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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Letter dated 1 December 1977 addressed to the  
Secretary-General by the Permanent Representative  
of Belgium to the United Nations

On behalf of the States members of the European Economic Community and with the agreement of the Organisation for Economic Co-operation and Development, I would be grateful if you would have the text of the communiqué of the sixteenth High-Level Meeting of the Development Assistance Committee of the Organization for Economic Co-operation and Development distributed as an official document of the General Assembly, under agenda item 12.

I feel that this document can make an important contribution to the work of the General Assembly, particularly with regard to this agenda item.

(Signed) André ERNEMANN  
Permanent Representative of Belgium

ANNEX

Organisation for Economic Co-operation and Development

Development Assistance Committee

Sixteenth annual High-Level Meeting

Communiqué dated 27 October 1977

1. The annual High-Level Meeting of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development took place on 26 and 27 October 1977, at the headquarters of OECD in Paris. The meeting, which was chaired by Mr. Maurice Williams, Chairman of the Committee, was attended by ministers and senior officials of the 18 members, together with the representatives of the World Bank and the International Monetary Fund. a/
2. The Committee reviewed the principal issues affecting development co-operation in the light of the results of the Conference on International Economic Co-operation and the Declaration on Relations with Developing Countries adopted by the OECD Ministerial Council in June 1977 and against the background of the changing international economic environment. It was recognized that, following the Conference, concrete progress in all areas in which members had undertaken commitments should now be achieved.
3. DAC members noted that the economic and financial prospects in the OECD area continued to give rise to serious concern. Against this background, DAC members reaffirmed their intention, as expressed by them in different fora, to increase effectively and substantially their official development assistance and to achieve an improved balance of their efforts in this regard. DAC has reviewed its members' current aid plans and intentions. These indicate that individual members are already making specific plans to increase their official development assistance over the next few years in line with the OECD Declaration. Some countries reaffirmed their intention of aiming at official development assistance volumes reaching 1 per cent of GNP or more; others hoped to reach the 0.7 per cent target by the end of the Decade; most other DAC countries also envisage significant aid increases during the coming years. Several DAC members expressed the hope that, in addition to their efforts and the contributions of oil-producing countries, other industrialized countries would also play their part in the global aid effort.

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a/ The members of the Committee are the following: Australia, Austria, Belgium, Canada, Commission of the European Communities, Denmark, Finland, France, Germany, Federal Republic of, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland and the United States of America.

4. The meeting came at a moment when preparations were beginning, in the United Nations and elsewhere, for major reviews of the future orientation of international development policies and approaches. These reviews call for the evolution of a longer-term and broader concept of development strategy commanding public and parliamentary support. DAC should play an important role as a forum for the discussion and review of members' approaches concerning constructive contributions to such a strategy.

5. In the third world, there is growing economic resilience and continuing vulnerability and mass poverty, often within the same countries. DAC members underlined the need for a better understanding of the future trading, financial, technological and industrial relations with developing countries that are likely to evolve over the coming years. The new trends and the appropriate policy responses will need study and this will be one of the tasks of the organisation in the period ahead.

6. DAC members devoted particular attention at this meeting to the implications for aid policies of a more determined basic human needs-oriented approach to development. They reaffirmed their determination to direct, in co-operation with developing countries, progressively larger efforts to programmes meeting basic human needs. They offer their views on basic approaches and principles for donor support as set out in the attached "Statement by DAC members on development co-operation for economic growth and meeting basic human needs" for discussion with developing countries.

7. Since programmes in support of basic human needs objectives are likely to have a high local-cost content, DAC members will consider sympathetically requests to help support local costs in accordance with the DAC guidelines for local-cost financing, which they adopted at this meeting. Many members stressed the importance of reciprocal untying, which is under consideration, and DAC agreed to pursue discussion on this subject.

APPENDIX

Statement by members of the Development Assistance Committee  
on development co-operation for economic growth and meeting  
basic human needs adopted by the High-Level Meeting on  
27 October 1977

1. In the Declaration on Relations with Developing Countries adopted by OECD member Governments in June 1977, they acknowledged the necessity to continue working with developing countries towards improved and more effective development co-operation policies directed to the dual purposes of growth of incomes and meeting basic needs of individuals in all developing countries.
2. Member Governments wish to work with developing countries in further defining the implications of a more determined basic human needs-oriented approach for development efforts and policies, building upon the decisions in the United Nations and the relevant United Nations world conferences. In particular, they are determined to assist developing countries which seek to expand their capabilities for meeting more effectively the basic needs of their people within the context of achieving self-sustaining growth. A more determined basic human needs-oriented approach to development should permit better understanding and support for enhanced development co-operation efforts.

Basic principles of concept and approach

3. Many developing countries have, over the past few decades, made impressive progress in their economic development. And yet, notwithstanding this progress and the positive action taken by the international community, severe problems of mass poverty remain. A cause of particular concern is the plight of the 1 billion people in the world who, largely for want of productive employment, remain unable even to meet the most urgent needs for food, decent drinking water, shelter, health care and education. In the face of this situation, DAC members underline the necessity, as expressed in the Declaration of Principles and Programme of Action of the Tripartite World Conference of the ILO, a/ to add a new dimension to development strategies addressing the problems of meeting basic human needs more directly.
4. The concept of basic human needs must be country specific and dynamic, for it is up to the individual developing country to choose and define its own objectives and policies in the light of its circumstances.
5. Concern with meeting basic human needs is not a substitute for, but an essential component of, more economic growth, which involves modernization, provision of infrastructure and industrialization. In particular, policies which

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a/ See E/5857, annex.

contribute to increased utilization of available resources, especially labour and improvement in their productivity, should contribute to both growth and equity. A basic needs approach is not primarily welfare or charity, but productivity-oriented, aiming at increasing the productive income of the poor and strengthening the basis for long-term self-generating development. Programmes which involve the widest possible participation of the people whose needs are addressed are most likely to be effective.

6. Constructive structural change in international economic relations, leading to a more equitable and stable international economic system, one which would create a better life for all people, must remain an essential element of any policy in favour of developing countries.

#### Basic principles of donor support

7. The adoption by developing countries of enlarged development programmes aiming at basic human needs objectives and the application of the attendant policy reforms increase the need for financial transfers and increased efforts by donor countries. While most developing countries have serious problems of economic and social imbalance, the bulk of the problem is in the poorest countries, where the majority of the poor live.

8. No sector should a priori be excluded as a target for appropriately designed assistance. The importance of the different sectors will vary depending upon developing country circumstances and priorities. Significant progress towards raising the productive income and welfare of the poor requires that greater emphasis within aid programmes be placed on contributing to expanding opportunities for productive employment, rural development, food production and well-designed, broadly accessible health, family planning and education services.

9. Aid programmes should be designed to promote the active participation of women in the development process.

10. Natural disasters affect the poorest societies and their poorest members most harshly. External support for increased efforts to defend against such disasters is a significant element in meeting basic human needs.

11. DAC members recognize the need to strengthen their own capability to contribute flexibly and effectively to basic human needs-oriented development programmes. They will review their procedures for assistance to facilitate implementation with a view to relying increasingly for its administration on the national and local authorities of developing countries, keeping in mind their accountability to Governments and parliaments for the effective use of aid resources. DAC members recognize the valuable contribution which non-governmental organizations can increasingly make in the basic needs area.

12. Since effective policy planning and administrative capacity is critical for implementation of development, DAC member countries will seek to respond positively to requests from developing countries for assistance for these purposes,

including training and the strengthening of domestic institutions in such areas as agricultural and industrial extension for low-income producers and delivery systems for basic services.

Improved donor/recipient co-operation

13. DAC members are ready to determine with interested developing countries the scope for strengthening their financial and technical support to basic needs-oriented development programmes and to make it more effective. International aid programmes, supporting policies whose development objective and efforts are oriented towards meeting the basic needs of individuals and of communities, can only be identified at the individual country level through active donor-recipient dialogue building upon the existing arrangements for international aid co-ordination, such as the consortia and consultative groups, strengthening these arrangements and exploring arrangements of a new kind where appropriate.

14. DAC members welcome initiatives that might be taken by developing countries to improve co-ordination of international aid from various sources and its effective integration into national development efforts and programmes.

15. They will work towards increasing emphasis being given to a more basic human needs-oriented approach to development in the competent international development institutions of which they are members.

16. DAC members look forward to working with developing countries on the incorporation of basic human needs objectives in the new international development strategy that is being envisaged under United Nations auspices to provide a broad framework for improved international economic co-operation during the coming decade.

Further DAC action

17. Increased effectiveness of aid programmes in assisting developing countries in a more determined basic human needs-oriented approach to development will continue to be a major concern of DAC in the period ahead. DAC, taking fully into account the results of discussions in other international fora, will work towards a clarification on the basic programme and policy issues, as well as on the implications for practical aid management and procedures, seeking the advice of experts from developing countries, as appropriate. DAC will keep under review members' aid programmes with respect to their contributions to the developing countries' progress in meeting basic human needs objectives and with a view to expanding the levels and improving the effectiveness of aid programmes in support of developing countries' efforts.

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