

(b) There shall be established a Special Reserve Fund equivalent to US \$3,000,000 for the purpose of assuring the completion of projects which extend beyond the end of the financial period for which funds are available, and of providing funds pending receipt of contributions at the beginning of a financial year. The Special Reserve Fund shall be created from unobligated funds remaining from the first financial period and shall be maintained principally in convertible currencies. The size of the Special Reserve Fund may be changed by the Technical Assistance Committee. Withdrawals from the Special Reserve Fund may be made by the Technical Assistance Board for the purposes described above and shall be replaced as soon as contributions become available;

(c) The Secretary-General shall allot contributions received for the second financial period as follows:

- (i) \$10,000,000 out of contributions received for the second financial period shall be automatically available for allocation to the participating organizations in accordance with paragraph 9 (c) of Council resolution 222 A (IX);
- (ii) The balance of contributions received shall be retained in the Special Account for further allocation, as provided in paragraph (d) below;

(d) Contributions retained under paragraph (c) (ii) above shall be allotted in accordance with decisions of the Technical Assistance Board in such manner and at such time as it may decide, with a view to ensuring the development of well-balanced and co-ordinated country and regional technical assistance programmes, taking into consideration all relevant factors, in particular, 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;

(e) Unallocated funds remaining in the Special Account from the first financial period after establishment of the Special Reserve Fund shall be available for allocation by the Technical Assistance Board in the second financial period.

B

The General Assembly,

Considering that improvement in the production techniques in industry, agriculture and other branches of the economies of under-developed countries can be greatly advanced by the training of groups of their workers, foremen and technicians in countries which are more developed in certain fields of their economy,

Considering that a valuable method of training such workers, foremen and technicians is by actual employment in appropriate enterprises abroad,

Taking into account, further, that the experience gained by such teams of workers, foremen and technicians has proved useful under various bilateral arrangements in the past,

Recommends that the organizations participating in the Expanded Programme of Technical Assistance give, among other forms of technical assistance, sympathetic consideration to requests for the placement of teams of workers, foremen and technicians from under-developed territories in appropriate enterprises in other countries for such periods as may be necessary for such teams to acquire the technical proficiency necessary for effective use in their country of origin, and also to enable them to train other workers in those techniques or to adapt such techniques to the conditions in their country.

*360th plenary meeting,
12 January 1952.*

520 (VI). Financing of economic development of under-developed countries

A

The General Assembly,

Taking note of the report⁴ of the Economic and Social Council to the General Assembly at its sixth regular session, the report⁵ of the Economic, Employment and Development Commission on its sixth session, and the experts' report⁶ entitled *Measures for the Economic Development of Under-developed Countries*,

Having in mind the obligations assumed by the governments of Member States under Articles 55 and 56 of the United Nations Charter,

Recalling its conviction, expressed in its resolution 400 (V) of 20 November 1950, that:

(a) Although the economic development of under-developed countries depends primarily upon the efforts of the people of those countries, the necessary acceleration of that development requires not only technical but also financial assistance from abroad, particularly from the more developed countries,

(b) The volume of private capital which is currently flowing into under-developed countries cannot meet the financial needs of the economic development of those countries without an increased flow of international public funds,

Recognizing that:

(a) An urgent and practical approach to the problem of international financing of economic and social development is essential to general progress, to the strengthening of international co-operation and confidence and that it is, therefore, vital for the strengthening and maintenance of peace, especially in the present state of world tension,

(b) It is necessary, for these reasons, to give special attention to the solution of this problem through international co-operation within the framework of the United Nations,

Considering that the statistics contained in the *World Economic Report, 1949-50*,⁷ published by the Secretary-General early in 1951, show that the national incomes of the under-developed countries do not allow a sufficient accumulation of domestic savings to provide heavy investments for their rapid economic development,

Believing that there exists an urgent necessity for studying the problem of creating new sources of international financing suitable for the acceleration of the economic development of under-developed countries, with a view to raising the standard of living of their peoples,

Convinced that the acceleration of the economic development of under-developed countries calls, among other forms of international financial assistance, for an international system of grants-in-aid to those countries,

⁴ See *Official Records of the General Assembly, Sixth Session, Supplement No. 3.*

⁵ See *Official Records of the Economic and Social Council, Thirteenth Session, Supplement No. 2.*

⁶ See *Report by a Group of Experts appointed by the Secretary-General of the United Nations, United Nations Publications, Sales No. 1951.II.B.2.*

⁷ See United Nations Publications, Sales No. 1951.II.C.1.

but believing that such an international system of grants-in-aid should not be established on a permanent basis and should in any case be correlated with the efforts of the under-developed countries themselves,

Believing that the promotion of the economic development of under-developed countries calls for the closest co-ordination of the activities of already existing international organizations,

Believing further that detailed plans for action designed to increase the flow of international public funds for the development of under-developed countries, especially for assisting in the financing of the non-self-liquidating projects basic to their economic development, must be initiated without delay if such plans are to be translated into action within a reasonable period of time,

Cognizant of the fact that, although the necessary acceleration of the economic development of under-developed countries requires foreign financial aid, the study and elaboration of the plans mentioned in the preceding paragraph cannot and must not be regarded as in any way committing the governments participating in such study or in the elaboration of such plans to join in implementing those plans in any degree, whether financially or otherwise,

1. *Requests* the Economic and Social Council to submit to the General Assembly at its seventh regular session a detailed plan for establishing, as soon as circumstances permit, a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries for the purpose of helping them, at their request, to accelerate their economic development and to finance non-self-liquidating projects which are basic to their economic development;

2. *Further requests* the Economic and Social Council, in implementing paragraph 1 above, to prepare for consideration by the General Assembly at its seventh regular session a series of recommendations concerning:

(a) The size, composition and administration of the special fund, keeping in mind, with respect to its administration, that the creation of a new international organization should be considered only if a careful examination of the functions of existing organizations proves that the required functions cannot be carried out by them;

(b) The manner of collecting contributions to the special fund, keeping in mind the desirability of universal participation and the utilization of any savings that may accrue from any programme of disarmament, as one of the sources of contributions;

(c) The character of the contributions of States Members of the United Nations and of those which are not Members;

(d) The policies, conditions and methods to be followed in making grants and loans from the special fund to under-developed countries;

(e) The principles which countries receiving grants and loans from the special fund should observe;

3. *Requests* the Secretary-General to assist the Council in carrying out the responsibilities placed upon it by the present resolution;

4. *Invites* governments to make suggestions to the Council with respect to the recommendations mentioned in paragraph 2 above.

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B

The General Assembly,

Considering that the problem of financing economic development is of the greatest importance and urgently requires solution,

Taking note of Economic and Social Council resolution 368 (XIII) of 22 August 1951,

1. *Approves* the action taken by the Economic and Social Council under the above-mentioned resolution;

2. *Notes with satisfaction* the Council's request to the Secretary-General, contained in resolution 371 B (XIII) of 28 August 1951, to amend the annual questionnaire on full employment so as to take into consideration the progress achieved by the under-developed countries and the obstacles facing them in their economic development;

3. *Requests* the Secretary-General, in analysing the replies from governments:

(a) To deal not only with problems of employment and under-employment, but also with problems encountered in carrying out plans basic to economic development; with industrial, mining and agricultural production—in particular, food production; and with financial, technical and scientific resources having a direct bearing on economic development;

(b) To include in the analysis, in order to facilitate comparison, a reference table showing the progress made by the industrialized countries in these respects;

4. *Requests* the Economic and Social Council:

(a) To continue its studies of the problem of financing the economic development of under-developed countries;

(b) To study practical ways and means and comprehensive programmes for developing those countries;

(c) Within the framework of existing institutions, to pay particular attention to the problem presented by the financing of non-self-liquidating projects and, generally, by the establishment of a regular flow of international public capital;

(d) To consider additional methods of increasing the international flow of public funds for the economic development of under-developed countries.

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C

The General Assembly,

Considering that in order to raise the standard of living and the economic and financial capacity of the under-developed countries, where the levels of annual *per capita* incomes are low, it is essential to expand and improve their agricultural and industrial production, which is not generally sufficient,

Considering that the capital available through agricultural and industrial credit institutions and through national savings in under-developed countries is not sufficient to provide extensive credits for the expansion

and improvement of present production in the measure and with the speed desirable in view of the seriousness of the economic and social situation of those countries,

Considering that the expansion and improvement of present production presuppose the provision of credit to many thousands of individual and corporate local producers who have no direct recourse to international credit,

Considering that the International Bank for Reconstruction and Development is entrusted, within the limits of its financial resources and of its Articles of Agreement, with the task of granting duly authorized and guaranteed loans for the economic development of Member States,

1. *Invites* the International Bank for Reconstruction and Development, within the framework of its Articles of Agreement, to continue to expand its lending operations keeping in mind the special situation of under-developed countries with low levels of annual *per capita* income and, in particular:

(a) To give full consideration to continuous and effective co-operation with the national agricultural and industrial credit institutions of under-developed countries, members of the Bank, with the objective of increasing their effective resources by means of loans;

(b) To afford the national institutions which make loans to agricultural and industrial producers the technical advice required to establish sound standards and methods of scrutiny and control of such transactions, in order to ensure the viability of such loans;

(c) to consider the possibility of increased financing of basic agricultural development projects so as to ensure greater productivity and utilization of land resources;

(d) To consider the possibility of increased financing of manufacturing industries so as to enable the under-developed countries to make further use of their mineral and other resources and thereby assist them in achieving more rapid progress in industrialization;

(e) To keep the Economic and Social Council periodically informed of its progress in these fields of development;

2. *Recommends further* that all governments respond to the fullest extent possible to the recommendations contained in paragraph 8 (c) of Economic and Social Council resolution 294 (XI) of 12 August 1950.

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521 (VI). Integrated economic development

The General Assembly,

In view of the fact that the General Assembly and the Economic and Social Council have devoted considerable attention to methods of financing economic development, to technical assistance and to the question of land reform and that the results of these efforts are likely to exert an important influence on the economic development of under-developed countries,

Considering that there are other aspects of economic development involving equally important problems which have not been given the attention they deserve,

Recognizing that a continuing comprehensive and methodical study of every aspect of economic development is required in order to achieve a better direction of effort and resources in promoting the economic advancement of under-developed areas and countries,

Considering that a comprehensive and full study of economic development should be conducted to accelerate development programmes and plans,

Requests the Economic and Social Council:

(a) To promote studies of a programme of rapid industrialization of the under-developed countries, including the economic, social, fiscal, technical and organizational problems involved, and the role that the industrially advanced and under-developed countries have to play in such a programme;

(b) To submit to the General Assembly, as soon as practicable, concrete proposals for measures which may be of aid to the under-developed and the developed countries in connexion with the problems referred to in sub-paragraph (a) above.

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522 (VI). Methods to increase world productivity

The General Assembly,

Considering that, to ensure more rapid economic progress of the world as a whole, closer international co-operation is required to facilitate the best use of the world's manpower resources, natural resources and productive equipment,

Considering that an expansion of the world economy in the interest of raising living standards requires the rapid economic development of the under-developed countries, and that such an expansion depends upon the growth of production of vitally needed goods and services in all parts of the world,

Believing that an important increase in the rate of growth of world production could be achieved by the application of the latest available scientific knowledge to techniques of production,

Taking account of the fact that the optimum combination of human, natural and capital resources is likely to vary, depending on the relative abundance or scarcity of these resources,

Requests the Economic and Social Council:

(a) To study the varying ways in which the productivity of peoples everywhere can be increased by the application of existing scientific and technological knowledge;

(b) To recommend, as soon as practicable, methods by which the results of the studies undertaken under sub-paragraph (a) above can be made available to the under-developed countries at their request;

(c) To report to the General Assembly at its seventh regular session on the progress made under the present resolution.

*360th plenary meeting,
12 January 1952.*