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Item 9 of the provisional agenda

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT

Addendum to Second Report by the Secretary-General^{1/}

Technical Assistance Programmes Proposed for 1950

Pursuant to General Assembly resolution 200(III)

1. The General Assembly, in paragraph 6 of resolution 200(III), recommended to the Economic and Social Council that
"...it review at each session the actions taken under the present resolution and, when necessary, formulate recommendations concerning policy and budgetary action required by the General Assembly to carry on the functions instituted by the present resolution."
2. The Secretary-General, in his second report on technical assistance for economic development of 25 May 1949 (document E/1335), described the steps taken by him to implement resolution 200(III). He also stated in that report that pending completion of his budget statement to the Fourth General Assembly he was not then in a position to formulate specific recommendations concerning budgetary action required by the General Assembly to continue the activities started under resolution 200(III). This addendum to the report of 25 May 1949 is designed to enable the Council to undertake the review provided for in paragraph 6 of the General Assembly's resolution 200(III). —
3. The second report to the Economic and Social Council on the implementation of General Assembly resolution 200(III) (see document E/1335),

^{1/} This document as well as the report to which this is an addendum deals with the General Assembly's resolution 200(III). It should be noted that the Secretary-General has also been requested to report to the ninth session of the Economic and Social Council on other aspects of economic development: Report under resolution 179(VIII) on measures already devised by the Council and the specialized agencies to promote economic development and raise the standards of living of under-developed countries (E/1345); Report under resolution 179(VIII) on methods of financing economic development of under-developed countries (E/1333); and Report under resolution 180(VIII) on a comprehensive plan for an expanded co-operative programme of technical assistance for economic development (E/1327/Add.1).

pointed out that the programme of technical assistance for economic development had been in operation for a period of less than five months. It may, therefore, perhaps be too early for the Secretary-General to make recommendations to the Council concerning any modifications in policy or general scope of operations. Nevertheless, it appears even now that the Council may wish to give consideration to the expansion of the scope of the technical assistance programme. More specifically, it may be desirable to begin to give thought to the organization of demonstration projects which could serve as models of how advanced techniques can be adapted and applied to the specific problems of under-developed countries. Should the Council find this type of expansion of the functions now authorized under resolution 200(III) desirable, it will also have to consider the related problem concerning the provision of some equipment and supplies which may be necessary in connexion with such demonstration projects. Equipment and supplies would similarly be required should it be considered appropriate to assist under-developed countries in the improvement or establishment of technological and industrial research facilities.

4. With respect to the Council's recommendations concerning budgetary action required by the General Assembly to carry out the functions now authorized by resolution 200(III), the Secretary-General sets out below his suggestions concerning the scale of activities which appears to be warranted, as a minimum, by the requests for technical assistance that have thus far been made by Member Governments. The Council will wish to note in this connexion that when the Fifth Committee of the General Assembly submitted its advice to the Third General Assembly at the time resolution 200(III) was under consideration, it pointed out that if the resolution were adopted, "additional expenditures may be expected in future years" (A/745).^{2/}

5. Experience thus far indicates that the technical assistance services for economic development which the Secretary-General can provide to Member Governments pursuant to resolution 200(III) require expansion in 1950 along the following lines:

(a) Activities under paragraph 3(a)

(1) Comprehensive missions

Discussions with Member Governments indicate that additional requests for comprehensive missions will be made in the latter part of 1949 and the number of requests for similar missions may be expected in 1950. Given the present scale of operation of the Technical Assistance Programme and

administrative and organizational aspects of the Programme, it is believed that the provision of three comprehensive economic missions could be undertaken in 1950. From the knowledge gained as a result of the recent United Nations Mission to Haiti, it is believed that each comprehensive mission would be in existence for about five months, a month longer than in the case of the Haitian Mission, which would allow three to four months in the field and the remainder at Lake Success. Subject to agreement, the Government of the country receiving the mission would, as a minimum, bear the cost of the expenses which could be met in local currency. The cost to the United Nations of the anticipated requests under this heading is estimated as approximately \$135,000 in 1950.

(ii) Advisory services by individual and groups of experts

The Secretary-General anticipates a substantial increase in requests for expert advice and assistance on specific problems related to economic development. In part these requests will be stimulated by the work of comprehensive missions, in part by the wider appreciation among under-developed countries of the range of subjects on which the United Nations can offer expert advice. Taking into account the expenses to be borne by the Governments receiving the assistance, the costs to the United Nations of the expected requests in 1950 under this heading are estimated as about \$130,000.

(b) Activities under paragraph 3(b)

Training of experts abroad

The interest shown by many Member Governments in the Economic Development Fellowship Programme for 1949 is indicated in paragraph 5 of the Secretary-General's Report of 25 May (E/1335). In the opinion of the Secretary-General this interest demonstrates a clear need for the expansion of this programme. It is therefore recommended that in 1950 one hundred fellowships be made available compared with the sixty fellowships available in 1949. Governments requesting this type of assistance appear to be prepared to bear an appreciable part of the cost of the fellowships. A programme of 100 fellowships is estimated to require an expenditure by the United Nations of \$200,000.

(c) Activities under paragraph 3(c)

Training of local technicians within under-developed countries

The organization of short-term training institutes described in paragraph 6 of document E/1335 promises to be an economical and efficient method of training local technicians within under-developed countries. It is therefore proposed to extend the organization of such institutes to cover a variety of problems of economic development, for example, combined resource
/development

development techniques, water control and utilization, techniques for development of industrial resources, techniques for programming for economic development, techniques of road construction, and statistical organization and survey techniques.

Each training institute would last for six to eight weeks and would be conducted as a rule by four experts provided by the United Nations Secretariat. Some thirty experts from Member Governments would participate, drawn for the most part from the host government and from neighbouring under-developed countries. It is assumed that host governments will provide facilities and assistance. Two of these institutes might be organized at no greater expense to the United Nations than that of the salaries and travel expenses of the experts referred to in paragraph 5(a)(ii) above. The cost of two further institutes is estimated at approximately \$24,000.

(d) Activities under paragraph 3(d)

(i) Assistance to Governments in obtaining personnel, equipment, supplies and technical information

It is suggested that the Secretariat clearing house on technical information referred to in paragraph 7 of document E/1335 be carried on and expanded to a limited extent. It is thought that the cost of such a service could be absorbed in the cost of the general administrative staff referred to in the paragraph which follows.

(ii) Organization of seminars on special problems of economic development

The study and analysis of specific problems of economic development by a small group of six to eight recognized experts on the basis of monographs prepared by them in advance, and the subsequent publication of both monographs and a record of their discussion is regarded as a valuable method of advancing the analysis of problems of economic development. One such seminar is being organized in 1949. In 1950 it is believed that two further seminars of this type could be arranged, each to take up a specific aspect of economic development. The cost of two seminars, including a fee paid to the expert for the preparation of his monograph, travel and subsistence expenses in connexion with the meeting, and funds for the publication of a report, is estimated at about \$20,000.

(iii) Publications

It has already been indicated in paragraph 7 of document E/1335 that the publication of an Economic Development Bulletin will be commenced in 1949. It is suggested that provision should be made for the publication of three issues of the Bulletin in 1950. The cost of printing the bulletin

in three languages is estimated as about \$15,000.

In addition to the Bulletin, it is suggested that in 1950 five technical handbooks be published dealing with such subjects as techniques of market analysis adapted to needs of under-developed countries; methods of construction engineering suitable to tropical areas; modern road building materials and how and where they can be used; small-scale manufacture of pigments and paints; and methods suitable for small-scale manufacture of fertilizers. About \$15,000 would be required to meet the total cost of these handbooks including printing as well as fees to consultants to prepare the necessary texts.

(e) Administration

The experience of administering the programme of technical assistance under resolution 200(III) has indicated the need for expanding the staff entrusted with the general direction of this programme. Too much of the top direction has in the first few months of the programme had to be carried out by senior Departmental personnel who will in any case have to be relieved of the administrative details in the future. If the Secretary-General's recommendations regarding the Technical Assistance Programme for 1950, described in paragraph 5(a) to 5(d), are adopted, a larger staff than that provided in 1949 will be required. The cost of the administrative unit required in 1950 should not, however, at this stage, exceed twenty per cent of the total programme cost. The sum estimated to be required is \$130,000; any further growth of the Technical Assistance Programme would need less than a proportionate increase in administrative costs.

A further sum of \$7,000 is estimated to be required for communications and freight, giving a total administrative cost of \$137,000.

(f) Total cost of proposed programme in 1950

The total cost of the proposed programme of activities to be carried out in 1950 under the General Assembly's resolution 200(III) is thus estimated as \$676,000 compared with the \$307,750^{3/} appropriated for these purposes in 1949. A summary of the items is:

Comprehensive Missions	\$135,000
Advisory services by experts	130,000
Training of experts abroad	200,000
Training of local technicians within under-developed countries	24,000
Organization of seminars on special problems of economic development	20,000
Publications	30,000
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	\$539,000
Administration	137,000
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Total	<u>\$676,000</u>

^{3/} On a gross salary basis. The 1949 appropriation for these purposes on a net salary basis amounts to \$288,000.

ANNEX

REPORT BY THE FIFTH COMMITTEE ON THE
FINANCIAL IMPLICATIONS OF THE DRAFT RESOLUTION ON
TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT PROPOSED BY
THE SECOND COMMITTEE*

1. In accordance with rule 142 of the rules of procedure of the General Assembly and with the request of the President in his letter dated 20 November 1948 (A/C.5/253), the Fifth Committee, at its 166th and 167th meetings, considered the financial implications of the draft resolution adopted by the Second Committee relating to technical assistance for economic development (A/C.2/W.8).**

2. As a basis for its consideration of these implications, the Committee had before it, in addition to the draft resolution of the Second Committee, the draft report of the latter to the General Assembly (A/C.2/W.10), estimates submitted by the Secretary-General (A/C.5/264) and a report thereon by the Advisory Committee on Administrative and Budgetary Questions (eleventh report of 1948, A/735) recommending that a total credit of \$170,000 should be added to section 10 of the budget estimates (Department of Economic Affairs) in respect of the year 1949. The recommendation of the Advisory Committee was based on the estimated cost of two comprehensive economic missions in 1949 (\$70,000), of thirty fellowships (\$60,000), of the other activities specified in paragraph 3 of the draft resolution (\$15,000) and of the additional administrative personnel considered necessary (\$25,000).

3. At the 166th meeting of the Fifth Committee the delegation of Chile proposed (A/C.5/271) that the Committee, in its report to the General Assembly, should confirm the Secretary-General's estimate of the additional costs which would be incurred by the United Nations in 1949 (A/C.5/264) as a result of the adoption by the General Assembly of the Second Committee's draft resolution. These estimates were based on the assumption that three economic missions would be dispatched during the year, at a cost of \$94,000; that ninety fellowships would be financed at a cost of \$180,000; that the cost of other activities in paragraph 3 of the draft resolution

* This report was originally issued on 30 November 1948 as A/745.

** For the text of the draft resolution see document A/737, page 14.

would involve the expenditure of \$34,000 and that an administrative unit would be required, at an additional cost of \$40,000. A compromise proposal by the representative of Venezuela that the budgetary provision for training experts abroad should be \$120,000, on the basis of a maximum of sixty fellowships, was accepted by the representative of Chile, whose proposal, after a lengthy discussion, was put to the vote with the following results:

- (a) The figure of \$94,000, representing the estimated cost of three comprehensive economic missions, was approved by 30 votes to 5, with 10 abstentions;
- (b) The figure of \$120,000, representing the cost of sixty fellowships, was approved, on a roll-call vote of 26 votes to 11, with 10 abstentions;
- (c) The figure of \$34,000, representing the cost of other activities under paragraph 3 of the draft resolution, was approved by 22 votes to 15, with 8 abstentions;
- (d) The figure of \$40,000, representing the cost of an administrative unit, was approved by 22 votes to 16, with 8 abstentions.

The total estimate of \$288,000, representing one additional sum which would be required in 1949 for the purposes of technical assistance for economic development, was then approved by 23 votes to 11, with 12 abstentions

4. The Fifth Committee calls the attention of the General Assembly to the fact that, while a sum of \$288,000, constitutes the estimate for 1949, additional expenditures can be expected in future years, and that the draft resolution recommended by the Second Committee represents a departure from the present policy being followed by the Secretary-General, according to which the costs of technical services of the nature contemplated by the draft resolution are fully recoverable from the Member Governments for which the services are performed, except in the case of salaries of United Nations staff members so long as it is not necessary to replace them (E/471/Add.1).

5. Whilst fully recognizing the essential objectives which the Second Committee had in mind in recommending the adoption of the draft resolution, the Fifth Committee also considers it desirable to call attention to the Advisory Committee's observation that the virtues of self-help should not be lost sight of and that Governments when framing their requests for assistance should also take due account of the question of sharing of costs of services rendered.

6. The Fifth Committee is of the opinion that particular care should be taken to ensure that activities undertaken by the United Nations in the field of technical assistance for economic development do not duplicate or overlap with functions or services which are a special responsibility of a /specialized

specialized agency. Assurances were given the Fifth Committee that paragraph 4(e) was included in the draft resolution of the Second Committee for this express purpose and that the terms of this paragraph were not intended to authorize or to imply any transfer of funds between the United Nations and specialized agencies in connexion with technical assistance projects.

7. Taking into account the responsibility imposed upon the Secretary-General by paragraph 4(a) of the draft resolution to decide the financial conditions under which the services contemplated should be rendered, and taking into account also paragraphs 5 and 6 of the draft resolution, which arrange for a review, at every session of the Economic and Social Council, of the Secretary-General's activities under the draft resolution, the Fifth Committee endorses the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the policy in regard to sharing of costs should be clearly laid down. The Fifth Committee accordingly suggests that the question of sharing the costs of technical services performed under this and other resolutions of the General Assembly should be studied in all its aspects, during 1949, by the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, with a view to a comprehensive review of the matter by the General Assembly as soon as practicable.

8. The Fifth Committee, therefore, decided to recommend to the General Assembly that note should be taken of the Committee's decision as to the effect on the budget estimates of the United Nations for 1949 of the proposal of the Second Committee concerning technical assistance for economic development - namely, that adoption of this proposal will require additional net expenditure in 1949, under section 10 of the budget estimates, of \$288,000, taking into account that:

Dollars
(US)

- | | |
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| (a) Three comprehensive economic missions may be dispatched, during 1949, under paragraph 3(a) of the draft resolution at a cost to the United Nations of..... | 94 000 |
| (b) Sixty fellowships might be financed during 1949 under paragraph 3(b) of the draft resolution at a cost to the United Nations of..... | 120 000 |
| (c) Other activities under paragraph 3 of the draft resolution would require during 1949 a minimum amount of..... | 34 000 |
| (d) An administrative unit would be required at a cost of.. | 40 000 |