

1957, to discuss the subject of international commodity problems at its twenty-sixth session;

2. *Draws the attention* of the Governments of Member States to General Assembly resolution 1029 (XI) of 20 February 1957 and invites them, in terms of paragraph 1 of that resolution, to submit their commodity problems to the Commission on International Commodity Trade which, at its sixth session in May 1958, will prepare a report for consideration at the twenty-sixth session of the Economic and Social Council;

3. *Draws the attention* of the Economic and Social Council to the importance of the United Nations assisting in the promotion of international commodity agreements as an effective means of improving and stabilizing commodity prices;

4. *Requests* the Economic and Social Council to communicate to the General Assembly, at its thirteenth session, the conclusions drawn from its action under this resolution.

730th plenary meeting,
14 December 1957.

1219 (XII). Financing of economic development

The General Assembly,

In conformity with the determination of the United Nations, as expressed in its Charter, to promote social progress and better standards of life in larger freedom, and for these ends, to employ international machinery for the promotion of the economic and social advancement of all peoples,

Conscious of the particular needs of the less developed countries for international aid in achieving accelerated development of their economic and social infrastructure,

Recalling its resolutions on the establishment of an international fund for economic development within the framework of the United Nations and, in particular, reaffirming its unanimously adopted resolutions 724 A (VIII) and 724 B (VIII) of 7 December 1953,

Noting the recommendation of the Economic and Social Council in its resolution 662 B (XXIV) of 31 July 1957,

Recognizing that the United Nations Expanded Programme of Technical Assistance is of proven effectiveness in promoting the economic development of the less developed countries,

Recognizing however that neither the Expanded Programme nor other existing programmes of the United Nations or the specialized agencies can now meet certain urgent needs which, if met, would advance the processes of technical, economic and social development of the less developed countries, and, in particular, would facilitate new capital investments of all types—private and public, national and international—by creating conditions which would make such investments either feasible or more effective,

Convinced that a rapidly achieved enlargement in the financial resources and scope of technical assistance rendered by the United Nations and the specialized agencies to the less developed countries would constitute a constructive advance in United Nations assistance and would be of immediate significance in accelerating their economic development,

Recognizing that, while long-term pledges are desirable, some Governments are unable to make financial commitments except with the approval of their legislatures and on an annual basis,

I

Commends the *Ad Hoc* Committee on the Question of the Establishment of a Special United Nations Fund for Economic Development for the work embodied in its final⁷ and supplementary⁸ reports prepared in accordance with General Assembly resolutions 923 (X) of 9 December 1955 and 1030 (XI) of 26 February 1957;

II

1. *Decides* that, subject to the conditions prescribed hereunder, there shall be established as an expansion of the existing technical assistance and development activities of the United Nations and the specialized agencies a separate Special Fund which would provide systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the less developed countries,

2. *Decides further* that, in view of the resources prospectively available at this time, which are not likely to exceed \$100 million annually, the operations of the Special Fund shall be directed towards enlarging the scope of the United Nations programmes of technical assistance so as to include special projects in certain basic fields to be defined by the Preparatory Committee provided for in paragraph 4 below, for example, intensive surveys of water, mineral and potential power resources, the establishment—including staffing and equipping—of training institutes in public administration, statistics and technology, and of agricultural and industrial research and productivity centres;

3. *Considers* that while, without impairing the separate identity of the Special Fund, the fullest possible use should be made of the existing machinery of the United Nations, the specialized agencies—including the existing international financial institutions—and the Expanded Programme of Technical Assistance, the Special Fund will require some new administrative and operational machinery;

4. *Decides* to establish a Preparatory Committee composed of representatives of sixteen Governments to do the following, taking into account the principles set out in the annex to the present resolution and the views and suggestions forwarded by Governments pursuant to paragraph 7 below:

(a) Define the basic fields of assistance which the Special Fund should encompass and, within these fields, the types of projects which should be eligible for assistance;

(b) Define in the light of paragraph 3 above the administrative and operational machinery to be recommended for the Special Fund, including such changes as may be required in the present legislation and procedures of the Expanded Programme of Technical Assistance;

(c) Ascertain the extent to which Governments would be willing to contribute to the Special Fund;

5. *Invites* the President of the General Assembly to appoint the members of the Preparatory Committee;

⁷ *Ibid.*, *Twelfth Session, Annexes*, agenda item 28, documents A/3579 and Add.1.

⁸ *Ibid.*, document A/3580.

6. *Invites* the Secretary-General to provide the Preparatory Committee with all the necessary facilities, including the provision of such expert consultants as might be required;

7. *Requests* Governments to assist the Preparatory Committee in its work by forwarding their views and suggestions to the Committee through the Secretary-General and, in particular, by indicating the extent to which they would be willing to contribute to the Special Fund;

8. *Invites* the Secretary-General, the executive heads of the specialized agencies and the Executive Chairman of the Technical Assistance Board to forward their views and suggestions to the Preparatory Committee;

9. *Requests* the Preparatory Committee to submit the results of its work in the form of a report and recommendations to the Economic and Social Council, at its twenty-sixth session;

10. *Requests* the Economic and Social Council to transmit the Preparatory Committee's report, together with its own comments, to the General Assembly, at its thirteenth session, for final action;

11. *Looks forward* to the establishment of the Special Fund as of 1 January 1959;

12. *Appeals* to all States Members of the United Nations, in a spirit of co-operation and solidarity, to give the greatest possible assistance to the Special Fund;

III

Decides that as and when the resources prospectively available are considered by the General Assembly to be sufficient to enter into the field of capital development, principally the development of the economic and social infrastructure of the less developed countries, the Assembly shall review the scope and future activ-

ities of the Special Fund and take such action as it may deem appropriate.

*730th plenary meeting,
14 December 1957.*

ANNEX

1. The Special Fund shall be a multilateral fund of the United Nations, with financial resources principally derived from voluntary annual contributions of Governments and others in or transferable into currency usable by the Fund and, as much as possible, pledged or indicated for a number of years.

2. Assistance from the Special Fund shall be given only to projects which would make a contribution to the economic development of the requesting country or countries. The operations of the Fund shall be in conformity with the principles of the Charter of the United Nations and shall not be influenced by political considerations.

3. The Special Fund shall be administered by a chief executive officer under policies established by an executive body in accordance with such rules and principles as may be laid down by the General Assembly and the Economic and Social Council. The membership of the executive body shall be equally distributed between two groups, one consisting mainly of major contributing countries and the other consisting mainly of less developed countries. Each member of the executive body shall have one vote. Decisions of the executive body on questions of policy, including the allocation of funds, shall require a qualified majority vote.

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At the 730th plenary meeting on 14 December 1957, after the adoption of the resolution, the President of the General Assembly appointed the following States Members to be represented on the Preparatory Committee, in accordance with paragraph 5 of section II of the resolution above: CANADA, CHILE, DENMARK, EGYPT, FRANCE, GHANA, INDIA, JAPAN, MEXICO, NETHERLANDS, PAKISTAN, PERU, UNION OF SOVIET SOCIALIST REPUBLICS, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, UNITED STATES OF AMERICA and YUGOSLAVIA.