

ANNEX

GENERAL PRINCIPLES GOVERNING THE ESTABLISHMENT AND OPERATIONS OF A UNITED NATIONS CAPITAL DEVELOPMENT FUND

1. Assistance from the United Nations capital development fund to under-developed countries should be directed towards the achievement of accelerated and self-sustained growth of their economies. In keeping with this objective, assistance should be oriented towards the diversification of their economies, with due regard to the need for industrial development as a basis for social progress.
2. The provision of assistance shall be in conformity with the purposes and principles of the Charter of the United Nations.
3. Operations of the fund should not serve as a means for foreign economic and political interference in the internal affairs of assisted countries and should not be influenced by considerations relating to the nature of their economic and political systems.
4. Assistance should be of a kind and in a form consistent with the wishes of the recipients and should involve no unacceptable conditions for them, whether political, economic, military or other.
5. Assistance from the fund should be provided in such forms and on such terms as are compatible with the continued economic development of the assisted countries, taking due account of their balance of payments position and prospects.
6. Assistance from the fund should be given in a flexible manner and not necessarily be limited to specific projects or groups of projects. Assistance can also be given to support general development plans, where such plans exist, or to meet general development requirements.
7. Resources of the fund must be large enough to make a significant contribution towards the achievement of accelerated and self-sustained economic growth of the less developed countries.
8. While funds should be derived from contributions by all members, the bulk of the contributions to the fund should come from the more developed countries in a readily and economically usable form.
9. The size and nature of the contributions of the less developed countries to the fund should not be such as to hamper the effective mobilization of their resources for their own economic development.
10. Contributions to the fund should ensure the provision of assistance on a long-term and continuing basis.
11. Resources available to the fund should be augmented by a portion of any savings resulting from progress made in internationally supervised world-wide disarmament.
12. Every effort should be made to co-ordinate the assistance rendered by the fund with assistance from other sources, so as to achieve the maximum permanent beneficial effect on the economies of the less developed countries.

1707 (XVI). International trade as the primary instrument for economic development

The General Assembly,

Recalling its resolutions 623 (VII) of 21 December 1952, 1028 (XI) of 20 February 1957, 1324 (XIII) of 12 December 1958, 1421 (XIV) and 1422 (XIV) of 10 December 1959, and 1519 (XV) and 1520 (XV) of 15 December 1960,

Having considered the report of the Secretary-General entitled "Ways and means of promoting wider trade co-operation among States: trade relations between under-developed and industrially advanced countries"⁸ and the comments thereon voiced in the Eco-

nomie and Social Council,⁴ and endorsing Council resolution 846 (XXXII) of 3 August 1961,

Convinced that the economic development of countries must be based primarily on their own efforts through the utilization of all their productive resources,

Affirming that, for these national efforts to achieve their objectives more rapidly, it is essential that countries should ensure the maximum expansion of their trade and an increase in their foreign exchange income as a result of growth in the volume and value of their exports,

Considering that the importance of such an expansion of trade, especially for under-developed countries or for countries which depend on a narrow range of primary commodities, calls for constant attention to protectionist policies which are detrimental to the growth of international trade, with a view to the achievement of an increasing degree of trade liberalization through the modification of those policies and, where surpluses arise, strict adherence to the principles of surplus disposal recommended by the Food and Agriculture Organization of the United Nations⁵ in respect of any possible effects on international markets,

Deeming it necessary that the economic policies of regional and sub-regional economic groupings avoid the introduction and facilitate the elimination of obstacles and restrictions which may hamper the necessary expansion of the trade of the developing and under-developed countries or discourage the indispensable growth of their economies,

Observing that the practices of dumping and the unrestricted disposal of accumulated stocks on international markets impede the progress of countries in the process of economic development, distort the most effective structure of their industries, and depress the levels of production and prices of primary commodities and manufactures,

Recognizing that the developing and under-developed countries have in recent years suffered from their unfavourable terms of trade with industrialized countries and that this trend has resulted in a declining share of the gains from international trade and in a chronic gap between their exports earnings and import requirements for development,

Bearing in mind that the instability in primary commodity trade of the developing and the under-developed countries results in variations in their national incomes, in their export earnings and their foreign exchange earnings, and that this instability may often jeopardize the development plans of many countries, which are designed on a long-term basis,

Noting the efforts made and the progress achieved in the study of systems for compensating for the fluctuations in commodity trade, particularly the report of the Committee of Experts on international compensation for fluctuations in commodity trade and on the establishment of a development insurance fund,⁶

Reaffirming that it is the recognized responsibility of the more highly industrialized countries to make all

⁴ *Official Records of the General Assembly, Sixteenth Session, Supplement No. 3 (A/4820 and Corr.2), paras. 191 and 192.*

⁵ *Food and Agriculture Organization of the United Nations, Commodity Policy Studies, No. 10, Functions of a World Reserve—Scope and Limitations (Rome, 1956), appendix III.*

⁶ *International Compensation for Fluctuations in Commodity Trade (United Nations publication, Sales No.: 61.II.D.3).*

⁸ *Official Records of the Economic and Social Council, Thirty-second Session, Annexes, agenda items 2 and 5, documents E/3520 and Add.1.*

appropriate efforts to co-operate in accelerating the economic development of the developing and under-developed countries,

Considering that a faster rate of economic growth is in the interest of all countries and that the United Nations together with other international bodies, as appropriate, should provide ways and means of finding and furthering effective solutions for achieving this purpose,

1. *Urges* the economically developed Member States to take into due account, when formulating and executing their trade and economic policies, the interests of the developing and under-developed countries by making maximum efforts to create conditions through which they extend to these countries advantages not necessarily requiring full reciprocity to improve their economic situation, and to pursue as a matter of great urgency bilateral, multilateral and/or regional negotiations—including, where appropriate, negotiations conducted under the General Agreement on Tariffs and Trade—to facilitate the necessary expansion of their trade and to attain a satisfactory co-ordination of efforts in the field of trade towards economic development;

2. *Calls upon* States Members of the United Nations and members of the specialized agencies, and especially upon the more highly industrialized countries and the developed countries belonging to regional and sub-regional economic groupings:

(a) To promote, through individual or collective measures, the expansion of world trade, particularly by avoiding undue protection of their domestic production;

(b) To avoid measures detrimental to the prospects of international commodity trade for producers outside their own countries or regions;

(c) To make every effort to liberalize the restrictive or discriminatory practices that unnecessarily limit the consumption and importation of commodities, especially those which have undergone maximum processing, from the under-developed and developing countries;

(d) To pursue policies which would promote the industrialization of the developing countries and to avoid practices such as dumping and the unrestricted disposal of accumulated stocks that may hamper this process;

3. *Recommends* that the Governments of Member States, in recognition of the profound concern of normal commercial exporters, pursue policies designed to avoid the harmful effects on international markets that may result from the disposal of surpluses and, to this end, strictly adhere to the principles of surplus disposal recommended by the Food and Agriculture Organization of the United Nations;

4. *Commends* the efforts made by the International Monetary Fund to increase its activities with regard to drawings and standby arrangements in helping the less developed countries to meet seasonal and cyclical maladjustments arising from fluctuations in their export earnings, and expresses the hope that such efforts will continue;

5. *Notes with satisfaction* that the Commission on International Commodity Trade, at its tenth session, and, at their joint session, the Commission on International Commodity Trade and the Committee on Commodity Problems of the Food and Agriculture Organization will consider ways and means of solving the problems created by fluctuations in the commodity export earnings of the developing and under-developed

countries, and urges the above organs to formulate at these sessions specific recommendations in this connexion;

6. *Requests* the Secretary-General to consult Governments of States Members of the United Nations and members of the specialized agencies and ascertain their views on the advisability of holding an international conference on international trade problems relating especially to primary commodity markets and, if they deem such a conference advisable, the topics that might be considered for a provisional agenda;

7. *Further requests* the Secretary-General, on the basis of these consultations, to report to the Economic and Social Council at its thirty-fourth session and to the General Assembly at its seventeenth session.

*1084th plenary meeting,
19 December 1961.*

1708 (XVI). Planning for economic development

The General Assembly,

Convinced of the urgent need of the less developed countries to establish and implement national, all-inclusive and well-integrated development plans to build up their societies in accordance with their own individual precepts,

Realizing that to this end it is necessary to advance further the development of planning techniques that can be adjusted to the specific needs and problems of various countries,

Taking into consideration the growing trend towards the use of different forms of planning in the economic policies of developing countries,

Realizing further that it is imperative that economists, other social scientists and administrators, within and outside government service, be trained without delay in techniques and problems relating to planning so as to permit not only the elaboration of plans but also their execution,

Bearing in mind the initiatives already demonstrated in this connexion, namely that:

(a) Some African States expressed their views in the course of the resumed fifteenth session of the General Assembly in favour of the establishment, under the auspices of the Economic Commission for Africa and with the assistance of the Special Fund, of an economic development institute for Africa for the purpose of training suitable persons in the field of economic development, in particular in the techniques of economic planning and programming,⁷

(b) The Economic Commission for Latin America, in its resolution 199 (IX) of 13 May 1961, requested the establishment, under its auspices, of an institute for planning economic development which would provide advisory services to Governments and engage in training,⁸

(c) The Conference of Asian Economic Planners, held in New Delhi from 26 September to 3 October 1961 under the auspices of the Economic Commission for Asia and the Far East, recommended to the Commission that it consider the establishment of an Asian institute of economic development to overcome the

⁷ *Official Records of the General Assembly, Fifteenth Session, Annexes, agenda item 88, document A/4747, para. 4.*

⁸ *See Official Records of the Economic and Social Council, Thirty-second Session, Supplement No. 4 (E/3486), part III.*