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*Chairman:* Mr. Pierre FORTHOMME  
(Belgium).

AGENDA ITEM 51

Consolidation of the Special Fund and the Expanded  
Programme of Technical Assistance in a United  
Nations Development Programme (continued) (A/  
5755, A/6015; A/C.2/L.792, L.793, L.795 and Corr.1)

1. Mr. VIAUD (France) said that from the beginning his delegation had entertained serious doubts about the wisdom of consolidating the Special Fund and the Expanded Programme of Technical Assistance. It was still not convinced that the consolidation was desirable but, in deference to the wish of the majority, was prepared to participate in the present discussion. He did not share the views expressed by the USSR representative at the previous meeting concerning the transformation of the Special Fund into a capital development fund; nor did he support Mr. Arkadyev's criticisms of the present administration of the two programmes. However, he did agree that some of Mr. Arkadyev's criticisms of the sponsors of the plan to merge the two bodies seemed justified.

2. There seemed to be general agreement that the number of members in the Governing Council for the United Nations Development Programme should be thirty-six. His delegation was prepared to accept that figure but still felt it was too big. Recent experience had shown that governing bodies with a large membership could not function very efficiently.

3. His delegation attached particular importance to the principle that there should be equal representation of donor and recipient countries in the new Governing Council. That principle had been observed in the operation of the present Governing Council of the Special Fund and had worked perfectly well. It was not a question of blind adherence to an arithmetical formula but of providing, to quote the preamble of the draft resolution recommended for adoption by the Economic and Social Council (A/C.2/L.792), "a more solid basis for the future growth and evolution of the assistance programmes". His delegation therefore supported the amendment (A/C.2/L.793) to operative paragraph 4 of the draft resolution which spoke of "equal representation". It could not support the

amendment to that paragraph proposed by the developing countries (A/C.2/L.795 and Corr.1) because it was not clear exactly what "balanced representation" meant. In any case, it was unrealistic to elect countries to the new Governing Council solely according to the criterion as to whether they were developed or developing. The real criterion should be the giving and receiving of aid. It was neither constructive nor realistic of the developing countries to confine their representation in the new Governing Council merely to the developing countries of Asia, Latin America and Africa. Moreover, there were countries in Europe which were net recipients of the two programmes. France would be ready to accept as a compromise solution, that those countries which could not strictly be regarded as developed, should none the less be included among the developed countries represented in the new Governing Council, but only on the condition that an equal number of seats be given to both categories of countries.

4. Mr. NEDIVI (Israel) stated that his delegation was not happy with the arithmetical approach being adopted to the membership of the new Governing Council. Service on that body should be considered a duty rather than a privilege. It should be recalled that operative paragraph 4, as worded in document A/C.2/L.795, spoke of "suitable regional representation" and that the Trade and Development Board in setting up its subsidiary organs had been invited by the General Assembly in resolution 1995 (XIX), paragraph 23 of Section II, to take fully into account the desirability of including in the membership of those bodies Member States with a special interest in the subject matter to be dealt with by them and to include any State member of the United Nations Conference on Trade and Development, whether or not that State was represented on the Board. The Economic and Social Council should adopt the same flexible attitude in electing representatives to the new Governing Council and should give special consideration to States which were not members of the Economic and Social Council and those which had a short record of service in TAC and the existing Governing Council of the Special Fund. The balance between donors and recipients as well as equitable geographical distribution should be observed but within those limitations it should be possible to draw 50 per cent of the membership of the new body from members and 50 per cent from non-members of the Economic and Social Council. At the same time, the right of re-election to the new Governing Council might be less jealously guarded. For example, during the last four years, there had been a theoretical possibility of seventy-two countries serving on TAC but in fact only some forty-five countries had been represented. With a

greater turnover of seats, the new Governing Council could benefit from the greater infusion of ideas.

5. Mr. TCHEN (China) supported the proposal to consolidate the Special Fund and the Expanded Programme and felt that it would lead to more efficient administration. The adoption of the draft resolution now being considered would not effect the proposed transformation of the Special Fund into a capital development fund. That question could be raised later. It was encouraging that a compromise had been reached as regards the number of representatives who would sit on the new Governing Council. He hoped that the representation would be such as to reflect the co-operation necessary between donors and recipients. In that respect, he preferred the more flexible formula "balanced representation" put forward by the developing countries. To seek absolute equality between donors and recipients was too rigid an approach. The principles embodied in Council resolution 222 (IX) which laid the foundation of the technical assistance programmes were still valid. That resolution had stressed the need for co-operation between nations with different social patterns and cultural traditions and at different stages of development. It was therefore important that in the new Governing Council countries at all the various stages of development should be represented.

6. Mr. WOULBROUN (Belgium) said that in the present Governing Council equality of representation between donors and recipients had not precluded either efficient administration or continued growth of the United Nations programmes of technical co-operation. The major donor countries wanted to maintain that principle. The "nineteen-seventeen" formula which had been put forward by the developing countries at the previous meeting might satisfy their amour propre, but that would hardly benefit them if the rate of increase of the funds available for the new Programme were decreased. The formula suggested in document A/C.2/L.793 was reasonable and had proved successful in practice. By contrast, in its present form, the term "balanced representation" was ambiguous and would mean that the developed countries would be giving the developing countries a blank cheque.

7. Most delegations would agree that the question of transforming the Special Fund into a capital development fund should not be discussed at the present stage. The principle of consolidation had already been accepted by a majority of delegations. Essentially, it only applied at the present to the directing Organs. It would be useless to reconsider that question.

8. Mr. ROOSEVELT (United States of America) said that there was general agreement both on the need for consolidation and on the number of representatives (thirty-six) who would sit on the new Governing Council. His delegation was disappointed that it had proved impossible to reduce that number further. Experience had shown that the present membership of TAC (thirty) was the largest compatible with efficiency. However, in the interest of unanimity, his delegation would accept the figure of thirty-six.

9. His delegation felt bound to support the wording of operative paragraph 4 in document A/C.2/L.793

because equality of representation between donors and recipients would better express the spirit of the technical assistance programmes. For his delegation, equality was the best form of balance in that it would symbolize the partnership between the donors, who wanted to see their contributions used in the best possible way and the recipients, who wanted those contributions to satisfy their basic needs.

10. Mr. ENDESHAW (Ethiopia) supported the draft resolution submitted by the Economic and Social Council as amended by the developing countries. He would like the question of the establishment of the capital development fund to be settled as soon as possible but it seemed to be generally agreed that that question should be discussed later. He supported the proposed consolidation on the grounds that it would lead to increased contributions and more efficient use of them.

11. Mr. ALLANA (Pakistan) agreed that the number of representatives on the new Governing Council should be thirty-six but felt that, in describing the representation on that body, the original adjective used in the draft resolutions of the Council, namely, "equitable", should be used. He proposed that the amendment to operative paragraph 4 in document A/C.2/L.795 and Corr.1 should read:

"There shall be, on the one hand, equitable representation of the economically more developed countries, having due regard to their contribution to the United Nations Development Programme and, on the other hand, of the developing countries, taking into account the need for suitable regional representation among the latter members."

He proposed that the final amendment in the same document should read:

"Decides that this resolution shall come into effect on 1 January 1966 and that all precedential measures, including the election of the members of the Governing Council, shall have been taken prior to that date."

12. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that his delegation could not support the draft resolution as it stood. The developing countries had for many years striven, with the support of the socialist countries, for the establishment of a special United Nations fund for economic development and the records of the debate during the twelfth session of the General Assembly on the adoption of resolution 1219 (XII) showed that they had considered the Special Fund to be the precursor of such a fund. The weakness of the proposal for the consolidation of the Special Fund and the Expanded Programme lay in the fact that it perpetuated the principles, procedures and provisions of both programmes, thus making it impossible for the Special Fund's activities to be expanded to include direct investment in the execution of programmes and lessening the chances for its transformation into a capital development fund of the kind visualized by the United Nations Conference on Trade and Development.<sup>1/</sup> Moreover, the proposed

<sup>1/</sup> See Proceedings of the United Nations Conference on Trade and Development, volume I: Final Act and Report (United Nations publication, Sales No.: 64.II.B.11), p. 47.

membership of the Governing Council of the new body was far from ideal. The granting of equal representation to the developed countries on the basis of the value of their contributions to the United Nations Development Programme would create an undesirable precedent which might be used to the detriment of the developing countries when other United Nations organs were set up. Another notable feature of the draft resolution was its omission of any reference to the need to expand industrial development activities.

13. The amendments proposed (A/C.2/L.793; A/C.2/L.795 and Corr.1) contained no suggestions for structural modifications. His delegation could see no advantage in the reorganization as proposed in the draft resolution and amendments and therefore proposed that a decision on the merger should be deferred until a complete answer had been given to all the questions and doubts which had been expressed.

14. Mr. RAMACHANDRAN (India) said that his delegation supported the proposed consolidation of the two programmes on the understanding that there would be no reduction in the funds allocated to each of them and that the consolidation would lead to greater efficiency and speed in the execution of programmes.

15. His delegation, as one of the sponsors of the draft amendments in document A/C.2/L.795 and Corr.1, considered that the proposal in that document concerning the composition of the Governing Council of the new Programme represented a realistic approach to the problem and he was confident that the economically developed countries would show their understanding of the reasons for it.

16. Mr. EL-SHEIBANI (Libya) said that his delegation wished to co-sponsor the amendments proposed in document A/C.2/L.795 and Corr.1.

17. Mr. REDA (United Arab Republic) observed that his delegation had originally been opposed to the consolidation of the Special Fund and the Expanded Programme, since it considered that the establishment of a capital development fund should have priority over any proposals for reorganization and co-ordination. His delegation had, however, been impressed by the Secretary-General's view that the interests of both donor and recipient countries would be served by the creation of the proposed new Programme, and by the fact that some developed countries had indicated that the merger would encourage an increase in their contributions. His delegation would therefore support the draft resolution with the amendments proposed in document A/C.2/L.795 and Corr.1.

18. Sir Keith UNWIN (United Kingdom) said that his delegation was in favour of the consolidation of the Expanded Programme and the Special Fund on the basis of the draft resolution under discussion. His delegation would have preferred the Governing Council to be a smaller body, but was prepared to agree to the proposal that it should have thirty-six members because that figure seemed to be acceptable to most of the Committee. The composition of the Governing Council should symbolize the partnership between developing and advanced countries and his delegation therefore supported the amendments proposed in document A/C.2/L.793, which would not, as

some speakers had implied, result in domination of the Council by one group of countries. With one exception, the proposals in A/C.2/L.793 were the same as those in A/C.2/L.795 and Corr.1, and it should not be difficult to reconcile the differences.

19. He agreed that there was a need to ensure that the new Governing Council had the necessary authority to approve expenditure for the operations of the two programmes for which it would be responsible. Such authority could be conferred by the inclusion of a passage in the Committee's report specifying the Committee's interpretation of operative paragraph 5 of the draft resolution and hoped that would be done, after consultation with the Legal Counsel.

20. Mr. SIRIWARDENE (Ceylon) observed that little attention had been given, in the discussion of the composition of the Governing Council, to the case of a number of countries which were not members of the Economic and Social Council, the Technical Assistance Committee or the Special Fund. He suggested that the Committee should consider including in the draft resolution a provision to the effect that those countries which did not have the privilege of being members of the bodies he had mentioned should be given particular attention in elections to the new Governing Council.

21. Mr. CARANICAS (Greece) said that, although his delegation was not entirely satisfied with the proposals contained in the draft resolution, it would support them as the only possible compromise. It was still not clear, however, how the simplification and co-ordination referred to in the second preambular paragraph could be achieved if the separate characteristics, operations and funds of the two programmes were to be maintained. The distribution of seats on the Governing Council had not been discussed in the Committee itself and so far the rights of the so-called "peripheral countries", such as Spain, Turkey and his own country, to representation had not been taken into consideration.

22. He agreed with the United Kingdom representative that there was a need to clarify the provisions of operative paragraph 5 of the draft resolution; it was important to ensure that the proposed Inter-Agency Consultative Board was a purely advisory body and that there should be no interference by specialized agencies in the programming of the new body.

23. Mr. DJOUDI (Algeria) supported the consolidation of the Special Fund and the Expanded Programme as a stage towards the formation of a capital development fund. However, it would be a backward step to give the developed countries parity on the new Governing Council when other bodies were being enlarged to give the developing countries greater representation. The inclusion of the phrase "balanced representation" in document A/C.2/L.795 and Corr.1 should therefore not be allowed to set a precedent.

24. Mr. THAWLEY (New Zealand) supported the consolidation of the Special Fund and the Expanded Programme as proposed in the draft resolution 1020 (XXXVII) of the Council and amended in document A/C.2/L.793. A governing council of thirty-six members with parity of representation from developed and developing countries would be well fitted to guide

the new Programme. All countries which wished to serve on that body should have an opportunity to do so in turn. In that respect, he welcomed the comments by the French and Israeli representatives. For example, while his country's financial contribution was bound to be small because the country itself was small, New Zealand's view might be of particular value precisely because of its size and little industrial development. The opportunity to serve could be provided by a suitable interpretation of the phrase "having due regard to their contribution", taking into account the per capita rate as well as the total amount of each contribution. Judged by that criterion, the performance of some small countries was creditable.

25. Mr. OSOGO (Kenya) said that his delegation favoured the consolidation of the two programmes. He wondered, however, whether the structure outlined in the draft resolution would yield the necessary economies. If separate administrations were retained, the new Programme might be even more costly. To fulfil the aims of the second preambular paragraph of the draft resolution, a full merger must be made, the two former programmes becoming departments in a single unit. He therefore suggested that, in operative paragraph 1, the words "as departments of the new organization" should be inserted after the word "maintained".

26. With regard to representative on the Governing Council, the views of the developing countries must be heard if they were to be helped. Each developed country spoke with two voices; that of its delegation and that of its contribution. The developing countries should have two more seats than the developed countries so that more of their views could be heard.

27. Mr. KARIM (Afghanistan) pointed out that, although his country was listed as a co-sponsor of the amendments in document A/C.2/L.795 and Corr.1, it was in fact still considering the matter. While it agreed with some of those amendments, it should not yet be considered a co-sponsor.

28. Mr. POLIT ORTIZ (Ecuador) said that, in view of the overriding importance of the technical assistance programmes, the developing countries wanted to create suitable machinery within the United Nations system for the discussion of their problems. Furthermore, they wanted their financial contributions to the United Nations and specialized agencies to be within their means, taking into account their lack of hard currencies. From that point of view, the proposed consolidation did not go far enough, assuming the idea was to merge the present two programmes into a single unit. Operative paragraph 1 of the draft resolution should simply say "Decides to combine the two programmes", and paragraph 2 should say "Reaffirms the principles, procedures and provisions applied when the two bodies were established separately". All the activities of Expanded Programme should be absorbed by the Special Fund. The possibility that the establishment of the proposed capital development fund would be deferred indefinitely was ruled out by the sixth preambular paragraph of the draft resolution.

29. After hearing the representative of the Soviet Union at the previous meeting, he wished that the

USSR would play a larger role in technical assistance programmes. Its contribution of \$7 million to the Special Fund might well be increased to a figure in keeping with its size and technical achievements. It was a tragedy that the developing world had to suffer from the differences between the great Powers and everything should be done to lessen those differences. The developing countries were finding it increasingly hard to obtain the assistance needed to help them catch up with the one eighth of mankind which now enjoyed all the benefits of human progress.

30. His delegation would support the proposed consolidation but the resolution in its present form did not eliminate the possibility of duplication and confusion. His delegation was in favour of the capital development fund and would continue to seek its establishment. With regard to the new Governing Council, a membership of eighteen or twenty would be far more effective than thirty-six, but he agreed that balanced geographical representation was necessary. He agreed with the Israeli representative that States which were not members of the Economic and Social Council should be able to serve on the Governing Council.

31. Mr. DIAKITE (Mali) said that his delegation welcomed the proposed merger. The Special Fund at present assigned some \$5 million to Mali, and his Government was not satisfied with its effectiveness. He was surprised to see, from operative paragraph 1 of the draft resolution that, although the two programmes were to be consolidated, the special characteristics and operations of both programmes and the two separate funds would be maintained. The idea of consolidation was surely to make the structure more effective and paragraph 1 should stress the co-ordination of the two programmes.

32. Many different views had been expressed on paragraph 4 of document A/C.2/L.795 and Corr.1, especially with regard to the distribution of seats on the Governing Council according to stage of development. He did not agree that seats should be reserved for countries between the developing and developed stages. In any case, the views expressed could hardly be reconciled at the present meeting. He therefore proposed that consideration of the draft resolution should be deferred until the end of the week. Meanwhile, agenda item 49 (Progress and operations of the Special Fund) and item 50 (United Nations programmes of technical co-operation) might be taken up on Wednesday, 3 November. He did not believe that the deferment of a decision would have any effect on the voluntary contributions to be announced at the Pledging Conferences the following day, as Governments had had the possibility of the merger in mind for a long time.

33. Mr. WARSAMA (Somalia) said that the consolidation and unification of the management of the two programmes would lead to the expansion of United Nations technical assistance activities and promote economic co-operation between the developed and developing countries. There was no substantial difference in documents A/C.2/L.793 and A/C.2/L.795 and Corr.1 as regards the composition of the Governing Council: the intention was to give both groups of countries equal responsibility. He therefore suggested

that the phrase "equitable representation", which appeared in the original draft resolution, should be adopted as a compromise.

34. Mr. BRONNIKOV (Byelorussian Soviet Socialist Republic) deplored the feverish atmosphere in which the Committee's decision was being discussed. The essential point at stake was the reorganization of technical assistance programmes into a capital development fund based upon democratic principles. The documents under consideration confined themselves to the proposed merger. As some countries opposed the establishment of a capital development fund, the Committee was apparently ready to settle for the United Nations Development Programme, although the new name would not improve matters, especially if the Expanded Programme was subordinated to the Special Fund.

35. His delegation had yet to hear what the advantages of the new Programme would be. It did not deny the importance of United Nations technical assistance programmes and shared the desire for the more effective functioning of the Special Fund and the Expanded Programme. That was why it favoured a radical change to include the regular programme of technical assistance, a change which would affect not only the structure of the programme, but also its activities. The developing countries required funds for capital development on advantageous terms. Domestic resources must be mobilized. Moreover, the channels through which funds flowed from the developing to the developed countries must be closed. The capital development fund should be established by transformation of the Special Fund in order to expand United Nations investment activities. The new fund, based on the Special Fund and Expanded Programme, would be in keeping with previous decisions by the United Nations and the United Nations Conference on Trade and Development. The Establishment of the United Nations Development Programme jeopardized that transformation. The capital development fund could be established at the current session of the General Assembly, and the opportunity should not be allowed to pass.

36. It would be wrong to make the Managing Director of the Special Fund head of the new Programme; that would subordinate the Expanded Programme to the Special Fund. The new Programme should be administered by representatives of the developing, Western and socialist countries. The composition of the Governing Council too should be based on the principle of equitable geographical distribution. Accordingly, his delegation could not support the draft resolution; the Committee should continue to search for a better solution.

37. Mr. TEMBOURY (Spain) supported the merger and considered the proposal that the Governing Council should have thirty-six seats acceptable. He was not certain how the seats would be distributed. Whatever criterion was adopted, every country should have an opportunity of serving. The classification of countries into developed and developing countries left out many countries from both East and West Europe which were at a transitional stage but wished to serve.

38. Mr. CAMPOS TORRES (Guatemala) said that the consolidation of the two programmes would avoid duplication. His delegation would support the draft resolution in the hope that it would bring about increased and more rapid assistance to the developing countries. He believed that the question of the distribution of seats could be negotiated between the sponsors of the two sets of draft amendments. As the idea of the new Programme was to enhance the benefits to the developing countries, a start should be made by giving them adequate representation on the Governing Council. He therefore supported the suggestion that the sponsors of the amendments should meet to agree upon a joint resolution that could be adopted as soon as possible.

39. Mr. PARDO (Malta) said that, although his delegation was not entirely satisfied with the draft resolution, particularly in view of the inconsistencies between the objectives of the consolidation, as stated in the preamble, and the means by which they were to be achieved, it would not propose any amendments at so late a stage in the discussion. The two amendments proposed concerning the method of electing the Governing Council based the distribution of seats on a distinction between developing and developed countries; it might, however, be more satisfactory to make a distinction between major donor countries and others, since not all developed countries were major donors. A number of proposals which deserved full consideration had been made by earlier speakers, and his delegation supported the suggestion by the representative of Mali that further discussion of the item should be deferred until later in the week to give time for consultations among delegations on all the proposals.

40. Mr. CHAMMAS (Lebanon) pointed out that it was not essential to decide on the draft resolutions and amendments at the current meeting. The position of most delegations had, however, been made clear during the meeting and it might be useful to adjourn for half an hour to settle points still in dispute. If consultations produced no agreement, the Committee could then adopt the Malian suggestion that further consideration of the matter should be deferred until later in the week. It was to be hoped, however, that further consideration of the consolidation proposal would not be unduly protracted.

41. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that the Lebanese representative's attempt to force a decision in half an hour amounted to an ultimatum which his delegation could not accept. The question had been under discussion for only one day in the General Assembly, and it would be quite impossible to negotiate an agreement in half an hour. He therefore supported the Malian proposal.

42. Mr. CHAMMAS (Lebanon) said that there was no question of an ultimatum. Evidently his assessment of the situation differed from that of the Soviet Union representative. However, he had not rejected the Malian proposal and had suggested that it should be considered if the consultations yielded no result.

43. Mr. CARANICAS (Greece) said that it was unrealistic to suppose that agreement could be reached within half an hour. If any of the fourteen main con-

tributors had any misgivings about the postponement of a decision until after the United Nations Pledging Conference on the Expanded Programme of Technical Assistance and the Special Fund, he felt the Committee should continue to consider the matter; otherwise he would support the suggestion made by the representative of Mali.

44. Mr. BRADLEY (Argentina) said that he too would support an adjournment for further consultation. Unless the point at issue could be solved by the end of the week, it was possible that the size of the Governing Council, on which all members seemed to be in agreement, might have to be increased.

45. Mr. ROOSEVELT (United States of America) said that it was the representative who opposed the merger

who most strongly supported postponement of the debate, perhaps in the hope that the matter might be laid aside. The decision should not be delayed until the end of the week and the discussion of the item should be resumed on Wednesday, 3 November.

46. The CHAIRMAN suggested that the meeting should be suspended for a brief period.

*The meeting was suspended at 6.35 p.m. and resumed at 6.45 p.m.*

47. Mr. DIAKITE (Mali) proposed the adjournment of the debate until the meeting in the afternoon of Wednesday, 3 November to allow time for consultations.

*It was so decided.*

The meeting rose at 6.50 p.m.