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## AGENDA ITEM 42

External financing of economic development of the developing countries (continued) (A/6703 and Corr.1, chap. V, sect. I; A/6703/Add.1, chap. IV; A/6848, A/C.2/L.966, E/4408/Rev.1):

- (a) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (E/4274 and Add.1, E/4293 and Corr.1 and Add.1 and 2, E/4327, E/4371 and Corr.1, E/4375);
- (b) Outflow of capital from the developing countries: report of the Secretary-General (E/4374 and Add.1 and 2 and Add.2/Corr.1)

1. Mr. BADAWI (United Arab Republic), introducing draft resolution A/C.2/L.966 on behalf of the sponsors, observed that the first five preambular paragraphs were self-explanatory. The sixth and seventh preambular paragraphs were based on ideas contained in the excellent report on methodological problems entitled Measurement of the Flow of Resources to Developing Countries (E/4327), prepared by a group of experts. Operative paragraph 1 (a) reiterated ideas already put forward in many United Nations documents, while operative paragraph 1 (b) expressed a newer idea which, if put into practice, would be equally beneficial to the developing countries. Operative paragraph 2 (a) requested the Secretary-General to report on the reverse flow of capital on a regular and continuing basis, while paragraph 2 (b) was based on the recommendation in annex A.IV.5 to the Final

Act of the United Nations Conference on Trade and Development (UNCTAD),<sup>1/</sup> which called on the competent United Nations bodies and other international financial institutions to stand ready to assist developing countries, at their request, to secure agreement, if necessary, on the re-scheduling or consolidation of their external debt. Operative paragraph 3 was based on the report of the group of experts and was self-explanatory.

## AGENDA ITEM 46

Operational activities for development (A/6703 and Corr.1, chap. XIII, sects. I and II):

- (a) Activities of the United Nations Development Programme: reports of the Governing Council (A/6809, E/4297, E/4398);
- (b) Activities undertaken by the Secretary-General (A/6841)

2. Mr. HOO (Commissioner for Technical Co-operation) recalled that, under existing resolutions of the Economic and Social Council and the General Assembly, the Governing Council of the United Nations Development Programme (UNDP) was called upon to provide technical supervision for all United Nations operational activities. The Secretary-General was supplying the Governing Council with the information it needed to perform that task, so that United Nations assistance to developing countries would be as effective as possible. Chapter XIII, sections I and II of the report of the Economic and Social Council (A/6703 and Corr.1) summarized the reports of the Governing Council of UNDP on its third and fourth sessions (see E/4297 and E/4398, respectively), and the action taken by the Economic and Social Council at its forty-third session.

3. Practically all the appropriation of \$6.4 million (99.53 per cent) made by the General Assembly for the United Nations regular programme of technical assistance in 1966 had been obligated, as the situation had been in 1965. A similar situation was anticipated for 1967. It was true that, in 1966, total obligations from all sources of funds (regular programme, Technical Assistance and the Special Fund components of the UNDP and funds-in-trust) had reached the record figure of \$40.5 million as compared with \$34 million in 1965 and \$32.9 million in 1964. However, in 1966, as in the two preceding years, those increases had been due largely to increased expenditure on UNDP (Special Fund) projects for which the United Nations had been designated as the executing agency. The Secretary-General anticipated that total obligations for 1967 would amount to approximately \$41.2 million, again owing to increased expenditure on UNDP (Special Fund) projects.

<sup>1/</sup> 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).

4. In 1966, 29.2 per cent of all technical assistance resources had been spent on regional and inter-regional programmes, as compared with 30.3 per cent in 1965. That meant that there was a corresponding increase in the percentage of resources devoted to country programmes. Increases in the programme values over 1965 occurred in the fields of industrial development, economic surveys, programming and projections, natural resources development, housing, building and planning, transport and communications, community development and land tenure, statistics, and public administration. The funds available for 1966 (with the exception of those derived from the Special Fund component of the UNDP) had been obligated as follows: 33.2 per cent for Africa, 19.3 per cent for the Americas, 25.0 per cent for Asia and the Far East, 6.6 per cent for Europe, 7 per cent for the Middle East and 8.9 per cent for inter-regional projects. In 1966, the United Nations had provided experts from ninety-three countries who had undertaken 2,577 assignments in 113 developing countries and territories. It had awarded fellowships to 2,548 individuals from 117 countries and territories for study in seventy different countries.

5. At the end of August 1967, the United Nations had been serving as executing agency for 157 approved UNDP (Special Fund) projects; plans of operation had been signed for 132 of those projects and authorizations to commence execution had been given for 122. The Governing Council of UNDP had earmarked almost \$159 million for the projects and Government counterpart contributions amounted to \$151.4 million. At its fifth session in January 1968, the Governing Council was expected to designate the United Nations as executing agency for nineteen more UNDP (Special Fund) projects with an estimated total cost of \$36.5 million and Government counterpart contributions of \$20.6 million.

6. Although the Secretary-General had fulfilled programme obligations of over \$40 million in 1966, Government requests for assistance under the regular programme amounting to slightly over \$4 million had not been met owing to lack of funds and had been placed in category II. The situation was the same for 1967 and 1968. Government requests to the value of approximately \$3 million had been placed in category II for 1968, and there was only a slight chance of any of those projects being implemented as a result of substitution, cancellation or any other programme changes which might occur during the programme year.

7. During the discussions in the Governing Council, several delegations had spoken of the effect of rising costs on the amount of assistance that could be provided under the regular programme. At the Governing Council's fourth session, he had provided evidence to show that the stabilization of the level of the regular programme had been followed by a reduction in assistance. The number of experts and fellowships provided to developing countries under the technical assistance programme had been reduced for such reasons as the upward revision of base salary scales and post adjustments to meet changes in the cost of living, increases in the pensionable salary level on which contributions to the Joint Staff Pension Fund were based, and increases in the stipends payable to

fellows. The Governing Council had deferred the establishment of a planning level for the United Nations regular programme for 1969 and would take a decision on that matter at its fifth session, when it would have before it the Secretary-General's report on the effects of the stabilization of the regular programme at the sum of \$6.4 million and on the relationship of that programme to other elements of UNDP.

8. The Secretary-General was unable to meet the ever-increasing needs of developing countries owing to the shrinking resources available under the regular programme, which the Secretary-General considered an essential part of the United Nations programmes of technical co-operation. Country programmes initiated and developed through the regular programme could mature and be continued under the Technical Assistance or the Special Fund components of the UNDP. The flexibility of the regular programme facilitated the systematic development of economic and social activities at the country level, and it provided a large part of the resources used for financing operational projects proposed and implemented by the regional economic commissions. That programme also provided a large majority of the regional advisers and all the inter-regional advisers who undertook short-term advisory services, usually of an emergency nature, at the request of Governments, and assisted in project preparation, evaluation and follow-up.

9. Lastly, in view of the regular programme's usefulness as a source of "seed money" for the planning of projects to be financed by UNDP, and the growing number of UNDP (Special Fund) projects for which the United Nations was the executing agency, and following the pattern set by the merger of the Expanded Programme of Technical Assistance and the Special Fund into UNDP, the Secretary-General had combined the two divisions of the Secretariat which had formerly dealt, respectively, with technical assistance and Special Fund activities into an Office of Technical Co-operation within the Department of Economic and Social Affairs, and had appointed an Associate Commissioner for Technical Co-operation, who also served as Director of the Office of Technical Co-operation. Furthermore, in order to achieve closer integration between the services providing administrative support for technical co-operation programmes and the services concerned with programming and operational activities, the Financial Management Service, Technical Co-operation Programmes in the Office of the Controller and the Administrative Section for Technical Assistance Operations of the Field Service in the Office of General Services had been merged in the Office of Technical Co-operation.

#### AGENDA ITEM 39

United Nations Industrial Development Organization: report of the Industrial Development Board (continued) (A/6703 and Corr.1, Chap. IX; A/6715/Rev.1, A/6800, A/6808)

10. Mr. BENGUE (Central African Republic) said that his delegation, had abstained (1134th meeting) in the vote on the draft resolution (A/C.2/L.959 and Add.1) adopted by the Committee, but it now had reconsidered its position, and supported that resolution.

*The meeting rose at 3.45 p.m.*