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President : Mr. J. MICHALOWSKI (Poland).

Present :

Representatives of the following States: Australia, Brazil, Colombia, Denmark, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Poland, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Austria, Belgium, Canada, Central African Republic, Greece, Hungary, Indonesia, Ireland, Netherlands, New Zealand, Romania, Spain, Sweden, Tunisia.

Observers for the following non-member States: Federal Republic of Germany, Republic of Korea, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization.

The representative of the International Atomic Energy Agency.

Proposal for the inclusion of an additional item in the agenda of the thirty-fourth session (E/L.968)

1. The PRESIDENT invited the Council to consider the memorandum (E/L.968) by the delegation of Jordan proposing the inclusion of an additional item on the agenda entitled "The Dag Hammarskjold Foundation" and suggested that, in the absence of any objection, that proposal be adopted in accordance with rule 17 of the rules of procedure. The question would be included as item 31.

It was so decided.

AGENDA ITEM 31

The Dag Hammarskjold Foundation

2. Mr. El-FARRA (Jordan) said that it would seem appropriate for the Council to recommend to the General Assembly a draft resolution of the kind appended to the memorandum, so as to take note of the initiative taken in Sweden and other countries to create a memorial to the late Secretary-General in the form of the Dag Hammarskjold Foundation, established at Stockholm on 21 May 1962 with the principal object of promoting the social, political, economic and cultural progress of the developing countries by training their citizens to hold responsible posts. The projects of the Foundation were to be carried out in conformity with the aims and ideals of the United Nations.

3. He regretted that certain procedural considerations had made it impossible to submit the proposal earlier in the session, but believed that the draft resolution should not delay the Council long and would receive unanimous support as a tribute to a man who had given his life in the cause of peace and whose spirit would live on to inspire wider international understanding.

4. Mr. CERULLI-IRELLI (Italy) said that his delegation supported unreservedly the proposal of the Jordanian delegation, which was a tribute to the noble personality of Dag Hammarskjold.

The draft resolution appended to the memorandum of the delegation of Jordan was adopted unanimously.

AGENDA ITEM 5

Economic and social consequences of disarmament (E/L.969 and Add.1 and Add.1/Corr.1) (concluded)

5. The PRESIDENT drew attention to the statement of financial implications (E/L.969/Add.1 and Corr.1) and invited consideration of the joint draft resolution (E/L. 969).

The draft resolution was adopted unanimously.

6. Mr. VALLADÃO (Brazil) said that he would have liked to propose the insertion of the words "particularly for economic assistance to the developing countries" after the words "in military use" in operative paragraph 2 so as to reflect the view expressed in the second paragraph of the preamble to the draft resolution.

7. Mr. LEGGESE (Ethiopia) said that he would have supported such an amendment.

8. The PRESIDENT regretted that the amendment could not be entertained because the joint draft resolution had been adopted by the Council.

AGENDA ITEM 7

Expansion of United Nations activities in the field of industrial development (E/L.967/Rev.2 and Add.1)
(concluded)

9. The PRESIDENT drew the Council's attention to the revised draft resolution submitted jointly by Brazil, Ethiopia, India and Yugoslavia (E/L.967/Rev.2) and to the statement of its financial implications (E/L.967/Rev.2/Add.1).

10. Mr. ARKADEV (Union of Soviet Socialist Republics) urged that full use be made of the experts and help offered by socialist countries in the expansion of United Nations activities in the field of industrial development. He hoped that the senior members of the Secretariat would heed his appeal that such assistance should not be disregarded in a discriminatory manner to the detriment of the interests of countries needing it.

11. An expansion of such activities was praiseworthy, but it should be financed by the reallocation of existing resources and by their more efficient use. He knew from personal experience that funds from EPTA and the Special Fund were not always used in the most sensible manner and that certain unnecessary items of expenditure could be eliminated.

12. He asked that operative paragraph 6 of the draft resolution be put to the vote separately.

13. Mr. ZADOTTI (Italy) said that his delegation wished to reserve its position concerning the financial implications of the draft resolution, not having had enough time to study them. It would express its views on that point in the Fifth Committee of the General Assembly.

14. Mr. REVOL (France) said that his delegation had not yet had time to study the financial implications of the draft resolution, and accordingly reserved the right to comment thereon in the Fifth Committee of the General Assembly.

15. Mr. UNWIN (United Kingdom) said that his delegation also reserved its position concerning the financial implications of the draft resolution; if necessary, it would comment on the matter in the Fifth Committee.

16. The PRESIDENT put to the vote operative paragraph 6 of the draft resolution.

Operative paragraph 6 was adopted by 13 votes to none, with 3 abstentions.

The draft resolution as a whole was adopted unanimously.

AGENDA ITEM 12

Report of the Governing Council of the Special Fund (E/3576, E/3646 and Corr.1, E/3650)

17. The PRESIDENT, opening the discussion on item 12 of the agenda, said that in pursuance of General Assembly resolution 1240 (XIII), paragraphs 9 and 12, the Governing Council of the Special Fund had submitted reports on its seventh and eighth sessions (E/3576, E/3646 and Corr.1). The Managing Director's annual report for 1961 (E/3650) had also been submitted to the Council.

18. Mr. HEURTEMATTE, Associate Managing Director of the Special Fund, said that the Managing

Director deeply regretted his inability to participate in person in the discussions of the Council. Introducing the three reports, he said they gave evidence of the Special Fund's positive achievements: 246 projects had been approved to date, of which 150 were being implemented and implementation of the rest was in course of preparation. Altogether, the projects represented an investment of \$500 million. Though in comparison with the United Nations programme for the Development Decade that figure was perhaps not impressive, it exceeded the total operational expenditure of all the United Nations institutions over the past ten years and in that context was highly significant. Such a high total was proof that the Special Fund had gone beyond the experimental stage, and it reflected the value which countries attached to pre-investment operations, which in that case were at least partially conditioned by the multilateral nature of the Fund's programme.

19. The Special Fund's activities had expanded rapidly, and hence increased resources would be needed to meet the minimum needs for which countries were turning to the United Nations. The General Assembly had fixed at \$100 million the total of the contributions envisaged for the next financial year, but it was not certain whether that target would be reached, and the consequences of a possible reduction in the Fund's programme at the outset of the United Nations Development Decade were disquieting.

20. Out of the sum of \$500 million which he had mentioned, \$210 million represented the contribution of the Fund itself and \$290 million the contributions of the recipient countries. The fact that the countries in question were themselves made responsible for the larger share of the financial liability was a new phenomenon showing the importance which they attached to aid from the Fund. It was also evidence of the high priority accorded under national development plans to each of the projects which had been implemented with the Fund's assistance, for governments agreed to participate in financing a project only if they were really interested in it, and the rule laid down by the Managing Director of insisting on local counterpart contributions had the effect of eliminating improvised proposals or proposals with a theoretical rather than a practical value. In keeping with his policy, the Managing Director had decided recently to entrust to the resident representatives of TAB the duties of directing the Special Fund programmes. In future, they would be directly responsible for liaison between governments and the Special Fund and would thereby be empowered to assist in determining programmes strictly in the light of the national interests of the country concerned.

21. The geographical distribution of the Special Fund's activities was the following: 71 projects in Asia and the Far East, 70 in Latin America, 65 in Africa, 30 in the Middle East and 9 in Europe. Apart from the slight discrepancy between Latin America and Africa, which would very soon disappear, that geographical distribution of its resources seemed to be very fair, a fact which was all the more remarkable since the programmes were established empirically, each project being assessed on its own merits and accepted only if it fulfilled all the necessary conditions.

22. In future, the regional economic commissions would play an increasing part both in the planning and in the implementation of projects, in conformity with the progressive decentralization of United Nations activities. Already the main responsibility for carrying out certain Special Fund projects was entrusted to regional bodies: for example, the Latin American Institute for Economic and Social Planning would operate under the auspices of ECLA (E/3581/Rev.1, para. 80).

23. As to the distribution of the projects according to their fields of activity, in response to demand, the Governing Council had expanded the range of the Special Fund's activities. After UNESCO studies had disclosed the unsatisfactory state of secondary education in some African countries, the Special Fund had assisted in establishing twelve national teachers' training colleges, of which nine were already in operation. Furthermore, the Governing Council had given priority to economic and social programming and planning as indispensable elements for development. Three regional institutes had been planned to speed up the training of specialist staff, including that in Latin America referred to earlier. Among the new priorities were urbanization and industrial development, as well as the establishment of regional development plans for virgin and remote areas. The list of priority fields would naturally be modified as fresh obstacles to progress appeared.

24. It would be premature to try to assess the work of the Special Fund, for as yet very few projects had been completed. However, some examples spoke for themselves. When the Argentine Government had felt some doubts about the feasibility of a hydroelectric power plant, the Special Fund had had a technical survey carried out under the auspices of IBRD at a cost of \$300,000, of which \$50,000 had been contributed by Argentina. The survey had shown that it was possible to guarantee an economic return from investments of up to \$750 million. The Argentine Government had then adopted a ten-year plan, of which part was implemented, thanks to a capital of \$320 million obtained from various sources: IBRD, the Inter-American Development Bank and the Import-Export Bank, but mainly from Argentina itself, which had contributed some \$200 million. In addition, IBRD had just completed a detailed survey of the Argentine transport system, which contained some quite spectacular recommendations — abandonment of 14,000 kilometres of railways, construction of 6,000 kilometres of highway, complete renovation of rolling stock, reorganization of river traffic. The investments, which were expected to yield an economic return, would amount to \$1,500 million over a period of ten years. Those were not typical examples, but they gave some idea of the scope of the Special Fund's activities.

25. In conclusion, if he were asked to sum up all the activities of the Special Fund in a single term, he would choose that of training. For, ultimately, the object of all its efforts was to train national personnel. Even the "operational" programmes — surveys of resources or scientific research, for example — were so conceived that their execution could be entrusted later on to officials of the recipient countries, for progress could not be imported: it was the result of an internal metabolism.

26. Mr. ROSENSTAND HANSEN (Denmark) paid a tribute to the Managing Director's clear and constructive report (E/3650). His delegation attached great importance to the work of the Special Fund and regarded education and training in the widest sense as the most important aspect of technical assistance, for the lack of secondary education in many countries was the most serious obstacle to their development and prevented the use of their natural resources to the best advantage. If education and training were to produce results quickly, a more rapid capital formation was needed. Hence surveys and fundamental research work were required so that natural resources could be put to the best use for accelerating the process of industrialization and diversifying the economy. Modern experience had revealed the importance of economic planning with a view to the integration of individual and collective interests as a means of averting economic crises formerly believed to be inevitable. He welcomed the establishment of regional institutes for economic development and planning, because education, fundamental research and economic programming services together would provide the foundation for growth.

27. The Special Fund had made a good start, and he hoped it would prosper. The question of its being merged with EPTA should be considered at a later stage in the light of the findings of the *ad hoc* Committee of Eight, to which under draft resolution E/TAC/L.276/Rev.1 two additional members would be appointed, and of further experience.

28. He endorsed the principle of help to self-help which governed the financial administration of the Fund and was a valuable incentive to co-operation. The application of the principle should be extended as economic development was achieved, with the ultimate aim of co-operation on an equal footing.

29. His delegation would favour the enlargement of the Fund's terms of reference, with the object of opening up new ways of providing economic aid to developing countries. It would be desirable to associate its activities with assistance from other sources, in a manner combining the advantages of bilateral with those of multilateral aid, and his delegation had noted with pleasure from debates in TAC that that opinion was gaining ground in the developing countries.

30. He noted with satisfaction a better regional balance in the Fund's activities during 1961, but in maintaining that balance due regard should be given to economic and social in addition to demographic factors.

31. In the matter of co-operation with the authorities of recipient countries, he said that the role of resident representatives should be strengthened; the local authorities were often short of staff and faced with formidable problems which the resident representatives could help to solve.

32. He agreed with the Managing Director that all efforts should be concentrated on the fight against poverty, ignorance and disease. However, human problems could not be solved by reason alone and demanded also a spiritual choice and some sacrifices from individuals. He hoped the present generation would firmly resolve not to go to war, but to work for human solidarity and a harmonious world.

33. Mr. ARKADEV (Union of Soviet Socialist Republics) asked the Associate Managing Director of the Special Fund whether any steps had been taken to implement a project approved in May 1961 for the establishment of an agricultural experimental station in Cuba (E/3650, annex I) at a cost to the Fund of over \$1 million and if not, what were the prospects of practical action in the near future.

34. Mr. HEURTEMATTE, Associate Managing Director of the Special Fund, replied that the project in question, which had been approved by the Governing Council of the Special Fund in May 1961 at the request of Cuba, had suffered some delay; the plan of operations was in the final stages, however, and was to be signed in the near future. The case was not a special one; of the projects approved at the same session (May 1961), and even earlier, fourteen or fifteen were in the same position. An international body, like any other bureaucracy, could not avoid certain delays in the implementation of programmes. The question had received the attention of the Special Fund's Governing Council and secretariat, who were doing what they could to speed operations with regard to the above-mentioned project and the fourteen or fifteen others in the same case.

35. Mr. CARRILLO (El Salvador) said that, ever since the establishment of the Special Fund, his government had observed with the keenest interest the operations of that body, which contributed greatly to widening the range and enhancing the effectiveness of technical assistance operations. In Central America, two institutions of very special importance had been established with the Fund's assistance: the Central American Research Institute for Industry, which would play an important role under the economic integration programme for the region, and the Latin American Institute for Economic and Social Planning (set up at Santiago under ECLA auspices), whose governing body would include a representative of the Inter-American Development Bank — a fact which would strengthen the Institute's financial position.

36. Mr. ARKADEV (Union of Soviet Socialist Republics) said that he would not wish to minimize the real achievements of the Special Fund, particularly in assisting the development of developing countries, or the services rendered by its Managing Director, whose analyses of the economic position of developing countries had been interesting, original and fair. He was gratified to note the projects approved by the Governing Council at its seventh session and its appeal to governments to reach agreement on disarmament so as to release additional resources for assistance (E/3576, para. 44). The increase in the funds to be allocated to African countries also marked a welcome advance.

37. The Special Fund was rightly devoting a substantial part of its resources, about 40 per cent, to training, but he was less certain whether the remaining funds were being used to the best effect. It was natural that representatives of countries which were being constantly asked to increase their contributions should be concerned at the way in which they were being used, and he had already frankly criticized the Fund for devoting too much effort

to surveys and research: it should direct itself to achieving more practical results. He deplored that the Fund had not yet sponsored the construction of a single model industrial establishment, which could be of such real and immediate utility to developing countries. Indeed, more funds should be earmarked for direct assistance to industry, a need which had been stressed by the Indian delegation during the early discussions before the creation of the Fund.

38. Though surveys of natural resources in individual countries were useful, they should be carried out by national experts, for whose training the Fund might give help.

39. He was bound to point out with great concern how few of the 205 projects approved by the Governing Council had been completed, a state of affairs which revealed a most unsatisfactory delay between approval and execution.

40. The Associate Managing Director of the Fund had given a straightforward reply to his query about the Cuban project; it was to be hoped that it meant that more practical steps would soon be taken. Nevertheless, it was somewhat curious that projects to an aggregate value of \$4.6 million concerning the Chiang Kai-shek regime and South Korea, though approved after the Cuban project, had already been started. That was surely not a normal situation; there should be a more objective approach by the Special Fund.

41. There was a lack of effective control over the execution of projects. Under the complicated system in force, the Governing Council approved a project, which was then referred to the specialized agencies, and the latter in turn sub-contracted it to private firms. The result was that the role of the national technical assistance committees in many countries was not given sufficient prominence. Moreover, the regional economic commissions, which were so familiar with the needs of a given region, were ignored under that procedure. If they were more closely associated with carrying out projects, there would be improved control.

42. To illustrate his argument, he would refer to the survey of electric power resources in Argentina (E/3650, annex II). The project had been entrusted by the Special Fund to IBRD, which in any case he did not consider to be the appropriate body, and the IBRD had sub-contracted the survey to private firms from the United States and the United Kingdom. In their report, those firms recommended that only thermal power plants should be built. Yet it was common knowledge that Argentina had large potential resources of cheap hydroelectric power which should be developed in the interests of that country; but the firms in question had made no reference to the hydroelectric resources, obviously because they were hoping to have a share in supplying the fuel for the thermal stations. Such a method of sub-contracting did not always answer the needs of the developing countries; he felt quite sure that, if ECLA had been consulted, the conclusion would have been very different.

43. Furthermore, there was sometimes duplication as between the Special Fund and other United Nations agencies so far as the use of experts was concerned.

44. The whole trouble was that the Special Fund had so few results to show; funds were allocated, but were not spent in the proper way. It was not surprising that his government, which had contributed \$4,700,000 to the Fund, was feeling misgivings about it; that money was never spent rationally in the interests of the less developed countries, nor were the services of Soviet technicians utilized. On one occasion, the USSR had asked that no less than 25 projects should be entrusted to it, to be carried out with the assistance of Soviet experts. In the end, after prolonged negotiations, only one project had been entrusted to his country. Bureaucratic methods in the administration of the Special Fund had caused a delay of six months in connexion with a Soviet proposal to build an institute for training oil experts in India.

45. It was not his purpose to try to discredit the Special Fund, but its methods should be more efficient and produce more results; he had no doubt that many officials of the Special Fund shared his views.

46. Mr. VIAUD (France) said that the very fact that the Council considered the annual report of the Special Fund's Governing Council in plenary session showed the great importance it attached to that body's activities.

47. Those activities, judged in retrospect, had begun rather slowly. Apart from the difficulties inherent in starting up new machinery both at Headquarters and locally, it had been necessary to adjust relationships with the specialized agencies. That had been a natural process of "running in", rather than a revolution in technical assistance structures. On the whole, the results of the Fund's activities were not negligible, even though they could not yet be evaluated fully because most of the projects were still awaiting approval or implementation. The tempo of operations had increased, the number of projects approved having risen from 71 at the end of 1960 to a cumulative total of over 240 in 1962 (E/3646, table 2). That acceleration manifestly corresponded to the demand, but it was somewhat disquieting to think that the Special Fund might find itself short of resources if the tempo of its operations were maintained.

48. With regard to the geographical distribution of the projects, it was satisfactory that the number of projects for Africa had increased without detriment to the attention paid to the needs of the other regions of the world (*ibid.*, table 3).

49. The Special Fund was still at an experimental stage. Criticisms of its past activities and possible improvements in its operation or changes in the established priorities should not lead the Council to conclude that more radical changes were needed. Decisions concerning any changes in the Fund's mode of operation should be carefully weighed, in the light of the evidence relating to its activities as a whole. Nevertheless, a number of problems had already arisen with regard to its future activities, both in the Governing Council of the Special Fund itself and in TAC and the *ad hoc* Committee of Eight. One of those problems related to the co-ordination of multilateral and bilateral assistance. France was not opposed to that type of co-ordination; on the contrary, the value of such co-ordination was illustrated by the survey of the Mekong River basin and the establishment of the Teheran Polytechnical Institute; yet surely the

necessary co-ordination could be achieved without elaborate regulations which tended to complicate, instead of simplifying, relations between the several sources of assistance.

50. Another problem was that raised by what might be called the multinational character of teams. Most of the Special Fund's projects were very complex and involved the participation of experts coming from different countries and having different training backgrounds. Those experts were compelled to work together without previous preparation, and sometimes the right team-spirit was lacking. It was for that reason that France had suggested at the eighth session of the Governing Council of the Special Fund that firms of consultants should be employed which could offer the services of multinational teams trained to work together.

51. A third problem was that of the policy to be applied to pre-investment activities. The Special Fund, with the approval of its Governing Council, had given increasing prominence to training, and the Fund's representative had stressed training in the statement he had just made. However, in addition to training, a number of other sectors demanded the Special Fund's attention. The first was public health, to which it had not yet given attention; the Governing Council should consider the possibility of financing projects designed to accelerate the training of doctors and medical staff in the developing countries. Another sector was industrialization. His delegation had already had occasion, in the debate on agenda item 7, to emphasize the outstanding part which the Special Fund might play with regard to pre-investment and training, and had suggested that the Governing Council of the Fund should consider more thoroughly the idea of carrying out comprehensive surveys to determine the possibility of establishing industrial development zones in some developing countries. In that way, the Special Fund might play its rightful part among the bodies responsible for the implementation of United Nations technical assistance programmes. His delegation would not go so far as that of Denmark, which had suggested an enlargement of the Fund's terms of reference; but perhaps the existing terms of reference should be interpreted more liberally.

52. Mr. UNWIN (United Kingdom) said that the representative of the Special Fund had given an encouraging account of its activities during the past year. So far from deploring how little the Fund had achieved, the United Kingdom delegation appreciated what it had succeeded in doing in a relatively short time. It had established an enviable reputation for meeting promptly and effectively the pre-investment needs of the developing countries and had adopted as a basic principle the participation of the recipient governments at every stage of its work. The Special Fund would be one of the most effective tools at the disposal of the Secretary-General during the Development Decade. The very first stages — the formulation of requests and the selection and preparation of projects — showed the extent of the co-operation between the requesting governments, the Special Fund and, in particular, the country directors of Special Fund programmes, whose co-ordinating work was of basic importance and should be extended.

53. His delegation attached particular importance to projects in the field of training and secondary education. He would single out for mention the mounting number of projects of industrial training and the recent establishment of the Latin American Institute for Economic and Social Planning.

54. The geographical distribution of projects was also satisfactory; no region had been neglected, and it was heartening to see that the special needs of Africa had been recognized. His delegation was ready to support the broadening of the criteria by which the Managing Director judged requests, although it believed that the current tripartite activities of the Fund, particularly training and surveys, were of such importance that the scope of the Fund should not be greatly widened before additional resources became available.

55. With regard to financial questions and policies, the system by which each government contributed its share towards the projects from which it benefited was a particularly valuable and productive one; his delegation was particularly glad that many governments were becoming able to undertake a greater share of the total cost of projects. His government contributed as generously to the Fund as its existing commitments, both multilateral and bilateral, allowed, and it was proud to be still providing practically 10 per cent of the Fund's resources. His delegation welcomed the Managing Director's interim proposals with regard to new and more liberal financial procedures and looked forward to receiving his proposals for more permanent arrangements at the next session of the Governing Council.

56. There were still some difficulties to be overcome in connexion with the measures required to put a project into full operation. The delay between the approval of a project and the signature of the plan of operations could be as long as twelve months. The report gave ample evidence of the strenuous efforts by the Managing Director to shorten those delays; his delegation welcomed the great increase in the number of projects for which plans of operation had been prepared or which were being implemented. Another cause of delay was recruitment; difficulties in that connexion might often be overcome by recruiting project managers in advance and by the wider use of sub-contractors. Meanwhile, his delegation endorsed the Managing Director's suggestion that projects for which no plan of operations had been signed after twelve months should be carefully reappraised (E/3646, para. 13).

57. The USSR representative had criticized sub-contracting and referred to an instance in Argentina. That was a country of which he (the speaker) had personal knowledge; it had a large coal-field and oil-fields, and it had not therefore been unreasonable that thermal power stations should have been recommended, particularly as hydraulic resources were scarce and unreliable.

58. The recent proposals for a financial advisory service required some comment in connexion with the investigation of links between pre-investment and investment. The discussions in the Governing Council in May had not provided answers to two essential questions: first, whether there was a uniform demand among developing countries for such a service, and second, how far the

work of such a service was already covered by existing organizations. His delegation hoped that more replies would be forthcoming from governments on the first point and that the information placed before the Governing Council at its next session would enable it to take a decision on the question as a whole.

59. His delegation looked forward with confidence to an increase in the number of projects to be approved and implemented. He was confident that the Special Fund would make an increasing contribution to the growth of the developing countries and to closer international co-operation during and beyond the Development Decade.

60. M. TRIVEDI (India) said that the Council should give the Special Fund constructive guidance on its future activities. The work of the Fund had been rightly praised; but the fact remained that its target of \$100 million had not yet been reached. His country needed every rupee, both from internal and external sources, that it could obtain; nevertheless, its contribution to the Special Fund had risen in 1961 to \$2 million, a fact which demonstrated its support for the Fund and set an example to others.

61. His delegation agreed that the delay between the approval of a project and the beginning of operations was a matter for concern; it agreed too that projects should be carefully reappraised after twelve months if not put into operation by then. Nevertheless, the primary object of such a review should not be to discontinue the project in question, but to inquire into the reason for the delay. In that connexion, procedures at the headquarters of the Special Fund should be examined and any shortcomings there rectified.

62. His delegation regretted that it had not been possible for the Special Fund to make use of suitable government agencies for the execution of projects. Such a course would result in a marked reduction in costs, and greater speed. The matter was one which needed to be given further attention by the Council.

63. While his delegation did not suggest that the activities of the Special Fund should be very greatly expanded, it considered that, within its approved scope, the Fund should adopt a sympathetic attitude in its examination of government requests; there was an impression that requests were sometimes rejected on purely technical grounds. The fullest possible information should be given to the Governing Council and the views of the government concerned should be laid before it before any request was rejected. Moreover, the matter should be discussed by that government with officials at the headquarters of the Special Fund; it was not sufficient that it should be talked over with the Fund's resident director.

64. Mr. FRANZI (Italy) observed that, at the eighth session of the Governing Council of the Special Fund, his delegation had commented at length on the delays at the various stages of projects, both before signature and between signature and execution, and had asked for precise information about the reasons for those delays; no definite information on the subject had been forthcoming, either in the reports or from the Managing Director. It was obvious that there could be various causes; sometimes it was the recipient government that

was responsible, sometimes the specialized agencies. Or again, the delay could be caused by external factors, such as the difficulty of recruiting experts. In the last-mentioned case, delegations were not told in what particular branch of specialized knowledge experts were hard to find. Another problem was that of the geographical distribution of experts. At the sixth session of the Governing Council, the Managing Director of the Special Fund had said that he shared the concern of delegations with regard to that matter; yet there was no reference to that subject in the report on the eighth session.

65. On one occasion, the Managing Director, when asked whether it was possible to exercise some control over the specialized agencies, notably in connexion with the recruitment of experts, had replied that, if the agencies were given responsibility, they had to be given autonomy as well. That being so, it would surely be better to reduce both the autonomy and the responsibility. It had been proposed at the seventh and eighth sessions of the Governing Council that certain projects should be carried out directly by the Special Fund; it would be interesting to know whether in such a case the directives of the Governing Council would be more closely followed.

66. At the next session, the Managing Director would be informing the Governing Council which projects that

had not become operational he recommended for cancellation. In his delegation's view, it would also be interesting to know whether there were any projects that had not become operational within twelve months and which were nevertheless to be continued; if the Managing Director supplied that information, it would be possible for delegations to form a better idea of the Fund's difficulties. It was not his intention to cast any doubt on the judgement of the Managing Director, in which his delegation had every confidence.

67. Lastly, there was the question of the approval by the Governing Council of the projects submitted to it. They were discussed very briefly; few delegations spoke on any one project — indeed, the projects which were the subject of comment were in a minority. He wondered whether that was really the way in which the Governing Council should go about its work in a matter of such importance. In his delegation's opinion, the Economic and Social Council should draw the attention of governments to the responsibilities they assumed on election to the Governing Council and urge them to give careful consideration to the various projects submitted to them.

The meeting rose at 6 p.m.