



## General Assembly

Distr.  
GENERALA/37/197/Add.2  
17 December 1982

ORIGINAL: ENGLISH

Thirty-seventh session  
Agenda item 71 (o)

## DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

Implementation of the Substantial New Programme of Action for  
the 1980s for the Least Developed CountriesReport of the Secretary-GeneralAddendum

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## I. INTRODUCTION

1. For the purpose of preparing the report of the Secretary-General on the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (A/37/197 and Corr.1), a note verbale was addressed in April 1982 by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) to all Member States requesting information on action taken in response to General Assembly resolution 36/194 of 17 December 1981. A corresponding letter was addressed to United Nations organizations and the intergovernmental organizations. The replies to the aforementioned note verbale and letter, which were received by the end of August 1982, are summarized in document A/37/197 and Corr.1; those received in September and October 1982 are summarized in document A/37/197/Add.1.

2. This addendum covers the replies received in November from 10 States (Burundi, Czechoslovakia, Ethiopia, Iraq, Italy, New Zealand, Portugal, Oman, Somalia, Thailand). It follows the same outline as that of the main report and the first addendum.

## II. IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION BY THE INTERNATIONAL COMMUNITY

### A. Information received from individual countries

3. The three least developed countries (Burundi, Ethiopia and Somalia), in their replies, gave information on the arrangements made by their Governments for the implementation, follow-up and monitoring of the substantial New Programme of Action. The Government of Burundi has designated the Ministry of Planning as its national focal point for continuing contact with its development partners in the implementation of the SNPA. That Ministry will also be responsible for creating an intragovernmental working party of relevant ministries. As other positive steps, the Government of Burundi has decided to reflect the SNPA in its five-year plan (1983-1987) which is under preparation, and plans to organize a round-table meeting with its development partners during the first semester of 1983.

4. The Government of Ethiopia has decided to adopt measures leading to a more equitable income distribution in favour of the poorest fraction of the population. Unprecedented efforts to mobilize domestic resources have been adopted. These efforts have resulted in the increase in capital expenditure by 12.6 per cent in 1980/81 and 33.5 per cent in 1981/82, raising the ratio of capital expenditure to gross domestic product (GDP) from 4.6 per cent in 1979/80 to 5.0 per cent in 1980/81 to 6.3 per cent in 1981/82. An increase in social welfare has also been realized: the literacy rate has been raised from 4 per cent in 1974 to 45 per cent in 1982 with an increase in expenditure on education by 9 per cent annually. The proportion of the population with access to public health services has been raised from 15 per cent in 1974 to 43 per cent in 1981. Unfortunately, the meagreness of external inflows of capital has become a serious constraint: it limits the level of investment and restricts the developmental efforts of the people. Ethiopia continues to face many challenging developmental problems such as low living standards, stagnant production, high rate of unemployment and underemployment and inadequacy of basic social services which remain critical despite the Government's commitment and determination to eliminate them.

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5. The Government of Somalia stated that it is currently undertaking reforms in fiscal and monetary policy in order to limit the growth of external debt, establish a unitary exchange rate and liberalize import policy. The Government will follow liberal pricing policies aimed at encouraging domestic production. Producer prices will be reviewed at the beginning of each growing season to assure the farmers an incentive for production. The viability and productivity of public enterprises will be ensured by management reforms and improvements in the supply of inputs and spare parts. The Government is committed to the application of all appropriate economic, social and political measures to improve the living conditions of its people. The main emphasis of sectoral programmes has been put on production-oriented activities, aimed at attainment of self-sufficiency in food production and in essential manufactured consumer goods. Data on external resources indicate that Somalia had a satisfactory balance-of-payments position up to the beginning of 1979. Since then a sharp deterioration has set in. The deficit of the balance of payments in 1981 amounted to about \$US 460 million.

#### 1. Volume of assistance

6. With regard to the target of 0.15 per cent of gross national product (GNP) for official development assistance (ODA) to least developed countries, Italy reaffirmed its commitment to attain it in the coming years. Its ODA to least developed countries will be doubled in 1982.

7. New Zealand interprets the SNPA in the context of its long-term commitments to the South Pacific Islands, although only one of these countries (Samoa) is currently classified as least developed. Moreover, New Zealand has endorsed the SNPA as an impressive and useful programme but, in view of its current resources constraints, the Government is not able to meet the quantitative targets adopted in the SNPA at the Paris Conference.

8. Data provided by the two above-mentioned countries, concerning the amount of their aid to the least developed countries, and their contributions to multilateral agencies are summarized in table 1. <sup>1/</sup>

9. Czechoslovakia stated that its aid disbursements to the least developed countries amounted to \$US 120 million as credits, and to 10.3 million koruny as grants.

10. The Government of Iraq indicated that its commitments to the least developed countries during the year 1981 were \$250 million.

11. The Government of Portugal stated that its annual ODA is estimated to be about 1 per cent of its general budget. Portugal has also provided, to the extent of its capabilities, management training to some Portuguese-speaking least developed countries requesting it.

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<sup>1/</sup> Table 1 is a revised version of table 1 in document A/37/197/Add.1. It incorporates the information provided by other member countries of the Development Assistance Committee.

12. The Government of Oman stated that its country is not in a position to provide information on the implementation of the SNPA.

13. The Government of Thailand stated that its country's ODA to the least developed countries amounted in 1979 to \$US 26.9 million, of which 7.1 per cent was provided in the form of grants; 2/ in 1980, it amounted to \$US 77,450 entirely provided in the form of grants; and in 1981, to \$US 75,039 also entirely provided in the form of grants.

## 2. Immediate action component

14. With respect to the implementation of paragraph 72 of the SNPA, Italy stated that the measures proposed are generally taken into account in its aid programming. It also stated that it is continuing to support the International Emergency Food Reserve and to provide disaster relief assistance. New Zealand stated that particular attention is being given to commodity stabilization schemes, assistance to indigenous development banks, development of indigenous industries and removal of barriers to island exports to New Zealand, and that it will maintain its annual appropriation of funds for emergency and disaster relief.

## 3. Aid modalities

15. In 1980 and 1981, Italy provided the totality or almost all of its assistance to the least developed countries in the form of grants, but in 1982 only 32 per cent of Italy's ODA to least developed countries was provided in the form of grants. Project aid, sectoral assistance, programme assistance, debt reorganization and food aid have been increased. In 1980 and 1981, 100 per cent of New Zealand's assistance was provided in the form of grants. No decision has yet been made about raising the level of the assistance for the coming years.

## 4. Priority sectors for assistance

16. Food and agriculture: (paras. 97-102 of the SNPA). Italy and New Zealand stressed the importance of this sector. Italy supports the domestic efforts of least developed countries to achieve food self-sufficiency and is willing to help them improve the conservation of foodstuffs. Italy's yearly contribution to the International Emergency Food Reserve amounts to 500,000 tons. New Zealand's principles for bilateral assistance are guided by the need to improve the living conditions in rural areas. In 1981, \$US 12.32 million, 30 per cent of the bilateral aid allocation by sector to all developing countries, was devoted to agriculture and rural development.

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2/ Of which \$US 25 million was a commercial credit at low rate of interest to Bangladesh and \$US 1.9 million was for the provision of food to the Lao People's Democratic Republic.

Table 1. Bilateral ODA to all least developed countries and contributions to multilateral agencies from replies received from member countries of the Development Assistance Committee (net disbursements in millions of dollars)\*

Country	Year	Bilateral ODA to all least developed countries				Contributions to multi-lateral agencies
		Total	of which			
			Technical co-operation grants	Other grants	Loans	
Austria	1980	5.66	3.25	-	2.41	28.25
	1981	10.58	2.70	6.30	1.58	58.74
	1982					49.33
Belgium	1980	95.54	48.88	36.40	10.26	139.37
	1981	85.12	40.20	36.17	8.75	205.53
Canada <u>a/</u>	1980	164.20	11.97	152.23	-	418.20
	1981	180.17	16.68	163.49	-	442.07
Denmark <u>b/</u>	1980	106.48	38.60	23.96	43.92	208.83 <u>c/</u>
	1981	74.29	50.64	9.29	14.36	209.93 <u>c/</u>
	1982					180.03 <u>c/</u>
Finland	1980	21.9	11.3	10.6	-	45.2
	1981	23.9	10.0	10.7	3.2	56.3
	1982					63.1 <u>d/</u>
France <u>e/</u>	1980	395.4				
	1981	451.0		303.1 <u>f/</u>	147.9	
Germany, Federal Republic of <u>g/</u>	1980	544.6				1243.1
	1981	500.0				936.1
Italy	1980	37.11	36.50	-	0.61	599.60
	1981	40.09	37.64	-	2.45	493.04
	1982	83.74	26.39	-	57.35	570.25 <u>c/</u>
Netherlands <u>h/</u>	1980	302.60	77.86	206.53	18.21	402.80
	1981	288.19	73.46	195.70	19.04	366.38
New Zealand	1980	6.1	-	6.1	-	19.87
	1981	4.8	-	4.8	-	17.05

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Table 1 (continued)

Country	Year	Bilateral ODA to all least developed countries				Contributions to multi-lateral agencies
		Total	of which			
			Technical co-operation grants	Other grants	Loans	
Norway	1980	96.8		96.8 <u>f</u> /	-	190.8
	1981	90.3		90.3 <u>f</u> /	-	190.1
	1982					192.5 <u>d</u> /
Sweden <u>i</u> /	1980	197.8 <u>j</u> /		186.5 <u>f</u> /		247.7
	1981 <u>l</u> /			159.0 <u>f</u> / <u>k</u> /		317.5
Switzerland <u>m</u> /	1980	60.15		60.15 <u>f</u> /		86.71
	1981	57.28		57.28 <u>f</u> /		78.66
United Kingdom of Great Britain and Northern Ireland <u>n</u> /	1980	328.71	105.15	217.04	6.51	525.74
	1981	296.07	91.66	201.98	2.43	865.91 <u>o</u> /
United States of America	1980 <u>p</u> /	588.9 <u>d</u> /				1 737.9 <u>d</u> /
	1981 <u>p</u> /	615.1 <u>d</u> /				1 266.0 <u>d</u> /
	1982 <u>p</u> /	627.9 <u>d</u> /				1 529.2 <u>d</u> /

(Footnotes to table on following page)

(Footnotes to table 1)

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Source: Country replies

\* This table is a revised version of table 1 in document A/37/197/Add.1. In addition to the information contained therein, it incorporates information provided by Italy and New Zealand.

a/ Flows converted at the average rate of 1.1693 Canadian dollars per US dollar in 1980 and 1.1989 Canadian dollars per US dollar in 1981.

b/ Flows converted at the average rate of 5.6359 Danish kroner per US dollar in 1980, 7.1234 Danish kroner per US dollar in 1981, and 7.7706 Danish kroner per US dollar in 1982 (average rate for the first quarter of 1982).

c/ Commitments.

d/ Budget allocation.

e/ Flows converted to the average of 4.2260 French francs per US dollar in 1980 and 5.4346 French francs per US dollar in 1981.

f/ Total grants.

g/ Flows converted at the average rate of 1.8158 Deutsche mark per US dollar in 1980 and 2.2610 Deutsche mark per US dollar in 1981.

h/ Flows converted at the average rate of 1.9881 guilders per US dollar in 1980 and 2.4952 guilders per US dollar in 1981.

i/ Flows converted at the average rate of 4.2296 Swedish kroner per US dollar in 1980 and 5.0634 Swedish kronor per US dollar in 1981.

j/ Source: OECD/DAC.

k/ In 1981, 38 per cent of Swedish over-all ODA was in the form of grants.

l/ Sweden's programme as presented in the Budget and Finance Bill for 1982/83 and proposed to Parliament provides for a 3.74 per cent nominal increase (in Swedish kroner) for bilateral assistance to least developed countries as compared to appropriations approved for 1981/82 and a 7.9 per cent nominal increase in multilateral assistance.

m/ Flows converted at the average rate of 1.6757 Swiss francs per US dollar in 1980 and 1.9642 Swiss francs per US dollar in 1981.

n/ Flows converted at the average rate of 2.3263 US dollars per pound in 1980 and 2.0279 US dollars per pound in 1981.

o/ Provisional figure.

p/ Fiscal year 1 October-30 September.

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17. Transport and communications (paras. 55 and 84-96 of the SNPA). Italy is contributing to the improvement of regional and subregional communication systems, particularly in Africa. New Zealand is providing aid to the South Pacific island countries, including Samoa, in the area of shipping. It is also providing funds for programmes in civil aviation, domestic transport and communications.

18. Social infrastructure (para. 70 (g) of the SNPA). Italy's assistance to this sector is oriented towards education, health and disaster relief. New Zealand has been allocating funds to emergency and disaster relief for a number of years.

#### 5. Criteria for assistance

19. Italy: for all project aid, Italy requests that the recipient country demonstrate a continuing effort to mobilize its domestic resources; the country should also have a strategy to reinforce its food production for self-sufficiency, have made progress in the health and sanitation sector and have a policy to reduce its dependency on traditional energy imports.

20. New Zealand asks for an official request from the recipient country and that project selection take into account the effect it is likely to have on vulnerable groups such as women.

#### B. Information received from organs, organizations and bodies of the United Nations system

##### Specialized and related agencies

##### Food and Agriculture Organization of the United Nations\*

21. The major role of FAO in assisting the least developed countries continues to be in the building up of their institutional capabilities and trained manpower, as well as increasing their access to technical knowledge and development experience. FAO's technical competence has been at the disposal of least developed countries and covers a wide spectrum of activities, including nutrition, crop production, range management and livestock production, development of land and water resources, desertification control, fisheries, forestry, agricultural processing, marketing, food security, rural energy, as well as agrarian reform and rural development.

22. During the period from 1 January 1981 to 15 April 1982, some 219 country projects were approved for funding by UNDP, trust funds and the Technical Co-operation Programme, for a total cost of over \$US 82 million. During 1981, one third of the total expenditure on country projects was absorbed by the least developed countries. For the African region specifically, least developed countries accounted for over 60 per cent of total expenditure for country projects in the region (excluding the Sudan and Somalia). From January 1980 to June 1982

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\* See also A/37/197, para. 95.



18 programme development/project identification missions were undertaken for 14 least developed countries in Africa. In addition, such missions have been sent to Somalia, the Sudan and Democratic Yemen. Least developed countries are also benefiting from regional projects, particularly in Africa, and Asia and the Pacific. For Africa, current regional activities include assistance to CLISS and other regional and subregional organizations such as the Lake Chad Basin Commission, WARDA and others; several least developed countries participate in regional fisheries and pest and animal disease control projects. The Sahel region, which includes seven least developed countries, has recently been the subject of an FAO feasibility study for the establishment of a co-ordinated system of national and regional reserve stocks of grain. For Asia and the Pacific, aside from participation of some least developed countries in most regional projects, two regional projects with UNDP financing have been directed specifically to least developed countries: one for advisory services in training for agricultural census and the other for such services and fellowships in agriculture, fisheries, livestock and forestry.

23. During the period from January 1981 to 31 March 1982, the FAO Investment Centre undertook responsibility for, or participated in, 91 missions to 24 least developed countries; this represented about one third of the total missions for the period. The estimated total investments (including government contributions) required for resulting projects to least developed countries amounted to \$US 1,066 million, representing about one third of the total investment for projects in all countries. During the same period, 20 Investment Centre-assisted projects (for 13 least developed countries) had been approved for financing, involving total investment costs of \$450 million, of which \$337 million was from external sources.

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