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GOVERNING COUNCIL  
SPECIAL MEETING ON PREPARATIONS  
FOR THE THIRD CYCLE, 1982-1986  
11-15 February 1980

PREPARATIONS FOR THE THIRD CYCLE, 1982-1986

Draft decision proposed by

Bangladesh, the Gambia, Ivory Coast, Kenya, Liberia,  
Malawi, Rwanda, Senegal, Sierra Leone, Sri Lanka, Uganda,

The Governing Council

Keeping in view the needs of the developing countries for technical assistance with the ultimate aim of achieving national and collective self-reliance as one of the means towards establishing the New International Economic Order;

Taking into account the needs of developing countries, in particular, the needs of the lowest income countries, the least developed, land-locked, island developing, MSA, and countries suffering from acute ecological and geographical disabilities and newly independent countries as well as those on their way to independence;

Reaffirming its Consensus of 1970, which embodies inter alia the principles of the universal and voluntary nature of the Programme, as contained in the Annex to General Assembly resolution 2688 (XXV) of 11 December 1970;

Having considered with appreciation the notes of the Administrator contained in documents DP/377 (PART I) and DP/425 concerning the distribution of IPF resources for the Third Cycle 1982-1986;

Emphasizing the urgent need of adequate growth in real terms of the Programme resources:

Recalling UNDP Governing Council decision contained in E/5846/Rev.1 of July 1976 which calls for an annual growth rate in the Programme resources of 14 per cent;

1. Decides that the Administrator should take into account the following guidelines in the preparation of the third programming cycle for 1982-1986:

(a) An average annual growth of voluntary contributions of at least 14 per cent on a cumulative basis from the target level established for 1977-1981;

(b) Allocate at least 81 per cent to country IPFs;

(c) To retain for the third cycle the basic criteria of per capita GNP and population size and the general method of their use for establishing individual country IPFs, and to adopt the following supplementary criteria:

Least developed countries  
Landlocked countries in Group II and below  
Island Developing Countries in Group II and below  
Newly independent countries  
Countries suffering from acute ecological and geographical disabilities in Group II and below  
Frontline countries  
MSA countries in Group II and below;

(d) For the purpose of the allocation of the total country IPFs, recipient countries should be grouped as follows, on the basis of World Bank 1978 figures:

- (i) Group I: countries with up to \$250 per capita
- (ii) Group II: countries with above \$250 and up to \$500
- (iii) Group III: countries with more than \$500 and up to \$750
- (iv) Group IV: countries above \$750 and up to \$1,000
- (v) Group V: countries with \$1,000 and up to \$1,500
- (vi) Group VI: countries above \$1,500

(e) 85 per cent of the total amount of country IPFs should be allocated to Groups I and II. Special treatment should be given by allocating higher increases in IPFs to the least developed countries and other low-income groups with per capita GNP of \$250 and below, and those that are MSA countries, land-locked countries, island developing countries, newly independent countries, frontline countries, LDCs and countries in GROUP II and below suffering from acute ecological and geological disabilities:

(f) The remaining 15 per cent should be allocated to Groups III, IV, V and VI in such a way that it would be more advantageous to these groups in descending order of their per capita GNP;

(g) To apply a ceiling criterion for countries with per capita GNP of \$1,000 and above;

(h) To introduce a cut-off point in the distribution of five year country IPFs for countries with per capita GNP above \$1,500 as estimated for 1978; but to ensure that for countries above the cut off level, IPF resources in the third cycle be maintained only to the extent needed for the completion of on-going projects and continuing utilisation of UNDP resources on a reimbursable basis, cost sharing and/or possible participation in regional IPFs;

2. Authorizes the Administrator to inform countries preparing for the formulation of country programmes that extend into the third cycle of tentative programme figures for the third cycle that may be used in the preparation of such country programmes, on the understanding that these figures do not commit the Council in its final decision on Third Cycle IPFs;

3. Requests that the Administrator submit to the twenty-seventh session of the Governing Council complete calculations of the country IPFs based on the provisions of the present decision;

4. Decides to retain for the Third Cycle the current methodology for the calculation of regional IPFs as indicated in DP/59;

5. Endorses the following supplementary criteria for the allocation of regional IPFs:

- (i) The number of least developed countries in the region
- (ii) The number of landlocked countries in the region
- (iii) The number of newly independent countries in the region
- (iv) The rate of physicians per 1,000 population
- (v) The literacy rate
- (vi) Share of industry in GNP
- (vii) The number of frontline countries in the region
- (viii) The number of MSA countries in the region
- (ix) The number of Island Developing Countries in the region
- (x) The number of countries suffering from acute ecological and geographical disabilities in the region;

6. Requests the Administrator to submit further calculations to the twenty-seventh session on the distribution of regional IPFs;

7. Decides to carry out a mid-term review of the Third Programme Cycle taking into consideration any substantial changes that may have occurred in the position of individual recipients;

8. Urges all donors to implement fully its decision in document E/5846/Rev.1 of July 1976 with a view to achieving an average annual growth of voluntary contributions of at least 14 per cent on a cumulative basis from the target level established for 1977/1981;

9. Calls upon all net contributors to the programme resources to make their contributions in convertible currencies;

10. Requests the Administrator to continue his efforts to ensure that all contributions pledged to the Programme resources can be readily and effectively utilized by the Programme, and urges all donors to cooperate fully with the Administrator in this task,

11. Invites all countries in a position to do so to become net contributors to the programme with a view to increasing the number of net donors and expanding the base of the programme resources so as to enable the programme to increase its technical assistance activities to all recipients.

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