



Tenth session

QUESTIONS RELATING TO ECONOMIC DEVELOPMENT

Memorandum by the Secretary-General

1. The provisional agenda of the tenth session of the General Assembly^{1/} contains the following item relative to economic development of under-developed countries:

Item 24. Economic development of under-developed countries:

- (a) Question of the establishment of a special United Nations fund for economic development: report submitted in accordance with resolution 822 (IX) of 11 December 1954
- (b) Question of the establishment of an international finance corporation: report of the Economic and Social Council (resolution 823 (IX) of 11 December 1954)
- (c) Programme of technical assistance: report of the Economic and Social Council (resolution 831 D (IX) of 26 November 1954)

The present paper provides for the information of the General Assembly a summary of the background material relevant to the above questions.

2. In accordance with General Assembly resolution 306 (IV), the annual report of the Economic and Social Council^{2/} includes a special chapter (chapter III) on the measures being taken to promote the economic development of under-developed countries. This chapter gives an account of the work of the Council in respect of economic development during its nineteenth and twentieth sessions.

1/ Document A/2915.

2/ See Official Records of the General Assembly, Tenth Session, Supplement No. 3, document A/2943.

3. The attention of the General Assembly is also drawn to chapter II and chapter IV of the Council's report. Several sections of these chapters bear on questions of economic development, in particular, (a) the account of the Council's discussion of the current world economic situation (chapter II, section I); (b) the discussion on international trade questions (chapter II, section II); and (c) chapter IV, section II, dealing with the report of the Commission on International Commodity Trade.

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

4. Under this item there are three topics upon which action has been taken by the Economic and Social Council; two of these relate to the question of the financing of economic development, viz. (a) the establishment of a special United Nations fund for economic development; (b) the establishment of an international finance corporation; the third topic is the question of programmes of technical assistance.

(a) Question of establishing a special United Nations fund for economic development

5. The General Assembly, at its ninth session in 1954, by resolution 822 (IX), extended for another year the appointment of Mr. Raymond Scheyven for consultations with Governments on the question of establishing a special United Nations fund for economic development. The resolution also requested him to prepare, with the assistance of an ad hoc group of experts, a report for the Assembly's tenth session on the form or forms, functions and responsibilities of such a fund, the integration of its operations with the development plans of assisted countries and its working relationship with the Technical Assistance Board, the International Bank for Reconstruction and Development and other specialized agencies concerned, the United Nations regional economic commissions and existing programmes in the field of economic development. Mr. Scheyven's report has been circulated to Members as document A/2906.^{3/}

^{3/} See Official Records of the General Assembly, Tenth Session, Supplement No. 17.

6. The Economic and Social Council at its twentieth session received from Mr. Scheyven, as his interim report required by General Assembly resolution 822 (IX) document A/2906, which was transmitted to the Council under cover of a note from the Secretary-General (E/2757). Mr. Scheyven also amplified his report to the Council by oral statements. The Council's discussion of this report, and of the question of the establishment of a special fund, is reported in chapter III, section I, of its report to the General Assembly. The Council adopted resolution 585 A (XX), the operative part of which contains recommendations submitted by the Council to the General Assembly for adoption by it. The text of the resolution is as follows:

"The Economic and Social Council,

"Reaffirming the importance of the economic development of the under-developed countries as an essential condition for promoting such international relationships as are propitious for the maintenance of peace and world prosperity,

"Considering the real need for additional means for providing the under-developed countries with the economic-social infra-structure which is basic for the substantial expansion of their production,

"Recalling previous resolutions of the General Assembly and the Economic and Social Council on the establishment in the near future of a Special United Nations Fund for Economic Development,^{4/}

"Recalling especially the unanimously adopted resolution 724 (VIII) of the General Assembly containing the solemn declaration of the Governments of the States Members of the United Nations to stand ready to ask their peoples to devote a portion of the savings achieved through sufficient progress in internationally supervised world-wide disarmament to an international fund, within the framework of the United Nations, and expressing the hope that such savings will provide additional means for financing the economic development of under-developed countries, and will further the aims and objectives of a special United Nations fund,

^{4/} General Assembly resolutions 520 (VI), 622 (VII), 724 (VIII) and 822 (IX) and Council resolutions 416 (XIV), 482 (XVI) and 532 (XVIII).

"Noting that, consequent upon recent developments in international co-operation, the Sub-Committee of the United Nations Disarmament Commission will be called upon to work towards the development of an acceptable system of disarmament, the achievement of which would, among other results, release vast material resources to be devoted to the peaceful economic development of nations, for raising their wellbeing as well as for the assistance to under-developed countries,

"Having examined the report^{5/} prepared by Mr. Scheyven with the assistance of a group of experts in pursuance of resolution 822 (IX) of the General Assembly,

"1. Expresses its great appreciation of the work performed by Mr. Scheyven and the group of experts associated with him;

"2. Recommends that the General Assembly:

"(a) Invite Governments of States Members of the United Nations and of the specialized agencies in the economic and social field to give careful consideration to the report of Mr. Scheyven and the committee of experts and to transmit to the Secretary-General not later than 31 March 1956, their views on the experts' recommendations with respect to the establishment, operation and management of the proposed special fund;

(b) Establish an ad hoc committee to analyse the comments of Governments and to submit such interim report as it may be in a position to make to the twenty-second session of the Economic and Social Council, and its final report to the twenty-third session of the Council, it being understood that the ad hoc committee, in making its reports, would not commit any Member Government."

(b) Question of the establishment of an international finance corporation

7. At its ninth session, the General Assembly considered a further report by the International Bank for Reconstruction and Development^{6/} on the progress made in connexion with the proposal for the establishment of an international finance corporation. In resolution 823 (IX), the General Assembly expressed its

5/ See Official Records of the General Assembly, Tenth Session, Supplement No. 17, document A/2906.

6/ See Official Records of the Economic and Social Council, Eighteenth Session, Annexes, agenda item 3 (a) (ii), document E/2616.

appreciation of the studies carried out by the International Bank and took note of the statement of the United States Administration of 11 November 1954, and declarations of other countries in support of an international finance corporation; it requested the International Bank to prepare draft statutes, present the draft to the Governments of its members for discussion, to take steps to bring about agreement among its members on the draft statute, and to report on the results of its action to the Economic and Social Council at its twentieth session. Lastly, the Council was requested to report on this matter to the General Assembly at its tenth session. The International Bank, in response to this request, presented a report^{7/} concerning the status of the proposal to create an international finance corporation. The texts of draft articles of agreement and of an explanatory memorandum were annexed to the report. The Council considered the report at its twentieth session in connexion with the problem of financing economic development. Chapter III, section I of the Council's report to the Assembly deals with the Council's discussion of this proposal which resulted in Council resolution 583 B (XX). In the two operative paragraphs of that resolution, the Council

"1. Expresses its appreciation of the manner in which the International Bank has carried out the task requested of it by the General Assembly;

"2. Looks forward to the establishment of the Corporation as soon as practicable."

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT

8. Regarding the United Nations Regular Programme of Technical Assistance authorized by General Assembly resolutions 200 (III), 418 (V) and 723 (VIII), the Council, in resolution 584 A (XX), took note with appreciation of the report prepared by the Secretary-General.^{8/}

^{7/} Document E/2770.

^{8/} See Official Records of the Economic and Social Council, Twentieth Session, Annexes, agenda item 7, document E/2736.

9. In connexion with the activities of the United Nations and the specialized agencies under the Expanded Programme of Technical Assistance, and on the basis of the report of the Technical Assistance Committee,^{9/} the Council adopted three resolutions. The first one takes note with appreciation of the seventh report submitted by the Technical Assistance Board to the Technical Assistance Committee on the progress of the Programme during 1954.^{10/} The second deals with administrative and budgetary questions, and is quoted at the end of the present section. The third urges participating States to give their support on an expanded basis and requests that the United Nations Negotiating Committee for Extra-Budgetary Funds should undertake as soon as possible negotiations with Governments regarding their pledges to the Special Account for 1956, so as to facilitate the programme review and approval by the Technical Assistance Committee by 30 November 1955.

10. As regards the evaluation of the results and effectiveness of the Expanded Programme of Technical Assistance, the Council took note of the resolution adopted by the Working Group of TAC and of the decision of TAC to address the questionnaire drawn up by the Working Group to the twenty-five recipient countries to which Resident Representatives have been accredited.

11. As regards constitutional and organizational questions, the Council took note of a resolution adopted by TAC in connexion with the eighteenth report of the Administrative Committee on Co-ordination;^{11/} in the resolution TAC requested TAB, in preparing the review requested by ACC, to take into consideration the pertinent comments made during the discussion of such matters as concentration of resources, recruitment methods used in the implementation of the programme and other relevant issues. It further requested that the review should include concrete recommendations for subsequent action by TAC, the Council or the General Assembly, and that the review should be submitted to TAC, together with the comments of ACC thereon, for consideration at the twenty-second session of the Council. The Committee also

^{9/} Ibid., document E/2779.

^{10/} Ibid., Supplement No. 4, document E/2714.

^{11/} Ibid., Annexes, agenda item 4, document E/2728.

invited ACC to present its comments on the annual report of TAB, after its issuance to TAC, with particular reference to the inter-relationship between the Expanded Programme and comparable activities under the regular budgets.

12. With respect to certain questions raised by the Advisory Committee on Administrative and Budgetary Questions at the ninth session of the General Assembly, the Council adopted the following resolution (resolution 584 B II (XX)):

"The Economic and Social Council,

"Considering that the General Assembly, in its resolution 831 D (IX), requested the Council to furnish to the General Assembly at its tenth session a report on the progress made in the consideration of the questions raised in the first report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its ninth session,^{12/} together with the comments of the Advisory Committee on the report of the Council,

"Having examined the report of the Advisory Committee together with paragraphs 9 to 15 of the report of the Administrative Committee on Co-ordination,^{13/}

"Submits to the General Assembly the report annexed hereto."^{14/}

13. An account of the Council's discussions on the above questions is contained in chapter III, part B, of its report to the Assembly.

^{12/} Document A/2661.

^{13/} See Official Records of the Economic and Social Council, Twentieth Session, Annexes, agenda item 4, document E/2728.

^{14/} For the text of the report see the annex to resolution 584 B II (XX), ibid., Supplement No. 1, document E/2795, pp. 4 and 5.