

Ninth Session

Item 9

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Report of the Economic Committee

The Economic Committee, under the Chairmanship of Mr. H. Santa Cruz (Chile), considered at its 55th to 80th meetings (see E/AC.6/SR.55 to 80) item 9 of the agenda of the Council "Economic Development of Under-Developed Countries", which was referred to the Committee by the Council at its 312th meeting (see E/SR.312) on 27 July 1949.

The Committee had before it documents:

E/1327, E/1327/Add.1, E/1327/Add.1/Corr.1, E/1327/Add.1/Corr.2, E/1333, E/1333/Corr.1, E/1333/Add.1, E/1335, E/1335/Add.1, E/1335/Add.2, E/1335/Add.2 Annex, E/1335/Add.3, E/1356, E/1369, E/1373/Rev.1, E/1381, E/1383, E/1383/Add.1, E/1408, E/1448, E/AC.6/39, E/AC.6/40, E/AC.6/41, E/AC.6/42, E/AC.6/43, E/AC.6/44, E/AC.6/45, E/AC.6/46, E/AC.6/47, E/AC.6/47/Corr.1, E/AC.6/48, E/AC.6/49, E/AC.6/50, E/AC.6/51, E/AC.6/52, E/AC.6/53, E/AC.6/54, E/AC.6/55, E/AC.6/56/Rev.1, E/AC.6/57, E/AC.6/58, E/AC.6/W.49/Rev.1, E/AC.6/W.50, E/AC.6/W.51, E/AC.6/W.52.

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EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE
FOR ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

1.

The Economic Committee decided on 12 July 1949 to recommend the following draft resolution for adoption by the Council:

Expanded Programme of Technical Assistance for Economic DevelopmentThe Economic and Social Council,

A. Having considered the report (E/1327/Add.1) prepared by the Secretary-General, in consultation with the specialized agencies, on

B. Being convinced that the economic development of under-developed countries requires the carefully co-ordinated utilization of the scarce financial and technical resources of these countries by their governments as well as a co-ordinated foreign supplementation of those resources;

C. Being impressed with the significant contribution to economic development that can be made by an expansion of the international interchange of technical knowledge through international co-operation among countries;

D. Believing that a sound international programme of this character must combine and make use of the experience of many nations, with different social patterns and cultural traditions and at different stages of development, so as to facilitate progress in the less advanced countries and to help solve their technical and economic problems;

E. Transmits to the General Assembly the above-mentioned report (E/1327/Add.1) together with the observations and guiding principles set out in Annex A of this resolution;

F. Recommends that the General Assembly approve the draft resolution attached (Annex B), which provides for an expanded programme of technical assistance for economic development of under-developed countries;

G. Requests the Secretary-General to establish, subject to approval by the General Assembly of the draft resolution in Annex B, the Technical Assistance Committee (TAC) which shall consist of the executive heads, or their representatives, of the organizations which participate in accordance with this paragraph in the expanded programme of technical assistance. The Secretary-General, or his representative, shall be Chairman of the Committee and its Executive Secretary shall be designated by the Secretary-General. Within the TAC:

1. Each participating organization shall inform the other organizations of requests to it for technical assistance for economic development;

2. Important requests for such assistance shall be promptly discussed by the participating organizations;

3. The participating organizations shall discuss their co-ordination efforts under this programme, shall consult before

comprehensive missions and programmes of assistance involving several organizations are arranged, and each shall be prepared to co-operate fully with the others in activities involving their common interests;

4. The participating organizations shall exchange information which becomes available to them on current developments in the field of technical assistance, including the progress of technical assistance rendered or projected by them, by Governments and by private organizations;

5. Periodic reports shall be made to the Technical Assistance Policy Committee mentioned below; these reports shall include an examination of activities undertaken, results achieved and a statement on funds received and committed under this expanded programme;

6. Each participating organization shall present annually to TAC its proposed programme for the next fiscal year in the light of its experience with the expanded programme. The programmes of the several participating organizations shall be examined in relation to each other, and TAC shall make recommendations concerning them and the total programme to the Council through the Technical Assistance Policy Committee;

7. All decisions shall be taken by general agreement and when agreement cannot be reached the issue in dispute shall be referred for decision to the Technical Assistance Policy Committee of the Council;

8. The Executive Secretary shall direct the staff required to:

(a) convene and service the TAC and prepare the needed documents;

(b) collect and circulate to members of the TAC:

(i) information regarding inquiries for technical assistance received by the participating organizations;

(ii) programmes of the participating organizations for technical assistance in the fields for which they are responsible;

- (iii) information on technical assistance rendered and projected by the participating organizations and any other information which becomes available to them concerning such assistance rendered by governments or by other public or private bodies;
- (c) prepare or arrange for such studies in regard to requests and plans for technical assistance as may be needed by the TAC, and furnish, when required, information and analyses relating to the needs and conditions of the various countries requesting assistance;
- (d) prepare for the TAC, with the assistance of the organizations and governments concerned, such reports on the operations carried out under the expanded co-operative programme of technical assistance as may be necessary;
- (e) perform such other functions as the efficient operation of the TAC may require.

9. Appropriate arrangements shall be made by the Secretary-General whereby the executive heads of the participating organizations may assign members of their staff to the staff of the TAC as necessary.

H. Decides to establish a standing Technical Assistance Policy Committee (TAPC), consisting of the Members of the Council, which is authorized to sit while the Council is not in session and which shall have the following terms of reference:

1. To make for the Council critical examinations of activities undertaken and results achieved under the expanded programme of technical assistance;
2. To review each year's programme presented to it by the TAC and report to the Council concerning it, making such recommendations as it may deem necessary;
3. Interpret this resolution in cases of conflicts or questions submitted to it by TAC, through its chairman, and decide any such conflicts or questions accordingly;
4. Receive reports from the TAC on progress and implementation of the programme and on disbursements of funds under the expanded programme;

5. Review the working relationships between the participating organizations and the effectiveness of the methods of co-ordination in connection with their technical assistance programmes, making recommendations when appropriate;

6. Perform such other relevant functions as the Council may assign to it from time to time.

I. Requests that the Technical Assistance Committee and the Technical Assistance Policy Committee, in carrying out their terms of reference, be guided by the "Observations on and Guiding Principles of an Expanded Programme of Technical Assistance for Economic Development" (Annex A) and take into account the records of the debate on the expanded programme which occurred during the ninth session of the Council.

J. Recommends to the General Assembly that it authorize the Secretary-General to set up a Special Account for Technical Assistance for Economic Development to which contributions of countries shall be credited and from which transfers shall be made to the participating organizations exclusively for the expanded technical assistance programme to be carried out in the light of the observations and guiding principles contained in Annex A and for administrative expenses connected therewith. The Special Account may include an evaluation of services or materials on the basis of credits in domestic currencies which governments are prepared to make available. The Special Account shall be administered in accordance with the following financial arrangements:

1. Contributions shall be made by Governments in such forms and subject to such conditions as may be agreed between the Secretary-General, after consultation with the TAC, and the contributing Governments provided that contributions shall be made without limitation as to use by a specific agency or in a specific country or for a specific project;

2. The Secretary-General shall allot contributions received during the fiscal year as follows:

(a) The first \$10,000,000 in contributions shall be automatically available for distribution to the participating organizations for the expanded technical assistance programme;

(b) Of the second \$10,000,000 of contributions received, 70% shall be automatically available for distribution to the participating organizations' and 30% shall be retained for subsequent allocations, bearing in mind the desirability of retaining an appropriate proportion of convertible currencies;

(d) All contributions above \$20,000,000 shall be similarly retained.

3. Contributions automatically available for distribution to the participating organizations, in accordance with paragraph 2(a) and (b) above, shall be transferred by the Secretary-General to the organizations in accordance with the following percentages:

	Per cent
United Nations	23
International Labour Organization	11
Food and Agriculture Organization .. , ...	29
UNESCO	14
ICAO	1
World Health Organization	22
Total..	<u>100</u>

4. ~~Contributions retained under paragraph 2(b) and (c)~~ above shall be allotted by the TAC in such a manner as it may decide and at such time as it may decide, having regard to such relevant factors as the amounts and kinds of resources on hand and receivable, the technical assistance requests received which fall within the field of the several participating organizations, the uncommitted balances held by them, and the need for the retention of any reserves to meet unforeseen requests from Governments.

5. The Technical Assistance Committee shall determine the manner in which different currencies and services or materials can be most effectively utilized.

6. The amounts received by the participating organizations shall be available to them for the purpose of assuming obligations

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or commitments during the fiscal year in which these amounts are received, but actual expenditures shall be allowed to extend over a period of not more than the two ensuing fiscal years.

7. The Secretary-General and the executive heads of the other participating organizations shall, after consultation, make appropriate arrangements for the audit of contributions and expenditures under this programme.

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K. Recommends that the specialized agencies concerned take such steps as may be necessary to enable them (i) to participate fully under this programme, to adhere to the principles set out in Annex A and to receive monies and other resources from the Special Account established by paragraph I; (ii) to use these monies and resources for the purposes set out in Paragraph I, to exercise the required controls over the technical assistance activities and the monies and resources received, and to account for their expenditure; and (iii) to report to the Technical Assistance Policy Committee through the Technical Assistance Committee on their activities financed from the Special Account.

L. Decides that the financial and allocation arrangements shall be reviewed by the Economic and Social Council not later than its twelfth session in the light of experience during the first year, taking due account of the recommendations of the Technical Assistance Committee to the Technical Assistance Policy Committee.

M. Decides, subject to approval by the General Assembly of the resolution in Annex B, to call, in accordance with the supplementary rule of procedure of the General Assembly on the calling of international conferences by the Economic and Social Council, a Technical Assistance Conference for the purpose of ascertaining the total amount of contributions available from participating Governments for the execution of the expanded technical assistance programme of the United Nations and the specialized agencies during the first period of its operation.

N. Requests the Secretary-General

(a) To convene the Technical Assistance Conference at the headquarters of the United Nations at such time as the Secretary-General finds appropriate but, if

possible, during or immediately following the fourth session of the General Assembly;

- (b) To invite, with the right to vote, all Members of the United Nations and all other Governments members of any specialized agency participating in the programme;
- (c) To invite, without the right to vote, representatives of the specialized agencies.

Observations on and Guiding Principles of an
Expanded Programme of Technical Assistance for
Economic Development

PREAMBLE

The Council recommends the following principles to serve as guides to the United Nations and specialized agencies participating in the expanded programme^{*} of technical assistance, hereinafter called the "participating organizations".

I. GENERAL PRINCIPLES

The participating organizations should, in extending technical assistance for economic development of under-developed countries:

1. Regard it as the primary objective to help those countries to strengthen their national economies with a view to ensuring for their peoples the attainment of higher levels of economic and social welfare; and
2. observe the following general principles laid down in General Assembly Resolution 200 (III):
 - a. Technical assistance for economic development of under-developed countries shall be rendered by the participating organizations only in agreement with the Governments concerned and on the basis of requests received from them;
 - b. the kinds of services to be rendered to each country shall be decided by the Government concerned;
 - c. the countries desiring assistance should perform, in advance, as much of the work as possible in order to define the nature and scope of the problem involved;

* Although the word "programme" is employed in this connection, it is not contemplated that all projects described in the "programme" would or should be executed; rather what is contemplated is that the United Nations and the specialized agencies should hold themselves ready to render to the under-developed countries, at their request, the types of technical services which are described in the "programme" and which are designed to assist them in their economic development.

- d. the technical assistance furnished shall:
- (i) not be a means of foreign economic and political interference in the internal affairs of the country concerned and shall not be accompanied by any considerations of a political nature;
 - (ii) be given only to or through Governments;
 - (iii) be designed to meet the needs of the country concerned;
 - (iv) be provided as far as possible in the form which that country desires.

II. STANDARDS OF WORK AND PERSONNEL

1. Highest professional competence should be maintained in all services undertaken by the participating organizations in rendering technical assistance to requesting countries;
2. Experts should be chosen not only for their technical competence but also for their sympathetic understanding of the cultural backgrounds and specific needs of the countries to be assisted and for their capacity to adapt methods of work to local conditions, social and material;
3. Adequate preparation of experts should be provided before assignments are undertaken; such preparation should be designed to give understanding of the broad objectives of the common effort and to encourage openmindedness and adaptability;
4. Experts and groups of experts visiting a country should not engage in political, commercial, or any activities other than those for which they are sent. The scope of their duties should be strictly defined in each case;
5. Even when allocations are committed, projects should not be commenced unless properly qualified experts and assistants are secured and trained;
6. All Governments should be invited to co-operate in the securing and selecting of qualified staff and to facilitate, when necessary, arrangements for their temporary release and for their continued employment on return;

7. Universities, technical schools, foundations, research institutions and other non-governmental sources of experts should be encouraged to release experts for full assignments under the programme and to undertake special research projects on problems related to economic development.

III. PARTICIPATION OF REQUESTING GOVERNMENTS

The requesting Governments should be expected to agree: _____

(a) To facilitate the activities requested from the participating organizations by assisting them to obtain the necessary information about the problems on which they have been asked to help; and whenever appropriate, facilitate their contacts with individuals and groups, in addition to government agencies, concerned with the same or related problems;

(b) To give full and prompt consideration to the technical advice they receive as a result of their co-operation with the participating organizations in response to the requests they have initiated;

(c) To undertake to maintain or set up as soon as practicable such governmental co-ordination machinery as may be needed to ensure that their own technical, natural and financial resources are mobilized, canalized and utilized in the interest of economic development designed to improve the standard of living of their peoples and through which the effective use of any major international technical assistance resources could be assured;

(d) Normally to assume responsibility for a substantial part of the costs of technical services with which they are provided, at least that part which can be paid in their own currencies;

(e) To undertake the sustained efforts required for successful economic development, including continuing support of and progressive assumption of financial responsibility for the administration of projects initiated at their request under international auspices;

(f) To publish information or provide for study and analysis material suitable for publication regarding the results of the technical assistance rendered and the experience derived therefrom so that it may be of value to other countries and to the international

(g) To inform the participating organizations, whenever technical assistance is requested, of all assistance which they are already receiving or requesting from other sources in the same field of development;

(h) To give publicity to the programme within their countries.

IV. CO-ORDINATION OF EFFORT

1. The projects falling within the competence of participating organizations should be carried out by them and the co-ordination of their work should be effected with due regard to the constitutional relations among them;

2. The work undertaken by the participating organizations under the expanded technical assistance programme should be such as to be suitable for integration with their normal work;

3. Arrangements should be made for requests for assistance within the sphere of two or more organizations to be handled jointly by the organizations concerned; and there should be co-ordination among the participating organizations at the planning level before commitments by them are entered into with Governments;

4. Technical assistance activities which are not at the present time the special responsibility of any specialized agency, such as certain aspects of industrial development, manufactures, mining, power and land and water transport, should be undertaken by the Secretary-General of the United Nations;

5. All requests for technical assistance which involve comprehensive or regional development projects falling within the purview of more than one organization should first be submitted to joint examination by the organizations concerned; such requests should be directed to the Secretary-General of the United Nations;

6. Programmes of training should be the subject of co-operative action among participating organizations.

V. CONCENTRATION AND ECONOMY

Within the wide range of activities envisaged, the participating organizations should practise, especially at the initial stages of their programmes, concentration of effort and economy. The participating organizations should also ensure the fullest use of any existing facilities.

VI. SELECTION OF PROJECTS

1. The participating organizations, in determining whether to extend services in response to requests for assistance, should be guided by the objectives of the expanded programme. The services envisaged should aim at increased productivity of material and human resources, and a wide and equitable distribution of its benefits, so as to contribute to the realization of higher standards of living for entire populations. Due attention should be paid to the social conditions which directly affect economic development. Requests for technical assistance may therefore be approved which will help Governments to take account of the probable consequences of proposed projects for economic development in terms of the welfare of the population as a whole, including the maintenance of full employment, and of the social conditions, customs and values in a given area that would directly influence the kinds of economic development that may be feasible and desirable. Similarly requests may also be approved for technical assistance to Governments desiring to undertake the specific social improvements that are necessary to permit effective economic development, and to mitigate the social problems, particularly problems of dislocation of family and community life, that may arise as a concomitant of economic change. In any national programme for economic development, any increased services undertaken by the Government can be maintained, in the long run, only out of national production. Therefore, special attention should be given in timing and emphasis to activities tending to bring an early increase in national productivity of material and human resources;

2. The participating organizations, when reviewing and placing in order of priority the requests which they receive, should so far as possible, ensure that due regard be paid to the urgency of the needs of the various applicants and their geographical distribution;

3. In response to requests from Governments, especially in connection with plans for economic development, special consideration should be given to the resources and methods of financing. It is recommended, therefore, that participating organizations, before undertaking work of an extensive character involving substantial cost, should assure themselves that Governments requesting such assistance are giving full consideration to major capital investment or large continued governmental expenditure which may be needed as a result of this technical assistance. Governments may also require advice concerning conditions and methods of financing appropriate to such projects. Close co-operation among the specialized agencies in responding to requests for technical assistance can facilitate the attainment of this objective.

4. Requests for the furnishing of equipment and supplies may be considered insofar as they form an integral part of a project of technical assistance.

ECONOMIC DEVELOPMENT OF
UNDER-DEVELOPED COUNTRIES

Expanded Programme of Technical Assistance for
Economic Development

THE GENERAL ASSEMBLY,

- A. HAVING CONSIDERED the Economic and Social Council's resolution No. on an expanded programme of technical assistance for economic development;
- B. APPROVES the observations and guiding principles set out in Annex A of that resolution and the arrangements made by the Council for the administration of this programme;
- C. NOTES the decision of the Economic and Social Council to call a Technical Assistance Conference for the purpose of negotiating contributions to this programme;
- D. APPROVES the decision of the Economic and Social Council regarding financial arrangements for administering contributions;
- E. INVITES all Governments to make as large voluntary contributions as possible to the Special Account for Technical Assistance.

2.

The Economic Committee decided on 8 August 1949 to recommend the following draft resolution for adoption by the Council:

Relations between the United Nations
and Regional Organizations

The Economic and Social Council,

1. Considering that, in addition to the expanded programme of technical assistance to be rendered by the United Nations and the Specialized Agencies, facilities for similar services are being expanded by regional organizations;
2. Considering the valuable contribution that these Organizations can make to the successful implementation of the general programme of technical assistance of the United Nations;

3. Recognizing the necessity of avoiding duplication of efforts and the advantages that the organizations concerned may derive from the interchange of information and of experience; but
4. Recognizing further that until programmes have reached a more concrete form any efforts to arrive at specific forms of co-ordination would be premature;
5. Authorizes the Secretary-General, in consultation with the Specialized Agencies concerned, to enter into negotiations with the appropriate officers of inter-governmental regional organizations engaged in the development of technical assistance programmes with a view to ensuring the desirable co-ordination for the carrying out of the technical assistance activities of the organizations concerned; and
6. Requests the Secretary-General to report to the Council on the results achieved so as to enable it, when more experience is available, to examine the advisability of establishing other forms of relationship between the United Nations and the Specialized Agencies on the one hand, and the regional organizations, on the other.