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Chairman: Mr. Ismael THAJEB (Indonesia).

GENERAL DEBATE COVERING ALL AGENDA ITEMS
REFERRED TO THE COMMITTEE (*continued*)

1. Mr. HOO (Commissioner for Technical Assistance) ^{1/} said that, during the first eight months of 1963, the regular programme and the Expanded Programme of Technical Assistance had cost \$10.5 million as against a total of \$10.4 million for the corresponding period in 1962. For the whole range of programmes administered by the United Nations, including Special Fund projects and activities undertaken under funds-in-trust arrangements, total expenditure had increased from \$10 million in 1960 to \$12.1 million in 1961 and \$19.8 million in 1962. Expenditure in 1963 would probably rise to \$27 million, and in 1964 the budget would be about \$33 million for the programme as a whole. The rise in the cost of the programme was mainly due to the increase in the operations undertaken by the United Nations in connexion with Special Fund projects. The cost of experts for the same eight-month period in 1963 had been \$8.3 million as against \$8.1 million for the corresponding period in 1962. The appropriations made for fellowships had amounted to \$1.8 million, compared with \$2 million in the previous year. More fellowships had been awarded in 1963 than in 1962, but they had been granted for shorter periods and involved smaller amounts. Nearly 60 per cent of the funds available under the programme had been spent on economic development, 25 per cent on social welfare and more than 15 per cent on public administration. In the last two fields, the figures indicated a small increase in activity by comparison with 1962.

2. The role of the United Nations as an executing agency for Special Fund projects had grown larger in 1963. As of 31 August 1963, it had been responsible for fifty-four projects, for which the Special Fund had allocated nearly \$50 million, an increase of seventeen projects and \$7 million over 1962. The technical activities undertaken by the United Nations for the Special Fund were of great variety and covered all regions of the world.

3. In 1963, over twenty African countries had requested expert assistance in economic development, planning and programming. A group of experts had helped to prepare Somalia's first five-year development plan. Another United Nations mission, to Malta,

had recommended specific measures which would probably serve as the basis for the country's first five-year plan. In Ceylon, a United Nations expert was helping to put the finishing touches to a three-year plan.

4. In Latin America, the United Nations had provided three trade policy experts to work in collaboration with ECLA and advise the various Governments of the region on matters connected with economic integration, diversification of exports and financial problems relating to the market expansion programme. The United Nations was also sponsoring two meetings at Santiago of trade policy experts, who would, among other things, help to prepare a comprehensive report on Latin America's problems in that connexion.

5. In Africa, Asia and Latin America, budget workshops were held regularly and helped Governments to carry out the important reforms they were seeking to introduce in their budget systems. The eighth budget workshop for the Latin American countries was currently being held in Costa Rica. The first inter-regional budget conference was to be held at Copenhagen in 1964 and would be attended by representatives of both developing and industrialized countries. Another significant development in public finance was the growing demand for assistance in the concordance of the tax systems of countries belonging to regional economic associations or political federations. Such assistance had been provided in the preparation of the Central American Agreement on Tax Incentives to Industrial Development. The Governments which belonged to the Central American common market and those of Kenya, Tanganyika and Uganda had availed themselves of the services of United Nations experts in that field. A mission would be proceeding to Senegal and Gambia to advise the Governments of those countries on the concordance of their economic and tax systems.

6. As regards statistics, assistance had been provided to a large extent for the training of qualified personnel. In Africa, two full training sessions of nine months each had already been held in three middle-level centres, and one university centre for French-speaking participants had completed the first year of a two-year course. The demand was such that the number of university-level courses would have to be increased, as the necessary personnel became available. In Asia, in compliance with a request by the Conference of Asian Statisticians, provision had been made to hold a regional training course for organizers of national training centres in 1964 and the secretariat of ECAFE had prepared a basic training manual for that purpose. In addition, the United Nations had continued to provide aid in the form of long-term and short-term experts and fellowships for senior personnel. Lastly, in Indonesia, the work of the Statistical Research and Development Centre, financed by the Special Fund, was progressing

^{1/} The complete text of the statement made by the Commissioner for Technical Assistance was circulated as document A/C.2/L.723.

satisfactorily, the purpose being to develop the various types of statistical services needed by the Government for planning purposes.

7. In 1963, requests for assistance in the industrial field had increased. The Governments of Iran and Jamaica had asked for industrial development missions. Nine United Nations experts specializing in industrial studies and costing had been seconded to the office for economic development in Singapore. The industrial survey mission in Burma had completed the greater part of its work. In addition, missions had been sent to Guinea, Nyasaland, British Honduras and Niger. In Latin America, a seminar on industrial programming had been organized in March 1963, in addition to the provision of expert assistance. Many countries had been given assistance in the establishment and development of various industries. Assistance had also been given to the Governments of Burma and the United Arab Republic in improving accounting systems in industry, preparing data on production costs and training local personnel in those fields. Finally, an inter-regional symposium on the application of modern techniques of iron- and steel-making was to be held at Prague and Geneva in November 1963 and would be attended by 118 steel specialists and technicians from over fifty countries. It was also intended to convene a seminar on technological institutes in the ECAFE region in August 1964.

8. A growing number of short-term missions were being sent to help Governments solve the problems they encountered in developing their natural resources. The technical assistance activities consisted principally of regional projects involving river-basin surveys, conferences, seminars and training courses on various aspects of mineral prospecting. A survey mission had been sent to assist the four West African countries in initiating their programme for the development of the Senegal River Basin. Similarly, in 1963 a joint United Nations/FAO mission had given advice on the multi-purpose use of the Volta River Basin. A three-member mission had gone to Dahomey and Togo in order to organize a joint electrification scheme. The panel of rural electrification experts organized under the auspices of ECAFE had advised fourteen countries in the region. A similar panel had been set up in Central America. So far as country programmes were concerned, the greatest number of requests were for geological exploration and mining development. A growing effort was being made to combine underwater surveys with other projects in programmes of air surveys, mapping, drilling and economic appraisals. The number of requests for technical assistance in that field reflected the need for geological and mining institutions and specialized laboratories and for experts in the organization of energy and resources projects and related legislation.

9. In the field of transport, requests had increased, particularly for the organization of highway and railway systems, port development, inland navigation and the training of personnel. The Asian highway project was making progress and some studies were being made with a view to the development of the West African road network. Another session of the Ports and Shipping Training Centre had been held in the summer of 1963.

10. In housing, building and planning, the United Nations was seeking ways and means of developing pilot projects, to which some Governments were willing to make contributions in personnel and equip-

ment. In the past few years, the United Nations had received voluntary contributions amounting to about \$100,000, a major part of which would be used to finance a pilot housing project in Somalia and an African regional pilot project at Addis Ababa. In addition to the continuing activities of regional demographic training and research centres, mention should be made of the Asian Population Conference to be held at New Delhi from 10 to 20 December 1963, which would examine the major problems of planning for economic and social development that would be posed by the anticipated trends in the growth, composition and geographical distribution of population. The Conference would also consider ways and means of achieving better utilization of human resources.

11. As regards social development, Governments were striving to strengthen the economic aspects of community development and to involve the people to a greater extent in their development programmes. The requests for assistance had looked particularly towards the incorporation of community development into national development programmes, as well as towards land reform and, more particularly, land settlement. In the matter of social services, there had been a growing demand for assistance in organization and administration and in training of personnel, as well as for family and child welfare services, particularly in connexion with projects jointly aided through UNICEF.

12. In response to frequent requests by the Economic and Social Council and the General Assembly, the United Nations had been called upon to assist countries which had been the victims of natural disasters. In Iran and Bali, teams of experts, headed by a special representative of the Secretary-General, had been dispatched to survey the damage and prepare a programme of direct aid and rehabilitation. Emergency action had also been taken following the earthquake at Skoplje, in Yugoslavia. At its last session, the Economic and Social Council had requested the Secretary-General to take the lead in establishing, in conjunction with the specialized agencies and the League of Red Cross Societies, arrangements for providing rapid assistance in cases of natural disasters.

13. In the field of public administration, the United Nations had continued to assist Governments by providing experts, granting fellowships and giving support to a number of public administration institutes. The assignment of regional advisers in public administration had increased the capability of the regional economic commissions to assist Governments in that connexion. Workshops and seminars had been held or were planned for later in 1963, including one on the administrative problems of rapid urban growth in the Arab States, another on government purchasing and supply services in Latin America, and a third on central services to local authorities in the ECAFE region. In close collaboration with the specialized agencies, especially the International Bank, the United Nations was currently carrying out a project on the administrative aspects of national development planning.

14. Technical assistance operations in the field of training had greatly expanded, particularly in the development of group training activities. A training programme for government officials from developing countries engaged in the co-ordination of foreign technical aid was currently in progress at Head-

quarters, as was another programme to train government officials from African countries in development financing. A training course for diplomats had begun at Geneva in June 1963 and would continue at Headquarters in November. Another such course would be held during the same month in Barbados for the Caribbean countries. In addition, a number of other regional and inter-regional training projects had been organized in 1963.

15. He then drew the Committee's attention to organizational improvements in the management of the programmes. In reviewing the regular programme proposals submitted by the Secretary-General, the Technical Assistance Committee at its last session had contributed to the rationalization of the Organization's various technical assistance activities, including those concerned with human rights and narcotic drugs. TAC and the Economic and Social Council had recommended that the Secretary-General should be authorized to make adjustments in the provisions for sections 13 and 14 and for chapter I of section 16 of the budget estimates, so as to permit the transfer of funds for the purpose of increasing the credits provided under one or more of the sections in part V. The possibility of making such transfers, on which the Secretary-General was to report to the Advisory Committee on Administrative and Budgetary Questions and to TAC, would allow greater flexibility in programme management.

16. At the seventeenth session of the General Assembly, the Committee's attention had been drawn to the need to increase the funds provided for the OPEX programme, which had been limited to \$850,000 a year. A total of sixty-one countries and territories had now concluded an OPEX agreement with the United Nations and six more had begun negotiations to that end. Upon the recommendation of TAC, the Economic and Social Council had adopted resolution 951 (XXXVI) which would permit the use of funds from the special account of the Expanded Programme for the training of operational personnel. That would also, in the course of time, free the United Nations from administrative involvement in posts for operational personnel which came within the competence of the specialized agencies.

17. With regard to the relations between the regular programme and programmes financed from other sources, a matter which had been raised at the last sessions of TAC and of the Economic and Social Council, and which was also touched on by the Secretary-General in part V of his budget estimates for 1964 (A/5505), he indicated that the reconversion of the regular programme through the transfer to the Expanded Programme of projects involving continuing commitments would make it possible to accommodate in the regular programme a large number of Government requests and to set up small task forces to undertake immediate investigations or to ascertain the feasibility of long-term projects mapped out by the General Assembly's resolutions and those of the Economic and Social Council.

18. The lack of statutory limitation on the proportion of funds that could be used for regional projects had also permitted the regular programme not only to finance projects falling within the work programmes of the regional economic commissions but also to undertake projects which affected contiguous countries in many parts of the world, such as those concerned with river basin development or the expansion of trade.

Under the regular programme, sixty-seven regional advisers had been attached to the regional economic commission to render advisory services on request to countries in the various regions.

19. A comprehensive picture of the steps taken to decentralize technical assistance activities in the economic and social fields and to strengthen those of the regional economic commissions had been presented to the Economic and Social Council in the report by the Secretary-General on that question (E/3786). In addition to the establishment of technical assistance co-ordination units in the secretariats of the regional economic commissions and the decentralization of regional projects, it was proposed increasingly to associate the regional secretariats with the preparation of programmes related to country projects, particularly with a view to guiding such programmes towards the priority elements in the national development plans of the various countries.

20. He was sure that the Second Committee would wish to recommend to the General Assembly the measures which had been adopted by TAC at its last session to facilitate the management of the technical assistance programmes and which had already been endorsed by the Economic and Social Council.

21. Mr. OWEN (Executive Chairman of the Technical Assistance Board)^{2/} said that the Expanded Programme of Technical Assistance had again lived up to its name and expanded during the year. Contributions to date in 1963 had reached \$50.4 million, compared with totals of \$42.2 million in 1961 and \$45.4 million in 1962. He hoped to report on the results of the 1963 United Nations Pledging Conference on the Expanded Programme and the Special Fund in a few weeks' time, when he would have a clearer picture of future contributions.

22. Although partly offset by rising costs, the increased resources had made it possible to enlarge operations substantially. The number of experts had risen from 2,291 in 1959 to 2,552 in 1962. Fellowship awards had grown even more considerably, from 2,107 in 1959 to 3,831 in 1962, and those upward trends were continued in the biennial programme for 1963-1964. A total of 104 countries, more than ever before, were contributing to the Programme. More countries and territories were receiving assistance or providing host training facilities, and more nationalities were supplying experts.

23. In recent years, there had been a great increase in the work of the Expanded Programme in Africa, where total field expenditure in 1962 had risen to nearly \$14 million, a percentage increase in the total from 7.9 in 1960 to 30.9 in 1962. For the biennium 1963-1964, the share of Africa had been set at 32.8 per cent of the total. Such rapid development could not have been met without a substantial increase in the funds available to the programme, yet there had areas involved the danger that the Expanded Programmes. Expenditures in non-African countries had risen from less than \$28 million in 1960 to \$44.5 million in 1962. At the same time, the field offices, which served both the Special Fund and the Expanded Programme, had been extended and strengthened in Asia, Latin America and the Middle East, as well as in Africa.

^{2/} The complete text of the statement made by the Executive Chairman of the Technical Assistance Board was circulated as document A/C.2/L.724.

24. The special attention which Africa had received in recent years was justifiable in view of the emergence of new African nations. He hoped that the policy pursued under the Expanded Programme would continue to enjoy the support of the Members of the United Nations. Nevertheless, there remained a need for greater emphasis on the technical assistance requirements of Asia, the Middle East and Latin America, and he hoped that the Pledging Conference would provide the means to rectify the balance without disappointing the emerging countries.

25. The rival claims of different countries and areas involved the danger that the Expanded Programme might diffuse its limited resources too much. Since, under the new programming arrangements, the Governments of the recipient countries were responsible for deciding what projects should be included in country programmes, such programming would not be effective unless the Governments established the necessary planning institutions. Hence one of the most important uses of the limited resources was to help Governments set up such institutions and to train their own personnel to run them effectively. The need for development planning, as well as for co-ordination and central management, was recognized to an increasing extent. By the end of 1962, thirty-eight countries to which TAB resident representatives were attached had prepared, or had been in the course of preparing, development plans.

26. In Togo, a senior economist provided under the Expanded Programme was acting as a resident representative to co-ordinate the work of sectoral specialists. In Somalia, an economic adviser from the United Nations had been acting as Vice-Chairman of the Planning and Co-ordination Committee for Economic and Social Development, assisted by two other United Nations advisers. In Sudan, an economic planner had assisted the Government in the preparation of the recently published third development plan. A United Nations economic adviser had also helped to formulate an economic development plan in Upper Volta. Planning experts were also being provided to Cameroon, the Central African Republic, Congo (Brazzaville) and Gabon. Development planning experts were being provided to Uganda, Nyasaland, Northern Rhodesia, Burundi and Rwanda. In 1962, four experts financed by the Expanded Programme had reported on the economic implications of a possible East African Federation which had acquired added significance in view of talks between the leaders of the countries concerned. Recently, Northern Rhodesia had formally requested an economic survey by a team of six experts.

27. Such assistance had not been confined to Africa, for a senior economic planning adviser and an assistant planner had been working in Cyprus with the Economic Planning Commission on the preparation of the development budget and the first detailed five-year plan. In Western Samoa, a development economist was to advise the Government on a development programme.

28. For many years, the Economic and Social Council and the General Assembly had emphasized the importance of assistance in the development of industry, and the establishment of the Centre for Industrial Development made it possible to devote more attention to industrial development. The projects chosen reflected both the Governments' own selection of priorities and limitations of the programme. The Expanded Programme's participation in the industrial

projects was inevitably modest, as it involved neither construction, financing nor large-scale provision of equipment, but Programme experts could prevent costly errors in the planning of new establishments. They had demonstrated efficient techniques which saved foreign exchange. Furthermore, a useful contribution to industrial progress had been made by helping to train industrial workers and setting up training institutions. The most important training programmes had been in operation for several years and over 2,000 workers, foremen and supervisors had returned to Yugoslavia alone from training tours in European factories. ILO experts had helped Governments to establish training centres in Chile, the United Arab Republic and other countries. Those centres had later been expanded with the help of the Special Fund. An example of the advisory role of industrial experts was the provision of a specialist to report on the production of cotton textiles in Thailand, where an FAO expert and his national counterparts had successfully dealt with problems encountered in bringing the country's first plywood factory into operation.

29. Assistance in the development of industry depended to a great extent on the requests received, and TAB was now better prepared than ever to assist Governments in preparing them.

30. The importance of other sectors of the economies of developing countries should not, however, be underestimated. Many Governments gave agricultural, educational and manpower survey and planning projects the highest priority, which was reflected in their requests for assistance. In Algeria, an adviser was being provided to co-operate with the Government in an agricultural development programme and in Nigeria, a team of fifteen experts was preparing a programme of agricultural development to serve as the basis for long-term policy planning. UNESCO was engaged in educational planning in almost all the newly independent countries of Africa, and the ILO had sent manpower missions to many countries.

31. Two important recent developments had been the establishment of the Special Fund and of a joint field service, which had greatly strengthened individual programmes and encouraged joint programming endeavours. Much of the advice and training which they had provided had come to fruition in Special Fund programmes. In the two-year programme-planning exercise to begin early in 1964, they would endeavour to strengthen their close relationship with the regular programme activities of the participating organizations, especially the United Nations. That period would be important for strengthening the relationships with the executive secretaries of the regional economic commissions. During the earlier part of 1963, regional meetings of resident representatives had been held in each of the major geographical areas and were now established on a regular basis, providing an opportunity for the Managing Director, the Executive Chairman, and their senior colleagues to review plans and problems with the resident representatives, and for their field representatives to meet with regional officers attached to the regional economic commissions and the regional officers of the specialized agencies.

32. As regards bilateral programmes of technical assistance, TAB was grateful for the friendly co-operation shown by recipient countries. Resident representatives were particularly useful in organizing

discussion and the exchange of information. At the same time, the wishes of recipient Governments were respected. A great many of TAB's achievements had been the result of bilateral assistance to developing countries at the request of their Governments.

33. One appealing aspect of technical assistance work was the co-operation between the international secretariat and the offices of resident representatives and directors of Special Fund programmes, on the one hand, and the national officials employed in government departments and public institutions, on the other. The work of officials in recipient Governments engaged in co-ordinating TAB efforts with those of other donors of technical assistance and with economic aid and plans for national development was particularly important. Consequently, schemes were afoot for making such officials fully familiar with all aspects of TAB's work. Preparations were already far advanced for a seminar to be held at Addis Ababa early in 1964, to which officials from all over Africa had been invited. The seminar would bring to Governments in Africa a clearer understanding of the purposes, methods and possibilities of TAB programmes, and TAB hoped to learn how they could achieve more fruitful collaboration with Governments. As the Commissioner for Technical Assistance had reported, the Expanded Programme had financed an informal training programme at Headquarters with participants from ten countries of Asia, Latin America and the Middle East, who had also seen the actual work of the TAB secretariat and the Bureau of Technical Assistance Operations. The training programme could be expanded if the first group of participants considered it useful.

34. He also paid a tribute to the many national technical assistance committees and kindred institutions on which TAB relied for the recruitment of experts and the placement of fellows.

35. Where TAB had failed to execute the programmes prepared, faulty or delayed recruitment of experts was to blame in most cases. The evaluation studies in TAB's annual report to the Technical Assistance Committee (E/3739) indicated that the professional qualities of the great majority of experts were remarkably high and that their performance was generally good. But there had been some disappointing delays and a few outright failures in the recruitment of suitable men and women. There were good experts in every country but they were not always available at the time required. Those who had excelled had done so because they had shown not only technical competence but also imagination, patience, humility and a sense of humour. The limiting factor in the expansion of technical assistance work might well be the number of men and women of that kind who could be enrolled. The question of recruitment and also the terms of disengagement from service and of employment abroad must be kept under review.

36. In 1962, 705 experts had come from countries themselves receiving technical assistance. If the figure was not larger, it was not because more highly qualified professional men could not be found, but because the experts could not be spared. Yet more could be done to recruit from the poorer countries if an increased amount of convertible currency was made available for the purpose.

37. He urged the Committee to endorse the recent action of the Economic and Social Council in authorizing the provision of more operational and executive

personnel under the Expanded Programme to meet the urgent needs of many developing countries. The use of Expanded Programme funds for the provision of OPEX-type personnel by all the participating organizations had been authorized experimentally from 1964 to 1966 by Economic and Social Council resolution 951 (XXXVI), subject to the agreement of the General Assembly and without prejudging the issues before the *ad hoc* Committee established under Council resolution 851 (XXXII) concerning co-ordination between the different programmes of technical assistance. Although it was a substantial departure from former practice, be considered it to be a most valuable means of achieving the objects for which the Expanded Programme had been founded, and he trusted that the resolution would be endorsed.

38. A recent interesting development had been the increasing number of academically well qualified young people employed by the Expanded Programme in various associate capacities. Most of those from the Netherlands, the Federal Republic of Germany, Sweden and Denmark were working with the participating organizations as associate experts. More were expected from Belgium, Norway, Japan and Switzerland, which had all entered into agreements with the organizations or had expressed interest in doing so. Under those agreements the salaries of the personnel were reimbursed by their Governments, although administratively they were international employees. Junior officers had in recent months been assigned to the staffs of the resident representatives in Bolivia, Chile, Iran, Jordan, Tanganyika and Tunisia, and nominations were pending for Dahomey, Guinea and the United Arab Republic. Some candidates were put forward by their Governments, as in the case of Sweden, Norway and Belgium, while others came from voluntary organizations in the United Kingdom and the United States, which had agreed to meet various costs connected with the assignments. He was confident that all Governments would participate in those arrangements.

39. So far as programming and management were concerned, the general view was that two-year programming was a distinct improvement over previous practice. Flexibility was secured through more effective procedures for programme changes and the use of the contingency authority vested in him as Executive Chairman. The contingency authority had played a vital part in the Expanded Programme's responsiveness to new and unforeseen situations, such as the emergencies in Chile, Morocco, Iran, Bali, Libya and Yugoslavia. TAB had also been able to respond to the changing policies of Governments and the new opportunities for more effective services.

40. Funds-in-trust arrangements, whereby supplementary technical assistance was given to requesting Governments by the participating organizations on a payment-for-service basis, were another approach to programming flexibility. In 1961, the cost of such operations had been about \$2.5 million; by 1962, it had increased to some \$3.5 million. Eighteen countries had made use of the system in 1960. In 1961, the number had grown to twenty-nine and in 1962 it had reached forty-two. One example was the ICAO programme in Saudi Arabia, which had twenty-two experts and provided a school for 200 trainees in civil aviation. In Libya, the funds-in-trust programme now approached the ordinary programme in size and scope. The figures quoted included contributions from the Freedom from Hunger Campaign.

41. As Executive Chairman of TAB, he had to consider what international technical assistance could do for the developing nations in the light of what the donor countries, especially the larger donors, could be realistically expected to contribute. While existing commitments would account for a considerable share of future resources, there was a sizable amount of new work to be done, not only for countries shortly to be independent, but also for countries which had recently gained independence. At the same time, many of the older developing countries were increasingly aware of the practical usefulness of international technical assistance, and a stage had been reached where technical assistance created a need for more technical assistance, a stage at which TAB's contribution was vitally important. In view of the growing demands on the Special Fund and on other programmes taking part in the United Nations Development Decade, he hoped it would be neither too timorous nor optimistic to assume that the financial resources of TAB for 1965-1966 would reach \$120 million. In anticipation of the forthcoming annual Pledging Conference, he appealed to all Governments to increase their contributions, which would pay dividends in human welfare out of all proportion to their size.

42. Mr. HOFFMAN (Managing Director of the Special Fund),^{3/} noting that within three months the Special Fund would have completed the first five years of its existence, said that it would be useful to review briefly its experience and proposals for improving its operations. He recalled that the responsibilities which the Committee had assigned to the Special Fund included assistance to the developing countries in learning more about their natural resources, in establishing national education and training institutes to prepare the personnel required for utilization of those resources, and in setting up applied research organizations to harness for development the spectacular advances made in science and technology. It had also been urged to assist in speeding industrialization and establishing economic planning institutes.

43. So far, the Governing Council of the Special Fund had approved 327 projects for over 100 countries and territories, which called for a total expenditure of \$672 million. Further details would be found in the Special Fund's report entitled Target: an expanding world economy.^{4/} He also gave figures for the number of experts from various countries and of counterpart personnel who had served on projects assisted by the Special Fund; the number of students enrolled in engineering courses supported by the Fund; and the number of persons in management and supervisory positions who had obtained advanced training in industrial production and productivity or had attended specialized seminars in that field, persons who had taken intensive courses in civil aviation and telecommunications and persons who had been trained as instructors of industrial skills or of secondary school teachers with the Fund's help.

44. The experience of the Special Fund had served to demonstrate that there was immense agricultural and mineral wealth either not fully exploited or still unexploited in the developing countries. As an example, he pointed to the survey of the Jezireh in Syria, just

completed with the co-operation of the Syrian Government and FAO, which was reported to have located sufficient ground-water resources to transform a third of that country. Experience had also revealed the potentialities of international co-operation for development, thus confirming the Second Committee's wisdom in making partnership the cornerstone of the Special Fund. Indeed, the principle and practice of partnership characterized all the Fund's activities. The partnership between the Special Fund and the recipient countries was impressively evidenced in the distribution of costs: the recipient countries were senior partners in the programme, for they were supplying the larger part of the funds required for the approved projects. Partnership also existed between the Special Fund, on the one hand, and the United Nations and its related agencies, on the other. The efforts of the latter, as executing agencies, began with help to Governments in preparing requests for Special Fund assistance and in some cases their regular budgets might need strengthening to enable them to do that work. The Special Fund hoped that as more and more projects were completed the agencies would also become steadily more active in promoting appropriate follow-up.

45. He wished to take the opportunity to express his appreciation of the achievements of the United Nations and the specialized agencies in implementing projects assisted by the Special Fund. It was to their efforts and to the indispensable assistance and co-operation of the Governments concerned that a major portion of the credit for the achievements of the past years was due. At the same time, he placed on record his gratitude for the devoted services of the Special Fund staff at Headquarters and in the field.

46. As regards the ways in which the Special Fund intended to improve its services to both the developing and the industrialized nations, it would first of all seek new measures to hasten the pace of project implementation. Secondly, the Special Fund was eager to extend its activities in the industrial field and would welcome the opportunity to provide greater help in determining which industries could economically be set up to produce needed goods, provide employment and expand economic activity. He hoped that the Centre for Industrial Development would give particular attention to that matter and help prepare requests to the Special Fund for such feasibility studies. Once the economic value of a particular industry had been established, however, a proper follow-up was essential if studies of that kind were to be useful. The Special Fund intended in appropriate cases to work out with Governments the means whereby industry might participate in financing such studies; enterprises involved in follow-up might also be obliged to refund certain costs made initially by the international community. It would be useful for Governments to gear feasibility studies more closely to organizations likely to supply the subsequent follow-up investment.

47. The industrial research institutes supported by the Special Fund were already able to supply economic as well as technical advisory services to those interested in establishing or expanding manufacturing facilities. A case in point was the Central American Institute for Research and Technology, which had in recent years carried out some 150 studies and surveys.

48. Another area in which there was scope for increasing Special Fund assistance was the application of science and technology to the development process.

^{3/} The complete text of the statement made by the Managing Director of the Special Fund was circulated as document A/C.2/L.725 and Corr.1.

^{4/} United Nations publication, Sales No.: 63.1.7.

The Special Fund had done much in training scientists and technicians and in making the findings of science and the tools of technology available to the developing nations, but it was eager to do more and would welcome reasonable suggestions along those lines. While the emphasis so far had been on national projects, suitable opportunities might develop for assistance at the regional level.

49. Another area in which the Special Fund wished to extend its usefulness was in helping to meet the developing countries' need for an increasing volume of development capital. The Governing Council of the Special Fund had rightly insisted that sufficient reserves should be maintained to ensure the Fund's ability to meet its financial obligations towards projects to which the developing countries had also made substantial commitments. As projects averaged four years in length, however, the reserve account was substantial, the interest earned by it having proved more than sufficient to cover both the Headquarters and field office costs of the Fund's operations. He wondered, therefore, whether a portion of the reserve fund could not be used more directly for development purposes in the form of short-term development loans. In that way, contributions to the Special Fund could be made to do double duty by serving an interim as well as an ultimate development purpose. The Special Fund was also considering short-term loans to Governments for the erection of United Nations centres so that the United Nations and all the agencies concerned could be housed in one building. Similar loans might also facilitate the provision of lodgings for United Nations experts in countries where the absence of such facilities impeded recruitment. Other experimental uses of reserve cash balances on a short-term basis were also under consideration.

50. The Governing Council shared the Second Committee's desire that pre-investment work should be promptly followed by actual investment when warranted and it had therefore agreed to help requesting Governments to find the resources with which to implement the recommendations of Fund-supported projects. At the same time, the United Nations and the International Bank were also extending their facilities in connexion with financial advisory, training and information services.

51. The Special Fund intended to strengthen its field organization so that it could meet its responsibilities

to Governments, which would increase as the programme expanded and the new services just described were introduced. The field offices, which served both the Special Fund and the Expanded Programme, and often the specialized agencies as well, were a key element in the effectiveness of United Nations assistance, and although they had nearly doubled in number, additional staff and offices were still needed.

52. In its efforts to improve the quality of the projects which it financed, the Special Fund had in the past year employed four top-level experts in the field of development priorities as consultants to work with Governments at their request in close association with the Fund's field directors. The results had been so encouraging that the Fund intended to recommend to the Governing Council an expansion of that service for 1964.

53. One development which was particularly pleasing to him was the growing awareness of the importance of pre-investment activities. The multiplier value of the relatively modest sums required for pre-investment assistance was becoming clear, as was evidenced by the fact that five feasibility studies costing the recipient countries and the Special Fund \$3 million had already produced \$400 million in investment. He was confident that before the second half of the United Nations Development Decade was under way, an additional \$600 million of investment would be forthcoming from feasibility studies now nearing completion.

54. Financial support for the Special Fund had nearly tripled since 1959, but the goal of \$100 million had yet to be attained and it was imperative that that amount should be reached for 1964 if requests for approval of the many new projects contemplated were to be satisfied.

55. The Special Fund was looking forward to the forthcoming United Nations Conference on Trade and Development, for current efforts to increase trade were clearly inadequate. Nothing could contribute more to promote an expanding world economy than the expansion of trade and the establishment of fairer terms of trade among nations.

The meeting rose at 5.5 p.m.