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QUESTION OF ASSISTANCE TO LIBYA

Report of the Secretary-General

1. Both the General Assembly and the Economic and Social Council have devoted much attention to the question of assistance to Libya, which became an independent State in December 1951 in accordance with General Assembly resolution 289 (IV). In particular, resolution 398 (V) adopted by the Assembly on 17 November 1950, emphasized the need for a comprehensive plan for the economic and social development of Libya and resolution 387 (V) urged the Economic and Social Council, the specialized agencies and the Secretary-General to extend to Libya, in so far as they might be in a position to do so, such technical and financial assistance as it might request in order to establish a sound basis for economic and social progress. General Assembly resolution 515 (VI) of 1 February 1952 requested the Economic and Social Council to study, in consultation with the Government of Libya, ways and means by which the United Nations, with the co-operation of all Governments and the competent specialized agencies and upon the request of the Government of Libya, could furnish additional assistance to Libya with a view to financing its fundamental and urgent programmes of economic and social development, giving consideration to the possibility of opening a special account of voluntary contributions to that end.

2. At its eighth session, the General Assembly again considered the problem of assistance to Libya in view of the deficitary nature of the Libyan economy. It was recognized that, in the absence of a substantial capital inflow and of invisible exports, financial assistance from abroad would be necessary to correct the adverse balance of payments position and that, even with such

outside help, great difficulties would continue to face the Libyan Government for some time to come. Under these circumstances, on 8 December 1953 the General Assembly adopted resolution 726 (VIII) inviting all Governments willing and in a position to do so to provide financial assistance to Libya through the appropriate mechanisms within the United Nations Organization available for receiving voluntary contributions, in order to assist Libya in the financing of its fundamental and urgent programmes of reconstruction and of economic and social development. The resolution went on to recommend that, if and when further means became available for assisting in the financing of the development of under-developed areas, due consideration should be given by the United Nations and the specialized agencies to the specific development needs of Libya. The Secretary-General and the specialized agencies were requested to give all possible favourable consideration to the requests of Libya for technical assistance, and the Secretary-General was asked to make a special report on the question of United Nations assistance to Libya in time to be placed on the agenda of the tenth session of the General Assembly.

3. The present brief review of assistance programmes of the United Nations and specialized agencies, as well as financial and technical assistance through bilateral agreements with Members of the United Nations, has been prepared by the Secretary-General in virtue of the above resolution. A memorandum by the Government of Libya describing in detail the assistance it has received, assessing the results achieved, and presenting its views on the question of assistance as a whole, is transmitted to the General Assembly in a separate document (A/2969).

A. Technical Assistance

4. The United Nations and the specialized agencies began to provide Libya with technical assistance more than a year before that country achieved its independence.^{1/} During 1950, the Technical Assistance Board approved aid to Libya at the request of the United Kingdom and France as Administering Powers, and, subsequent to independence, the continuation of technical assistance

^{1/} See reports of the Technical Assistance Board to the Technical Assistance Committee, documents E/1742; E/1911; E/2054; E/2213; E/2433; E/2566 and E/2714.

activities was provided for in agreements between the United Kingdom of Libya and various organizations participating in the Expanded Programme of Technical Assistance. Provision was also made in 1952 for the appointment of a Resident Technical Assistance Representative.

5. As early as July 1950, an exploratory mission was sent by the Secretary-General, acting at the request of the United Nations Commissioner in Libya, to study the economic and social problems and to assess technical assistance needs. Following the basic agreement between the United Nations and the Government of the United Kingdom (December 1950) and the supplementary agreement with the Government of France (March 1951), as Administering Powers, a joint UN/FAO Mission undertook a number of specific duties with a view to developing the important sectors of the Libyan economy.

6. In the light of the work of this Mission and following negotiations with local authorities, the Government of the United Kingdom and subsequently the Government of France requested the United Nations, FAO and ILO to send a team of experts for the preparation of a comprehensive plan for the economic and social development of the country. As a result, over thirty experts headed by an economist were sent to Libya and began work during the second half of 1951. A report completed in January 1952 by the chief economist contained recommendations for the economic and social development of Libya. These recommendations estimated to involve about \$18 million, were adopted by the Government as a basis of its five-year development plan, and provided a basis for TAB in orienting its technical assistance programme to Libya.

7. That programme has been described in detail in the United Nations publication entitled "The Economic and Social Development of Libya".^{2/} The total amount obligated under the Expanded Programme of Technical Assistance of the United Nations and the specialized agencies over the period 1950-1955 amounted to about \$3 million; the number of experts currently engaged is over seventy. A detailed statement of the number of experts and fellowships provided and the amount obligated under the Expanded Programme year by year, are given in the annex to the present report.^{3/} As was reported to the Technical Assistance

^{2/} United Nations Publications Sales number: 1953.II.H.8.

^{3/} See also, Report of Resident Representative, Technical Assistance Activities under the Expanded Programme as of 31 December 1954, document E/TEC/REP.31.

Committee of the Economic and Social Council at its last session, Libya was one of the six countries in respect of which an attempt was made by the staff of TAB this year to evaluate the results of assistance given under the Expanded Programme. The TAB study has been transmitted to the Government of Libya for comment and will in due course be the subject of further consideration by TAG.

8. On 21 January 1950, the Government of Libya and the United States concluded an agreement for technical assistance which provided for the establishment of the United States Operations Mission in Libya. In planning technical assistance programmes, this Mission utilized the basic studies made by the United Nations and the specialized agencies in order to avoid duplication and overlapping. For the fiscal years 1952, 1953 and 1954, the total amount of United States technical aid to Libya amounted to about \$4.5 million (about £1.6 million);^{4/} at the end of 1954 there were more than fifty United States experts and technicians in Libya and a total staff, including administrative and supporting personnel of more than three hundred. The two fields of work most emphasized in the United States technical aid programme are education and agricultural development.

B. Financial assistance

9. The Libyan Government has, from the outset, been faced with the necessity of finding financial assistance from outside in order to meet a large budget deficit as well as to carry out its economic and social development programmes. For the purpose of financing development work, two agencies were created: the Libyan Public Development and Stabilization Agency (LPDSA) and the Libyan Finance Corporation (LFC). The former agency was established to undertake projects of a grant-in-aid nature in the social and economic fields, using funds contributed annually by friendly Governments. The Corporation was established with a view to granting loans for development purposes. Libya has so far

^{4/} In addition, during the fiscal year 1954, when crop failures threatened famine in wide areas of Libya, some \$800,000 worth of wheat was granted to the Libyan Government for distribution, in exchange for labour on its public works, to the Libyan people.

received financial assistance directly from Egypt, France, Italy, Turkey, the United Kingdom and the United States of America.

10. Paragraph 1 of General Assembly resolution 726 (VIII) inviting Governments to provide financial assistance to Libya "through the appropriate mechanisms within the United Nations Organization" was communicated to Member States by the Secretary-General. Replies were received from twenty-nine Governments, all of which, while sympathetic to the needs of Libya for economic and financial assistance, expressed regret that they were not in a position to offer a special contribution under the General Assembly resolution. A number of Governments referred to the substantial aid they were extending for technical assistance to under-developed countries, especially through the United Nations Expanded Programme of Technical Assistance. Furthermore, the Governments of France, Turkey, the United Kingdom and the United States of America referred specifically to the financial assistance which they were extending directly to Libya.

ANNEX

Technical assistance to Libya 1950 to 1955: United Nations and specialized agencies

	TAA	ILO	FAO	UNESCO	ICAO	WHO	WMO	Total
<u>Amounts obligated</u> (thousands of dollars):								
1950-1951 a/	85.4	1.0	23.0	102.0	-	20.4	-	231.8
1952.....	229.5	18.1	160.3	211.8	-	34.7	-	654.4
1953.....	127.7	176.4	281.1	160.2	-	26.4	-	772.0
1954.....	76.7	178.4	191.8	98.2	6.1	13.8	19.1	584.2
1955 b/	84.8	138.8	200.6	126.1	-	21.4	19.9	591.5
<u>Number of experts:</u>								
1950-1951.....	6	1	4	20	-	3	-	34
1952.....	14	7	18	26	-	2	-	67
1953.....	13	34	15	27	-	2	-	91
1954.....	8	43	15	11	1	3	2	83
1955.....	7	33	14	14	-	3	2	73
<u>Number of fellows:</u>								
1950-1951.....	28	-	-	17	-	-	-	45
1952.....	33	-	13	23	-	5	-	74
1953.....	-	-	5	-	-	8	-	13
1954.....	1	64	2	55	-	-	-	122
1955.....	-	50	3	35	-	-	-	88

Source: Reports of the Technical Assistance Board

a/ Estimated expenditure.

b/ Approved programme category I.