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**Chairman:** Sir Douglas COPLAND (Australia).

**AGENDA ITEM 26**

**Programmes of technical assistance: report of  
the Economic and Social Council (A/2661,  
A/2686, A/2702; A/C.2/L.224)**

1. The SECRETARY-GENERAL said that he wished to report briefly on the views of the Administrative Committee on Co-ordination (ACC) on two matters which would be considered by the Second Committee.

2. Firstly, the ACC had recognized that Economic and Social Council resolution 542 (XVIII) provided for an important change in the management of the Expanded Programme of Technical Assistance and in the method of allocating funds and had noted that provisional agreement had already been reached in the Technical Assistance Board (TAB) on the arrangements needed to implement it. The organizations participating in the Expanded Programme attached great importance to maintaining the essential characteristics of the current system, especially the existence of the common fund and full recognition of the responsibilities of the specialized agencies. The wisdom of the Council and of the General Assembly in establishing a common fund and central co-ordinating machinery had been justified by experience. The recognition of the special role of the specialized agencies had been equally wise. The Council resolution adapted those two principles to the practical requirements of country programming.

3. Secondly, the report of the Advisory Committee on Administrative and Budgetary Questions (A/2661) had been the subject of consultations between ACC and the Advisory Committee at a joint meeting held on 14 October 1954. The detailed study in part I of the report had been welcomed by ACC as an important contribution to the improved administration of the Expanded Programme, although there had been certain reservations and differences of emphasis between ACC and the Advisory Committee on particular points. As far as part I was concerned, one of the Advisory Committee's suggestions was that ACC itself might assume greater responsibility for the direction of the Expanded Programme. The view that some clarification of the relationships was desirable had already been expressed by ACC and it had decided to study certain aspects of the existing relationships between the Secretary-General, the Executive Chairman of TAB, the organizations par-

ticipating in TAB and the Technical Assistance Committee (TAC), with a view to making further recommendations to the Economic and Social Council, if necessary.

4. In carrying out that study, ACC would take the Advisory Committee's comments fully into account. It was expected that the results of the study would be incorporated in ACC's next report to the Economic and Social Council. In view of that time-table, the General Assembly might wish to defer final consideration of the matter until the ACC study had been considered by the Economic and Social Council at its twentieth session.

5. The most serious difficulties faced by the administrators of the Expanded Programme had been financial uncertainty and too frequent organizational changes. He sincerely endorsed the hope expressed by ACC that Governments would do their utmost to alleviate the situation by pledging and paying their contributions at an early date. He also hoped that the organizational and administrative arrangements would be reasonably stabilized and that the Expanded Programme had finally been firmly established.

6. MR. AGHNIDES (Chairman, Advisory Committee on Administrative and Budgetary Questions) thanked the Secretary-General, the Chairman of the Technical Assistance Board and the representatives of the participating Organizations on behalf of the Advisory Committee for their co-operation in the review of administrative procedures and expenditures requested by the General Assembly in resolution 722 (VIII).

7. Part I of the report of the Advisory Committee was on the agenda of the Fifth Committee but might nevertheless contain certain points of interest to the Second Committee. Part II raised constitutional issues which exceeded the competence of the Advisory Committee except in so far as they referred to administrative efficiency and expenditure. He drew particular attention to the second half of paragraph 41 of the report. The Advisory Committee considered that the observations in its report were fully in conformity with the recommendations of the General Assembly and of the Economic and Social Council.

8. In paragraphs 44 to 47 of its report, the Advisory Committee had pointed out that the Expanded Programme, as established by General Assembly resolution 304 (IV), differed in concept from the Expanded Programme as outlined in Economic and Social Council resolution 180 (VIII). The original intention of the Council had been that the Programme should be a United Nations activity although it would rely heavily on the co-operation of the specialized agencies. In making that point, the Advisory Committee was not in any sense criticizing the participating organizations; a glance at the basic instruments in which the constitutional and juridical position was set out showed that such criticism was invalid. Yet the Advisory Committee did not consider that the terms of reference assigned to it by

the General Assembly on the recommendation of the Second Committee required, or indeed entitled, it to remain silent on the constitutional situation or to disregard the consequent administrative flaws.

9. With regard to the general management of the Expanded Programme, and more specifically to the possible transfer to ACC of greater responsibility for such management, it was gratifying to know that ACC intended to study those matters in the coming months, to take the Advisory Committee's comments into account and to submit the results of its study to the Economic and Social Council.

10. Those matters clearly could not be settled in any one Committee or even unilaterally by the General Assembly; they concerned the Economic and Social Council and each of the participating organizations. It therefore seemed appropriate that a further study should be made, in the first instance by ACC, and subsequently by the Council, because the Advisory Committee could not disregard the position of leadership in ACC which the Council had assigned to the Secretary-General and because the Advisory Committee was well aware of the particular position and the specific responsibility of the specialized agencies under the Expanded Programme and was satisfied that they could be fully safeguarded in ACC.

11. MR. OWEN (Executive Chairman, Technical Assistance Board) said that there had been a further significant expansion of the resources of the Expanded Programme in 1954 and an increase in the number of contributing countries as well as its greater appreciation in the countries it served. There had been a marked improvement in the administrative arrangements and in the relationships between those responsible for the Expanded Programme and the Governments of the recipient countries. Important steps had been taken to place the financial management of the Expanded Programme on a sounder basis. An important legislative step had also been taken which should make for more effective country programming and a modification of the system of allocating funds to the participating organizations.

12. On the other hand, the actual amount of technical assistance provided had once again declined, because steps had been taken to administer the resources more cautiously. Moreover, the decision early in 1954 to increase the Special Reserve Fund had had the immediate effect of reducing the amount available for current expenditure by \$3 million.

13. Although the 1954 programme was rather smaller than the 1953 programme, its essential features were the same. Assistance was still being provided in over 75 countries and territories and the number of countries contributing experts and training facilities remained large. Many countries, such as India, Mexico, Egypt and Chile, usually thought of as less developed, were continuing to make an important contribution in the form of expert services and training facilities.

14. Further substantial progress had been made in strengthening recruitment arrangements and in creating in an international pool of experts who were acquiring intimate practical experience of the problems of the less developed countries and of the ways in which international technical assistance could be used to deal with them. In that connexion he paid tribute to the national committees on technical assistance in various countries and to the Governments which had made other special arrangements to help in the recruitment of experts.

15. There had been further improvements in the co-operation between the United Nations programme and other programmes of aid to under-developed countries, for example, in Burma, Iran, India and Turkey.

16. Another development of interest was the increased attention being given to the close link between technical assistance and the financing of economic development. While the Expanded Programme did not itself constitute a significant source of capital for development TAB had always been keenly aware of the importance of helping Governments to make more effective use of such resources as might become available to them. In East Pakistan, for example, the Food and Agriculture Organization (FAO) had been asked by the Government to help in a multi-purpose project which included irrigation improvements. The Pakistan Government had also arranged to secure electric generating equipment from Canada under the Colombo Plan and excavating equipment and pumps from the United States Government.

17. The Second Committee's discussion concerning the establishment of the Special United Nations Fund for Economic Development (SUNFED) had been followed with great interest by TAB, which looked forward to the consultation which Mr. Scheyven had been asked to have with it.

18. The administrative and indirect operational costs of the participating agencies had been the subject of anxious consideration by TAB and a strenuous effort had been made to reduce them to the minimum consistent with efficiency; the total approved for 1954 was \$3,316,000 or 16 per cent of the total funds earmarked for allocation to the agencies during 1954, as compared with \$4,016,000 in 1953. The latest available estimates of actual obligation for 1954 suggested that expenditure was not likely to exceed \$3,050,000, or 14.72 per cent on the same basis. If the contributions for 1955 did not fall below those for 1954 a further substantial reduction in the ratio of such costs could be expected. Owing to varying conditions in different agencies, however, TAB did not consider it practicable to fix a percentage ratio common to all agencies.

19. The Technical Assistance Board agreed with the Advisory Committee that there should be two instead of three categories of costs, but a clearer definition was required of what constituted administrative and indirect operational costs. A study as well as inter-agency consultations on the subject were therefore being arranged by TAB.

20. The Technical Assistance Board was mindful of the need, expressed in General Assembly and Economic and Social Council resolutions, for reducing administrative costs. As far as TAB headquarters and field staff were concerned, savings had been introduced in the current budget amounting to 20 per cent of the budget approved in 1953. Although the Council had added to its responsibilities it was not proposed to increase the headquarters staff in 1955. A modest increase in the field staff was, however, desirable in order to cover more countries under the new country programming procedures. He shared the Advisory Committee's concern that headquarters and field costs were not subject to review and approval by an inter-governmental body and proposed to ask TAC to recommend appropriate procedures.

21. The most important developments of the year with regard to financial management were the measures approved to increase the financial stability of the Expanded

Programme as set forth in Economic and Social Council resolution 521A (XVII), operative paragraphs 1 to 3.

22. Provisional agreement on the arrangements needed to give effect to Economic and Social Council resolution 542 B (XVIII) when it had been endorsed by the General Assembly had been reached by TAB. In that connexion he intended to submit to TAB, for its consideration, the procedure he proposed to follow in allocating the 5 per cent of estimated resources for the financial year to meet any urgent requests which might arise during the implementation of the annual programme. There would be prior consultation in the case of each allocation with the agencies directly concerned and all agencies would be promptly notified of all such allocations when they were made.

23. Immediately after the fifth United Nations Technical Assistance Conference, due to convene on 26 November, TAB would have to establish the programme for 1955. Under the current procedure, recipient countries had been given an opportunity to determine their own technical assistance priorities after negotiating with the agencies concerned and subject to country ceilings established by TAB. Various problems had arisen, but all the requests submitted had been examined and recommendations had been prepared for TAB's consideration. The programmes submitted during the current year were incomparably superior to those received in past years. Requests for technical assistance were much better integrated with the respective Governments' own development programmes and with help received from other external agencies. The improvement was largely due to the fixing of country ceilings and to the use which was being made of the services of resident representatives. In addition, Governments were becoming increasingly aware of both the possibilities and the limitations of technical assistance programmes. The improvement had, indeed, been so great that many excellent projects had had to be relegated to a reserve category. The agencies also reported that there was a considerable volume of apparently sound requests for technical assistance which could not be considered because of the shortage of funds.

24. Because of the extremely diverse fields in which technical assistance was given under the Expanded Programme, the application in every case of simple criteria, expressing the results achieved in quantitative terms, had been impossible. However, the experience gained by recipient Governments, combined with that gathered by the participating organizations in their continuous review of the effectiveness of projects, would be of great value to the TAC working group which was studying the results achieved under the Expanded Programme.

25. The results of the fifth Technical Assistance Conference would be of special importance because of the measures to increase the financial stability of the programme approved by TAC earlier in the year. In view of the recent announcement by one Government, which had been the major contributor to the Special Account in the past, that it would not be able to announce a pledge for 1955 at the time of the Conference, the importance of receiving the largest possible measure of financial support from other contributing Governments could not be exaggerated. Even on the most optimistic assumptions regarding the result of the Conference, it was unlikely that TAB would be able to allocate sufficient funds at its meeting in December to permit the implementation of a programme for 1955 as large as that implemented in 1954. It was hoped, however, that

the pledging of substantial additional resources early in the new year would make supplementary allocations possible with all that that would mean in increased technical assistance for the under-developed countries.

26. MR. EL-TANAMLI (Egypt) said that, as Chairman of the Technical Assistance Committee, he had become familiar with the problems of the Expanded Programme and the valuable work that was being accomplished. It was particularly gratifying that the under-developed countries were making fuller use of the Expanded Programme and were eager to have the services of international experts. The industrialized countries of the West and the East were now contributing their knowledge and experience in an international endeavour unique in human history. However, a minimum of capital was required to ensure the success of any enterprise and the Programme's annual budget of \$20 to 25 million was far from sufficient to cover the vast field of operations.

27. The Expanded Programme had sought to make the best use of its limited resources by managing its budget on a yearly basis, although some of its commitments extended over longer periods. To remedy that situation, the Egyptian delegation at the sixteenth session of the Economic and Social Council and the eighth session of the General Assembly had urged countries to make their contributions for a period of more than one year so as to obtain greater continuity in the implementation of projects. At the last Technical Assistance Conference, Indonesia and Egypt had carried that proposal into practice and it was to be hoped that other States would do likewise.

28. The Economic and Social Council had made recommendations for the improvement of the organization of technical assistance in resolutions 521 A (XVII) and 542 (XVIII), which the General Assembly would be asked to endorse at the present session. The problem of administrative co-ordination involved difficulties at both the national and the international level. In seeking to harmonize the activities of the participating agencies and to avoid duplication, the fundamental principle that recipient countries were the sole judges in choosing technical assistance projects had to be respected. At the national level, a solution had been found by appointing resident representatives who were responsible for co-ordinating projects in the field. At the international level, the new system of allocations would soon allow TAB to play an effective centralizing role.

29. Future prospects appeared brighter now that TAC, the Economic and Social Council and the General Assembly were becoming increasingly aware of the technical problems involved, while the Secretary-General and ACC were devoting increasing attention to coordination.

30. Finally, to give practical expression to its conviction that increased resources were essential for the continued working of the Expanded Programme, the Egyptian Government had decided to increase its contribution from £E30,000 to £E35,000.

31. MR. BANNIER (Netherlands), after paying tribute to the excellent though little publicized work of the United Nations regular programmes of technical assistance, said that co-operative enterprises like the Expanded Programme could only be permanently successful if the interests of all parties were taken into account and well-balanced compromises were reached in the face of changing circumstances. Such a compromise had been achieved since the Second Committee had last discussed the question of technical assistance.

32. All the parties involved in the Expanded Programme would agree with the Secretary-General that the right balance between the basic elements of the Programme, central co-ordination, country-planning, and the professional experience of the participating organizations should be preserved. That balance had indeed been preserved in the measures taken by the Economic and Social Council at its seventeenth and eighteenth sessions and in those recommended to the ninth session of the General Assembly.

33. The Economic and Social Council and TAC had performed their exhausting tasks with success and, after some initial difficulties, the work of ACC and TAB had been very gratifying. One or two participating agencies were still not fully satisfied, but they would realize that a vast joint enterprise like the Expanded Programme required not only the closest co-operation between all participants but also a measure of central planning and co-ordination.

34. The new arrangements called for under Economic and Social Council resolution 521 (XVII) had both advantages and disadvantages. For three years field operations would be seriously hampered and curtailed by the plan to set aside \$3 million annually. Some countries, understandably, had misgivings about the recommendation to reconstitute the Special Reserve Fund into a working capital and reserve fund. On the other hand, there was the advantage that a continued operating reserve would be formed, from which advances could be made to participating organizations pending the receipt of contributions. Fortunately, the payment of contributions had been fairly good during 1954. If that situation continued, the working capital and reserve fund would probably soon be able to provide a guarantee fund for projects extending over two, three or four years. The Netherlands delegation, feeling that the advantages of the new arrangements outweighed the disadvantages, would support any resolution approving the arrangements recommended in paragraph 5 of Economic and Social Council resolution 521 A (XVII).

35. The most urgent requirements were for more funds and greater continuity in contributions. A programme which did not keep step with continuously growing needs was really declining. The setback which the Expanded Programme had received in 1953 because of lack of funds had had serious repercussions in countries for which the Expanded Programme was the only source of external technical assistance and also in other countries which had looked elsewhere for assistance. The Netherlands Government believed in multilateral action in the field of economic development and regarded the United Nations and the specialized agencies as the best instruments for such action. It could only hope that the experience of 1953 would not be repeated. Increased material support from all countries, particularly the major industrialized countries, was urgently required.

36. The Expanded Programme had operated for some years with a budget of little more than \$20 million. Although it was gratifying that the pledges for 1954 amounted to nearly \$25 million, a target of about \$50 million, to be reached within a few years, should be set. The Netherlands Government had therefore increased its contribution for 1954 by nearly 50 per cent and would increase its pledge for 1955 still further.

37. Besides higher contributions, greater continuity and hence better stabilization of the Expanded Programme were necessary. The fact that technical assistance funds had still to be collected on a year-to-year

basis was regrettable. If Governments considered the Expanded Programme as an essential and continuing activity, they should, for at least a number of years, support it as though it were financed for a period exceeding one year. Last year two countries, Indonesia and Egypt, had set an admirable example by pledging an annual contribution for a period of three years. Israel had indicated its desire to do likewise if only it were constitutionally possible. Subject to constitutional procedure, the Netherlands was prepared to contribute the same amount for 1955, 1956 and 1957.

38. The Swedish delegation, supported by others, had made an appeal at the 290th meeting of the Committee for special arrangements for financing basic development projects in under-developed countries through the Expanded Programme of Technical Assistance or through the International Bank for Reconstruction and Development. Although it could not fully support Sweden's original suggestion since it felt that the expansion of the programmes of technical assistance and the creation of a programme for financial aid should be taken up simultaneously, his delegation believed that the Special United Nations Fund for Economic Development would give priority to the financing of non-self-liquidating projects prepared under the programmes of technical assistance. There should be close co-ordination between SUNFED and the Expanded Programme.

39. Turning to the subject of the Expanded Programme's future development, he said that centralization of policy should be combined with delegation of powers in the execution of the programme. That principle was well expressed in Economic and Social Council resolution 542 B II (XVIII). Although TAC should, as provided in that resolution, be responsible for approving the Programme as a whole and for authorizing allocations to the participating organizations, the final authority should rest both with contributing and recipient Governments.

40. A vital element in that resolution was the emphasis on country programmes. The Expanded Programme could be successful only if it was based on the national development plans of the countries concerned. Where national planning was imperfect, Government should avoid submitting low-priority requests. The existing system of allocating funds was obviously inconsistent with country planning. The new system of allocation seemed to fulfil the requirements of the countries concerned, and should be given a fair trial.

41. It was to be hoped that the time-table for drawing up the provisional programme could be adhered to. A great effort would be required to enable TAC to approve an acceptable programme at its November session.

42. He also thought that TAB should retain its central position as part of the Expanded Programme machinery, and serve as the organ for the implementation of the decisions taken jointly by Governments. He trusted that its members would not use it to voice conflicting interests, and that they would fully realize their joint responsibility and act accordingly.

43. Although the Expanded Programme was an integrated whole and should therefore be administered jointly, the special responsibilities of the participating agencies in their specific fields should not be neglected.

44. Although the text of resolution 542 B II (XVIII) finally adopted by the Economic and Social Council was not as liberal as had been hoped by those who had supported the original French proposal, he agreed with the provision in operative paragraph 1 (b) (vi) that the

amount allocated to each participating organization during the coming year should not be less than 85 per cent of the amount allocated to it under the current year's programme, or, if there was a decrease in the estimated net financial resources for the ensuing year, 85 per cent of its proportion of the allocations for the current year.

45. The Netherlands delegation considered that part II of the report of the Advisory Committee on Administrative and Budgetary Questions (A/2661) dealt with matters of such paramount importance that the General Assembly should not take any decision on those matters without having the benefit of the Economic and Social Council's advice. Part I of the report contained detailed recommendations about administration which the Committee could scarcely discuss thoroughly before the end of the session. He would therefore suggest that a full discussion of the report by the Committee be deferred until the tenth session.

46. However, it might be appropriate to make a few comments on points which did not require preliminary examination by the Economic and Social Council and its Technical Assistance Committee. The dual system of resident representatives working side by side with senior agency representatives involved considerable overlapping of functions; money could be saved without any loss of efficiency if suitable people could be found to act as resident representatives and if the specialized agencies made full use of their services. The ratio of administrative to total costs might be reduced still further, but if a ratio of 12 to 14 per cent were required of all the participating agencies, efficiency might be impaired. In addition to the studies made by recipient Governments and the Working Group of TAC of the

results achieved under the Expanded Programme, he suggested that from time to time two or three highly qualified men carry out an objective review of the economic effectiveness of the whole Programme, possibly in co-operation with TAB. He believed that would be of great assistance to TAC. He also suggested that TAB might help that Committee by including in its regular reports to the Committee either a chapter on priorities and appraisal of results, or, at least, some critical comments on certain projects.

47. It would be wrong to make a basic change in the new system of co-ordination and of allocation of funds until the conclusion of the study to be made of certain aspects of the relations between the Secretary-General, the Executive-Chairman of TAB, the organizations participating in the Expanded Programme and TAC. Even if that study resulted in recommendations to the Economic and Social Council which would again alter the whole framework of co-operation, it should be carefully considered whether the time had come to rebuild that framework; what the Expanded Programme needed above all was stability. That was an additional reason why the present Committee would be well advised to defer consideration of the Advisory Committee's suggestions on major questions of co-ordination.

48. He regretted that a number of countries which were making important contributions to the Expanded Programme were unable to participate in the present discussion, because they were not members of the United Nations. He hoped that that deplorable situation would soon be put right.

The meeting rose at 12.30 p.m.