

RESOLUTIONS ADOPTED ON THE REPORTS OF THE SECOND COMMITTEE

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822 (IX). Question of the establishment of a special United Nations fund for economic development

The General Assembly,

Mindful of the determination expressed in the Preamble of the Charter "to employ international machinery for the promotion of the economic and social advancement of all peoples", and of the obligations of the United Nations and its Members under Articles 55 and 56 of the Charter,

Recalling its previous resolutions and those of the Economic and Social Council on the need to provide financial assistance through international co-operation for the economic development of the under-developed countries and, in particular, on the proposal to establish a special United Nations fund for economic development,

Taking account of all relevant documents prepared in pursuance of the above-mentioned resolutions,

Bearing in mind the increasing progress made in obtaining the support of Governments for such a fund,

Having examined the final report¹ of Mr. Raymond Scheyven prepared in pursuance of General Assembly resolution 724 B (VIII) of 7 December 1953, and the statement² made by him in the Second Committee of the General Assembly,

1. *Expresses* the hope that a special United Nations fund for economic development be established as soon as practicable;

2. *Expresses* its great appreciation of the work done by Mr. Scheyven;

¹ See *Official Records of the General Assembly, Ninth Session, Supplement No. 19* and Corrigendum.

² *Ibid.*, Second Committee, 295th meeting.

3. *Extends* the appointment of Mr. Scheyven for another year in order that he may continue his consultations with Governments, and elicit in the course of his consultations the views of those Governments which have not so far indicated them, on the recommendations contained in the report³ of the Committee of Nine and on the support which may be expected from them for such a fund, and in order that he may undertake such work as is specified in paragraph 5 below;

4. *Urges* Governments to review their respective positions as regards extending their material support to a special United Nations fund for economic development, in accordance with changes in the international situation and other relevant factors, both national and international;

5. *Requests* Mr. Scheyven to prepare, with the assistance of the Secretary-General and of an *ad hoc* group of experts selected by him in consultation with Mr. Scheyven, and on the basis of consultation with the Technical Assistance Board and the specialized agencies concerned as well as of the report of the Committee of Nine and the comments of Governments, a further report giving a full and precise picture of the form or forms, functions and responsibilities which such a special United Nations fund for economic development might have, and especially the methods by which its operations might be integrated with the development plans of the countries receiving assistance from it. Such a report should also consider the working relationship of such a fund 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;

³ See United Nations Publications, Sales No.: 1953.II.B.1.

6. *Requests* Mr. Scheyven to make to the Economic and Social Council, and the Council specially to consider at its twentieth session, such report as may then be possible on the results of his missions and to present his final report to the General Assembly at its tenth session, so that the General Assembly may consider the report together with such comments as may be forwarded by the Economic and Social Council on the report made to it earlier;

7. *Requests* the Secretary-General to provide the above-mentioned *ad hoc* group and Mr. Scheyven with all necessary assistance and facilities.

510th plenary meeting,
11 December 1954.

823 (IX). Question of the establishment of an international finance corporation

The General Assembly,

Being convinced of the need for international co-operation to facilitate the setting up and expansion of productive private enterprise in under-developed countries by the investment of capital without the necessity for governmental guarantees,

Recalling resolution 532 B (XVIII) of the Economic and Social Council,

Bearing in mind the reports⁴ submitted by the International Bank for Reconstruction and Development on the establishment of an international finance corporation and the views of the Bank management regarding the useful contribution which an international finance corporation could make to the stimulation of private investment,

Believing that an international finance corporation, in appropriate form, could contribute materially to the economic development of under-developed areas and to the general stability of the world economy,

1. *Expresses its appreciation* of the studies carried out by the International Bank for Reconstruction and Development;

2. *Takes 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, and looks forward to its establishment as soon as practicable;

3. *Requests* the International Bank:

(a) To prepare draft statutes to govern the corporation, taking into account the views expressed in the United Nations and the responsibilities of existing financial organizations;

(b) To present the draft to the Governments of members of the Bank for discussion and invite them to indicate the degree of support that may be expected from them in providing the capital for the establishment of the corporation;

(c) To take steps to bring about agreement among its members on the draft statutes;

(d) To report on the results of its work to the Economic and Social Council at its twentieth session;

4. *Requests* the Council to report on this matter to the General Assembly at its tenth session.

510th plenary meeting,
11 December 1954.

⁴ See document E/2215; *Official Records of the Economic and Social Council, Sixteenth Session, Annexes*, agenda item 3, document E/2441; and *ibid.*, *Eighteenth Session, Annexes*, agenda item 3, document E/2616.

824 (IX). International flow of private capital for the economic development of under-developed countries

The General Assembly,

Taking note of the reports⁵ on the international flow of private capital prepared by the Secretary-General pursuant to its resolution 622 C (VII) of 21 December 1952,

Recognizing that the international flow of private investment for productive activities contributes to the raising of living standards by assisting in the development of natural resources, the expansion and diversification of agricultural and industrial production, and the growth of technical skills,

Recognizing that the flow of private investment has not been commensurate with the needs in those areas where rapid development is essential for economic progress,

Recognizing that voluntary reinvestment in under-developed countries of profits and earnings of foreign capital not only reduces demand for foreign exchange, but also contributes directly to the expansion of economic activity and the increase in the national income of the country in which it takes place,

Recognizing that expanding international trade and continued progress towards wider convertibility of currencies will be conducive to a greater flow of such investment,

Recognizing the necessity for measures designed to remove the impediments to such a flow and to attract private investment,

1. *Recommends* continuing efforts by countries seeking to attract private foreign capital to:

(a) Re-examine, wherever necessary, domestic policies, legislation and administrative practices with a view to improving the investment climate; avoid unduly burdensome taxation; avoid discrimination against foreign investments; facilitate the import by investors of capital goods, machinery and component materials needed for new investment; make adequate provision for the remission of earnings and repatriation of capital;

(b) Develop domestic and foreign information services and other means for informing potential foreign investors of business opportunities in their countries and of the relevant laws and regulations governing foreign enterprise;

(c) Consider supplementing their efforts to attract foreign private investment by including in their requests for technical advice and assistance from the United Nations and its specialized agencies as well as from the countries well advanced technically, such matters as:

(i) Economic surveys to determine the sectors most likely to be of interest to private investors and to identify specific opportunities within those sectors;

(ii) The preparation of material regarding specific projects in a manner which will command the attention of private investors;

⁵ See United Nations publication, Sales No.: 1954.II.D.1, and document E/2546.