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ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Financing of Economic Development

Argentina, Ceylon, Chile, Egypt, Greece, India, Indonesia, Mexico,
the Netherlands, Venezuela, Yugoslavia: revised joint draft
resolution

The General Assembly

In conformity with the determination of the United Nations, as expressed
in its Charter, to promote social progress and better standards of life in
larger freedom, and for these ends, to employ international machinery for the
promotion of the economic and social advancement of all peoples,

Conscious of the particular needs of the less developed countries for
international aid in achieving accelerated development of the economic and social
infrastructure,

Recalling its resolutions on the establishment of an international fund for
economic development within the framework of the United Nations and, in
particular, reaffirming its unanimously adopted resolution 724 A and B (VIII)
of 7 December 1953,

Noting the recommendation of the Economic and Social Council in its
resolution 662 B (XXIV),

Recognizing that the United Nations Expanded Technical Assistance Programme
is of proven effectiveness in promoting the economic development of the less
developed countries,

Recognizing, however, that neither the Expanded Technical Assistance
Programme nor other existing programmes of the United Nations or the specialized

agencies can now meet certain urgent needs which, if met, would advance the processes of technical, economic and social development of the less developed countries, and, in particular, would facilitate new capital investments of all types - private and public, national and international - by creating conditions which will make such investments either feasible or more effective,

Convinced that a rapidly achieved enlargement in the financial resources and scope of technical assistance rendered by the United Nations and the specialized agencies to the less developed countries would constitute a constructive advance in United Nations assistance and would be of immediate significance in accelerating their economic development,

Recognizing that, while long-term pledges are desirable, some Governments are unable to make financial commitments except with the approval of their legislatures and on an annual basis,

A.

Commends the Ad Hoc Committee on the Question of the Establishment of a Special United Nations Fund for Economic Development for the work embodied in its final and supplementary reports prepared in accordance with General Assembly resolutions 923 (X) of 9 December 1955 and 1030 (XI) of 26 February 1957;

B.

1. Decides that, subject to the conditions prescribed hereunder, there shall be established as a part of the technical assistance and development programmes of the United Nations and the specialized agencies a separate Special Fund which would provide systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the less developed countries,

2. Decides further that, in view of the resources prospectively available at this time, which are not likely to exceed one hundred million dollars annually, the operations of the Fund shall more immediately be used to enlarge the scope of the United Nations programmes of technical assistance so as to include special projects in certain basic fields to be defined by the Preparatory Committee provided for in paragraph 4 below, for example, intensive surveys of water, mineral and potential power resources; the establishment, including

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staffing and equipping, of training institutes in public administration, statistics and technology, and of agricultural and industrial research and productivity centres;

3. Considers that while, without impairing the separate identity of the Special Fund, the fullest possible use should be made of the existing machinery of the United Nations, the specialized agencies (including the existing international financial institutions) and the Expanded Programme of Technical Assistance, the Special Fund will require some new administrative and operational machinery;

4. Decides to establish a Preparatory Committee composed of representatives of _____ Governments to do the following, taking into account the principles set out in the annex:

(a) define the basic fields of assistance which the Special Fund should encompass and, within these fields, the types of projects which should be eligible for assistance;

(b) define in the light of paragraph 3 above, the administrative and operational machinery to be recommended for the Special Fund, including such changes as may be required in the present legislation and procedures of the Expanded Programme of Technical Assistance;

(c) ascertain the extent to which Governments would be willing to contribute to the Special Fund;

5. Requests the President of the General Assembly to appoint the members of the Preparatory Committee;

6. Invites the Secretary-General to provide the Preparatory Committee with all the necessary facilities, including the provision of such expert consultants as might be required;

7. Requests Governments to assist the Preparatory Committee in its work by forwarding their views and suggestions to the Preparatory Committee through the Secretary-General and, in particular, by indicating the extent to which they would be willing to contribute to the Special Fund;

8. Invites the Secretary-General, the executive heads of the specialized agencies and the Executive Chairman of the Technical Assistance Board to forward their views and suggestions to the Preparatory Committee;

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9. Requests the Preparatory Committee to submit the results of its work in the form of a report and recommendations to the twenty-sixth session of the Economic and Social Council;

10. Requests the Economic and Social Council to transmit the Preparatory Committee's Report, together with its own comments, to the thirteenth session of the General Assembly for final action;

11. Looks forward to the establishment of the Special Fund as of 1 January 1959;

12. Appeals to all States Members of the United Nations, in a spirit of co-operation and solidarity, to give the greatest possible assistance to the Special Fund;

C.

Decides that as and when the resources prospectively available are considered by the General Assembly to be sufficient to enter into the field of capital development, principally the development of the economic and social infrastructure of the less developed countries, the General Assembly shall review the scope and future activities of the Fund and take such action as it may deem appropriate.

ANNEX

I. The Special Fund shall be a multilateral fund of the United Nations, with financial resources principally derived from voluntary annual contributions of Governments and others in (or transferrable into) currency usable by it and as much as possible pledged or indicated for a number of years.

II. Assistance from the Special Fund shall be given only to projects which would make a contribution to the economic development of the requesting country or countries. The operations of the Special Fund shall be in conformity with the principles of the Charter of the **United Nations** and shall not be influenced by political considerations.

III. The Special Fund shall be administered by a chief executive officer under policies established by an executive body in accordance with such rules and principles as may be laid down ~~by~~ the General Assembly and the Economic and Social Council. The membership of the executive body shall be equally distributed between two groups, one consisting mainly of major contributing countries and the other consisting mainly of less developed countries. Each member of the executive body shall have one vote. Decisions of the executive body on questions of policy, including the allocation of funds, shall require a qualified majority vote.
