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GOVERNING COUNCIL
SPECIAL MEETING ON PREPARATIONS
FOR THE THIRD CYCLE, 1982-1986
1-15 February 1980
Agenda item 1

PREPARATIONS FOR THE THIRD CYCLE, 1982-1986

Draft Decision submitted by
recipient countries

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, 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 the basic principle of the universal and voluntary nature of the Programme;

Reaffirming also 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 document 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;

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1. Decides that the preparation of the third programming cycle for 1982-1986 shall be based on the following:

(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, calculated in accordance with the corresponding figures of Table 1 of DP/425;

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

(c) Retention for the third cycle of the basic criteria of per capita GNP and population size and the general method of their use with modifications contained in these decisions for establishing individual country IPFs, and adoption of the following supplementary criteria:

(i) The special needs of least developed countries, landlocked countries, island developing countries, newly independent countries, countries suffering from acute ecological and geographical disabilities, frontline countries and MSA countries;

(ii) The magnitude of the country's development effort; the extent to which the Government is making structural changes to promote the development process; and the distribution of income and other elements of the establishment of social justice;

(iii) A country's cumulative debt burden and over-all balance of payments deficit; the chronic deterioration of the terms of trade;

(d) Eighty per cent of the total amount of country IPFs should be allocated to countries with per capita GNP of up to \$500, calculated on the basis of World Bank data for 1978. 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 suffering from acute ecological and geographical disabilities;

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(e) The remaining 20 per cent of country IPFs should be allocated to countries with per capita GNP of above \$500, calculated on the basis of World Bank data of 1978 in such a way that it would be more advantageous to countries in descending order of their per capita GNP;

(f) All efforts should be made to ensure that no country shall receive an allocation for its national IPF for the third cycle less than its national IPF for the second cycle on condition that provisions of (e) and (g) are not jeopardized;

(g) If mobilization of resources falls short of the target, there would be a flat across the board reduction in the allocation of all countries in supersession of any criteria that may interfere with the share of the respective countries;

2. Urges all recipient countries who are in a position to do so to voluntarily surrender their country IPFs or utilize UNDP resources on a reimbursable basis and become net contributors to the Programme;

3. 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;

4. 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;

5. Decides to retain for the third cycle the current methodology for the calculation of regional IPFs as indicated in DP/59;

6. 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) The 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;

7. Requests the Administrator to submit to the twenty-seventh session of the Governing Council calculations on the distribution of regional IPFs based on the provisions of the present decision;

8. Decides to carry out a mid-term review of planning and initial implementation of the third programming cycle;

9. Strongly 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 the entire second cycle 1977-1981;

10. Recommends that pledges, as far as possible, be made so as to prevent accumulation of programme resources in non-convertible currencies;

11. 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 co-operate fully with the Administrator in this task.

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