of procedure of the General Assembly on the calling of international conferences by the Economic and Social Council, a Technical Assistance Conference for the purpose of:

(a) Ascertaining the total amount of contributions available from participating Governments for the execution of the technical assistance programme of the United Nations and the specialized agencies during the first year of its operation; and

(b) Giving final consent to the proportionate shares of the total amount of contributions to be allotted to the various participating organizations and to the other financial arrangements as set out in paragraph 9;

13. Requests the Secretary-General:

(a) To convene the Technical Assistance Conference at the headquarters of the United Nations at such time as the Secretary-General finds appropriate, but, if possible, during or immediately following the fourth session of the General Assembly;

/(b) To invite to

(b) To invite to the said Conference, with the right to vote, all Members of the United Nations and all other Governments members of any specialized agency participating in the programme; and

(c) Likewise to invite, without the right to vote, representatives of the specialized agencies.

ANNEX I  
OBSERVATIONS ON AND GUIDING PRINCIPLES  
OF AN EXPANDED PROGRAMME OF TECHNICAL  
ASSISTANCE FOR ECONOMIC DEVELOPMENT

The Council recommends the following principles to serve as guides to the United Nations and specialized agencies participating in the expanded programme\* of technical assistance, hereinafter called the "participating organizations":

GENERAL PRINCIPLES

The participating organizations should, in extending technical assistance for economic development of under-developed countries:

1. Regard it as a primary objective to help those countries to strengthen their national economies through the development of their industries and agriculture, with a view to promoting their economic and political independence in the spirit of the Charter of the United Nations, and to ensure the attainment of higher levels of economic and social welfare for their entire populations;

2. Observe the following general principles laid down in General Assembly resolution 200 (III):

(a) Technical assistance for economic development of under-developed countries shall be rendered by the participating organizations only in agreement with the Governments concerned and on the basis of requests received from them;

(b) The kinds of services to be rendered to each country shall be decided by the Government concerned;

(c) The countries desiring assistance should perform, in advance, as much of the work as possible in order to define the nature and scope of the problem involved;

(d) The technical assistance furnished shall:

(i) Not be a means of foreign economic and political interference in the internal affairs of the country concerned and not be accompanied by any considerations of a political nature;

(ii) Be given only to or through Governments;

\* Although the word "programme" is employed in this connexion, it is not contemplated that all projects described in the "programme" would or should be executed; rather what is contemplated is that the United Nations and the specialized agencies should hold themselves ready to render to the under-developed countries, at their request, the types of technical services which are described in the "programme" and which are designed to assist them in their economic development.

(iii) Be designed

- (iii) Be designed to meet the needs of the country concerned; and
- (iv) Be provided as far as possible in the form which that country desires;

3. Avoid distinctions arising from the political structure of the country requesting assistance, or from the race or religion of its population.

#### STANDARDS OF WORK AND PERSONNEL

1. The highest professional competence should be maintained in all services undertaken by the participating organizations in rendering technical assistance to requesting countries.

2. Experts should be chosen not only for their technical competence, but also for their sympathetic understanding of the cultural backgrounds and specific needs of the countries to be assisted and for their capacity to adapt methods of work to local conditions, social and material.

3. Adequate preparation of experts should be provided before assignments are undertaken; such preparation should be designed to give understanding of the broad objectives of the common effort and to encourage open-mindedness and adaptability.

4. Experts and groups of experts visiting a country should not engage in political, commercial, or any activities other than those for which they are sent. The scope of their duties should be strictly defined in each case by agreement between the country requesting assistance and the organizations providing assistance.

5. Even when allocations are committed, projects should not be commenced unless properly qualified experts and assistants have been secured and trained.

6. All Governments should be invited to co-operate in the securing and selecting of qualified staff and to facilitate, when necessary, arrangements for their temporary release and for their continued employment on return.

7. Universities, technical schools, foundations, research institutions and other non-governmental sources from which experts may be drawn should be encouraged to release experts for field assignments under the programme, to arrange for their continued employment on return and to undertake special research projects on problems related to economic development.

/PARTICIPATION

## PARTICIPATION OF REQUESTING GOVERNMENTS

The requesting Governments should be expected to agree:

1. To facilitate the activities requested from the participating organizations by assisting them to obtain the necessary information about the problems on which they have been asked to help, such information to be limited strictly to questions directly related to the concrete requests for technical assistance; and, whenever appropriate, to facilitate their contacts with individuals and groups, in addition to Government agencies concerned with the same or related problems;
2. To give full and prompt consideration to the technical advice they receive as a result of their co-operation with the participating organizations in response to the requests they have initiated;
3. To undertake to maintain or set up as soon as practicable such governmental co-ordination machinery as may be needed to ensure that their own technical, natural and financial resources are mobilized, canalized and utilized in the interest of economic development designed to improve the standard of living of their peoples and through which the effective use of any major international technical assistance resources could be assured;
4. Normally to assume responsibility for a substantial part of the costs of technical services with which they are provided, at least that part which can be paid in their own currencies;
5. To undertake the sustained efforts required for economic development, including continuing support and progressive assumption of financial responsibility for the administration of projects initiated at their request under international auspices;
6. To publish information or provide for study and analysis material suitable for publication regarding the results of the technical assistance rendered and the experience derived therefrom, so that it may be of value to other countries and to the international organizations rendering technical assistance;
7. To inform the participating organizations, whenever technical assistance is requested, of all assistance which they are already receiving or requesting from other sources in the same field of development;
8. To give publicity to the programme within their countries.

## CO-ORDINATION OF EFFORT

1. The projects falling within the competence of participating organizations should be carried out by them, and the co-ordination of their work should be effected, with due regard to their constitutions

/and the relations

and the relations established between them.

2. The work undertaken by the participating organizations under the expanded technical assistance programme should be such as to be suitable for integration with their normal work.

3. Arrangements should be made for requests for assistance within the sphere of two or more organizations to be handled jointly by the organizations concerned, and there should be co-ordination among the participating organizations at the planning level before commitments by them are entered into with governments.

4. Technical assistance activities which are not at the present time the special responsibility of any specialized agency, such as certain aspects of industrial development, manufacturing, mining, power, and land and water transport, should be undertaken by the Secretary-General of the United Nations.

5. All requests for technical assistance which involve comprehensive regional development projects falling within the purview of more than one organization should first be submitted to joint examination by the organizations concerned; such requests should be directed to the Secretary-General of the United Nations.

6. Programmes of training should be the subject of co-operative action among participating organizations.

#### CONCENTRATION AND ECONOMY

Within the wide range of activities envisaged, the participating organizations should practise, especially in the initial stages of their programmes, concentration of effort and economy. The participating organizations should also ensure the fullest use of any existing facilities.

#### SELECTION OF PROJECTS

1. The participating organizations, in deciding on a request for assistance, should be guided solely by the Charter of the United Nations, by the principles of the United Nations programme for technical assistance and by appropriate resolutions of the General Assembly and of the Economic and Social Council. The services envisaged should aim at increased productivity of material and human resources and a wide and equitable distribution of the benefits of such increased productivity, so as to contribute to the realization of higher standards of living for the entire populations. Due attention and respect should be paid to the national sovereignty and national legislation of the under-developed countries and to the social conditions which directly affect their economic development. Requests for technical assistance may therefore be approved which will help Governments to take account of the probable

/consequences

consequences of proposed projects for economic development in terms of the welfare of the population as a whole, including the promotion of full employment, and also to take account of those social conditions, customs and values in a given area which would directly influence the kinds of economic development that may be feasible and desirable. Similarly, requests may also be approved for technical assistance to Governments desiring to undertake the specific social improvements that are necessary to permit effective economic development and to mitigate the social problems--particularly problems of dislocation of family and community life--that may arise as a concomitant of economic change. As in any national programme for economic development any increased services undertaken by the Government can be maintained, in the long run, only out of national production special attention should be given in timing and emphasis to activities tending to bring an early increase in national productivity of material and human resources.

2. The participating organizations, when reviewing and placing in order of priority the requests which they receive, should so far as possible ensure that due regard is paid to the urgency of the needs of the various applicants and to their geographical distribution.

3. In response to requests from Governments, especially in connexion with plans for economic development, special consideration should be given to resources and methods of financing the development. It is recommended therefore that participating organizations, before, undertaking work of an extensive character involving substantial cost, should assure themselves that Governments requesting such assistance are giving full consideration to major capital investment or large continued governmental expenditure which may be needed as a result of the technical assistance. Governments may also require advice concerning conditions and methods of financing appropriate to such projects. Close co-operation among the participating organizations in responding to requests for technical assistance can facilitate the attainment of this objective.

4. Requests for the furnishing of equipment and supplies may be considered in so far as they form an integral part of a project of technical assistance.

ANNEX II

Resolution recommended for adoption by the General Assembly  
EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR ECONOMIC  
DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

The General Assembly,

Having considered the Economic and Social Council's resolution 222 (IX) A of 15 August 1949 on an expanded programme of technical assistance for economic development,

Approves the observations and guiding principles set out in Annex I of that resolution and the arrangements made by the Council for the administration of the programme;

Notes the decision of the Council to call a Technical Assistance Conference for the purpose of negotiating contributions to the programme;

Authorizes the Secretary-General to set up a special account for technical assistance for economic development, approves the recommendations of the Council to Governments participating in the Technical Assistance Conference regarding financial arrangements for administering contributions, and authorizes the Secretary-General to fulfil the responsibilities assigned to him in this connexion; and

Invites all Governments to make as large voluntary contributions as possible to the special account for technical assistance.

B

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR ECONOMIC  
DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES:

RELATIONS BETWEEN THE UNITED NATIONS  
AND REGIONAL ORGANIZATIONS

Resolution of 14 August 1949

The Economic and Social Council,

Considering that, in addition to the expanded programme of technical assistance to be rendered by the United Nations and the specialized agencies, facilities for similar services are being expanded by regional organizations,

Considering the valuable contribution that these organizations can make to the successful implementation of the general programme of technical assistance of the United Nations,

Recognizing the necessity for avoiding duplication of efforts, and the advantages that the organizations concerned may derive from the interchange of information and of experience, but

Recognizing further that until programmes have reached a more concrete form any efforts to arrive at specific forms of co-ordination would be premature.

/Authorizes



Authorizes the Secretary-General, in consultation with the specialized agencies concerned, to enter into negotiations with the appropriate officers of inter-governmental regional organizations engaged in the development of technical assistance programmes, with a view to ensuring the desirable co-ordination for the carrying out of the technical assistance activities of the organizations concerned; and

Requests the Secretary-General to report to the Council on the results achieved so as to enable it, when more experience is available, to examine the advisability of establishing other forms of relationship between the United Nations and the specialized agencies on the one hand, and the regional organizations on the other.

C

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT  
UNDER GENERAL ASSEMBLY  
RESOLUTION 200 (III)  
(Resolution of 14 August 1949)

The Economic and Social Council,

Having reviewed the Secretary-General's second report on the measures which he has taken in compliance with the terms of the General Assembly's resolution 200 (III) on technical assistance for economic development\*,

Requests the Secretary-General, in consultation with Member States, to draw up and keep up to date information regarding the availability of experts in various fields, and to place this information at the disposal of Governments making application for technical assistance;

Requests the Secretary-General to enlist the co-operation of as many countries as possible to serve as host countries for fellows and scholars;

Recommends for the General Assembly's approval the programme proposed in the above-mentioned report by the Secretary-General for the continuation of these operations and his suggestions for an increased appropriation in 1950 to cover the activities authorized by resolution 200 (III); and

\* See documents E/1335 and E/1335/Add.1-3.

Recognizing the need for placing such activities on a continuing basis by making annual provision for them within the regular budget of the United Nations,

Recommends that the General Assembly take the necessary actions to ensure that the regular budget of the United Nations shall continue to provide the funds necessary to carry on technical assistance for the economic development of under-developed countries authorized by resolution 200 (III); and

Recommends that the General Assembly adopt the following resolution:

"The General Assembly,

"Having considered the Economic and Social Council's recommendation in accordance with paragraph 6 of General Assembly resolution 200 (III), including its recommendations concerning 'budgetary action required by the General Assembly to carry on the functions instituted' by resolution 200 (III), and

"Having decided in resolution 200 (III) 'to appropriate the funds necessary to enable the Secretary-General to perform' certain functions set out in that resolution,

"Agrees with the recommendations of the Economic and Social Council that the activities under resolution 200 (III) should be expanded in 1950 in accordance with the Secretary-General's proposals, that increased appropriations should be provided therefor and that the regular budget of the United Nations should continue to provide for the activities authorized by that resolution; and

"Notes with approval that the Secretary-General has included an amount for these services in the budget of the United Nations for the year 1950."

D

METHODS OF FINANCING ECONOMIC DEVELOPMENT OF  
UNDER-DEVELOPED COUNTRIES

(Resolution of 14 August 1949)

The Economic and Social Council,

Noting the section of the report of the fourth session of the Economic and Employment Commission dealing with the problem of economic development\*, and the report of the Secretary-General on methods of financing the economic development of under-developed countries\*\*,

\* See document E/1356.

\*\* See documents E/1333, E/1333/Corr.I and E/1333/Add.1.

Recognizing that the economic development of under-developed areas requires not only expanded efforts in technical assistance, but also assurances of an expanded rate of international capital flow for the purpose of financing economic development,

Believing that consideration of measures to expedite such an expanded flow requires careful study and discussion by the Council of many problems, such as the effective mobilization of national savings, the creation of a favourable investment climate, the fuller utilization of existing sources of international funds, measures to avoid extreme fluctuations in earnings of foreign exchange, and others,

Noting that, at the present session, important progress has been made towards economic development through the formulation of a procedure for the international administration of an expanded technical assistance programme, and

Noting that, as a result of these steps taken by the Council, there may be a significant development over the period ahead in the quantity and nature of project applications submitted for international financing, and that, as a result of steps initiated by individual Governments, further knowledge and experience may become available concerning the effectiveness, in stimulating international capital flow, of such measures as guarantees and tax liberalization provisions,

Decides that a comprehensive discussion of actions necessary to stimulate capital investments, whether financed from domestic or foreign sources, be held if possible at the next session of the Council; and

Requests the Secretary-General to prepare, in co-operation with the specialized agencies concerned, the following studies, and to complete as many as is found possible in anticipation of the discussion at the next session of the Council:

- (a) Survey of private foreign investments in selected countries, the factors accounting for these investments, and the existing conditions governing foreign investments

A survey of more important types of laws, regulations and economic policies affecting the operations of foreign private capital which are most prevalent in capital-exporting countries on the one side, and in less-developed countries on the other, with a view to evaluating the extent to which such laws, regulations and policies affect the international flow of private capital;

- (b) Methods of increasing domestic savings and of ensuring their most advantageous use for the purpose of economic development

A study to include an examination of the various types of financial institutions already existing in the less-developed countries and those which could be most effective in promoting economic development, and of the fiscal and other means whereby Governments can affect the volume and use of domestic savings;

(c) Effect of economic development on volume of savings

An examination of the direct effects of various types of economic development projects (e.g., heavy industry as compared with agriculture) on the volume and rate of savings, as illustrated by the experience of selected under-developed countries;

(d) International clearing-house of information on investment

A study of the possibilities of establishing an international clearing-house of information by which potential investing entities or private investors can be brought together with entities or private persons requiring funds in under-developed countries.

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