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SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Summary reports on Benin, the Central African Republic, Chad,
Democratic Yemen, Djibouti, Ecuador, El Salvador, the Gambia,
Madagascar, Nicaragua and Vanuatu

Report of the Secretary-General

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I. INTRODUCTION

1. The General Assembly, at its forty-second session, adopted the following resolutions on 11 December 1987: resolution 42/200, entitled "Special economic assistance to Chad", resolution 42/203, entitled "Assistance to El Salvador", and resolution 42/205, entitled "Assistance to Benin, the Central African Republic, Democratic Yemen, Djibouti, Ecuador, the Gambia, Madagascar, Nicaragua and Vanuatu". In each resolution, the Secretary-General was requested to report to the Assembly at its forty-third session on the implementation of the resolution. The present report contains the reports of the Secretary-General in pursuance of resolutions 42/200, 42/203 and 42/205.

2. The present reports, which are summary in nature, provide information on the special programmes of economic assistance being implemented for each of the countries concerned. The basic features of the economies of these countries were described in previous reports of the Secretary-General, the most recent of which was contained in document A/42/442.

3. As indicated in document A/42/442, the purpose of the special programmes of economic assistance is to help countries in dealing with special circumstances that have a serious negative impact on their development efforts. Thus, some programmes are designed to support national reconstruction efforts after natural or man-made disasters; others aim to help overcome the obstacles to national development posed by weak infrastructure. Some of the countries for which a special programme is being implemented are land-locked or are coping with the problems that confront small, island developing countries. Generally, the economies of the countries in the programmes are characterized by fragility and a high degree of vulnerability to external conditions, especially the global economic environment. In adopting the above-mentioned resolutions, the General Assembly has called upon the international community, the specialized agencies and other organizations and programmes of the United Nations system to provide support to these countries. Moreover, the Secretary-General has been requested to make efforts to mobilize resources to implement the special programmes of economic assistance and to enable the Governments concerned to articulate the priority needs of their countries.

4. Of the 11 countries named in paragraph 1, 7 have been classified by the General Assembly as least developed countries. A significant number of the countries are implementing a round-table process as a follow-up mechanism of the Substantial New Programme of Action for the 1980s for the Least Developed Countries 1/ and, to an increasing extent, these countries have integrated the special programme of economic assistance into the round-table process in mobilizing and co-ordinating donor support.

5. Through its continuing series of consultations with donors and its primary focus on the country's economic situation, the round-table process provides a particularly appropriate framework in which the status and future needs of a country can be assessed. The process provides Governments with a mechanism to mobilize support for the development strategies of their countries. The documentation prepared for a round-table Conference provides a macro-economic

analysis of the country's current situation and identifies constraints to development. Sectoral and special programme consultations that ensue as follow-up to the round-table conference generate analyses of key specific issues and thereby suggest directions for subsequent approaches and activities. Round-table meetings provide an opportunity for Governments to enter into an economic policy dialogue with donors to encourage a mutual commitment to implement appropriate strategies. The round-table meetings also give donors an opportunity to consider whether the level of their financial commitment and their aid modalities are conducive to the achievement of the desired development objectives. The lead institution in the round-table process is the United Nations Development Programme (UNDP).

6. In his progress report, on reform and renewal in the United Nations (A/42/234), the Secretary-General decided that the administration of the special programmes of economic assistance would henceforth be the responsibility of the United Nations Development Programme (UNDP). Accordingly, the reports in the present document have been prepared by UNDP, based on information provided by Governments of the countries concerned through the resident co-ordinator of the United Nations system's operational activities for development/resident representative of UNDP, as well as on data available in the UNDP regional bureaux.

7. The reports are presented below according to the allocation of country responsibility among UNDP regional bureaux. Additional information concerning any of the special programmes of economic assistance or round-table meetings may be obtained from the appropriate UNDP regional bureau or from the Government concerned.

II. REGIONAL BUREAU FOR AFRICA

A. Benin

1. Background

8. A special programme of economic assistance for Benin was initiated in response to General Assembly resolution 35/88 of 5 December 1980. In its resolution 42/205, the Assembly noted that Benin continued to experience serious economic and financial difficulties, characterized by a marked balance of payments disequilibrium, the heavy burden of its external debt and a lack of resources necessary for the implementation of its planned economic and social development programme.

2. Economic performance in 1987

9. The economic and financial situation of Benin, which was already very difficult in 1986, as reported in document A/42/442, section II.A, deteriorated further in 1987, as evidenced in the following statistics. Gross domestic product (GDP) declined in real terms in 1987 by an estimated 0.5 to 2.0 per cent, following a decline of about 0.2 per cent in 1986. With the overall deteriorating economic situation, the deficit on the budget of the central administration increased to \$125 million or 7 per cent of GDP. The deficit on the external current account

increased to \$190 million for 1987, or 11 per cent of GDP, as compared with the 1986 deficit of \$140 million.

10. Of particular concern to the Government was the burden of the external public debt. Debt servicing (principal and interest) for 1987 amounted to about \$70 million or 40 per cent of total export earnings. The accumulation of external payment arrears in 1987 amounted to \$235 million.

Agriculture

11. The 1987/88 harvest was adversely affected by unfavourable rainfall patterns and adverse growing conditions. Maize, Benin's principal cereal, was particularly affected, with output reduced by an estimated 25 per cent as compared with the previous year. Output of sorghum, millet and rice in the northern zones was more satisfactory.

12. The production of cotton in 1987/88 is estimated at 70,000 tons, 47 per cent less than in the previous year. The fall in output is attributed to a number of factors, including a reduction in the prices paid to producers and difficulties in collecting and stocking.

Industry and commerce

13. Overall, Benin's industrial sector failed to show any growth in real terms in the period under review. The sector suffered generally from weak demand both at home and abroad, and also confronted financing difficulties. In association, commercial activity in Benin continued to stagnate.

14. The companies engaged in the production of sugar, oils and soap, and soft drinks continued to suffer from underutilization of plant capacity and difficulties in procuring markets for their products, both domestically and abroad, encountering competition from products produced in neighbouring countries. Cement production was also characterized by underutilization of plant capacity and suffered from financing difficulties and a lengthy interruption in the supply of electricity during 1987. Production of crude petroleum at the off-shore Semé oil field averaged 5,500 barrels per day during the first half of 1987, as compared with an average of 7,500 barrels a day in 1986.

3. Structural Adjustment Programme

15. In April 1988, the first stage of formulating a financial stabilization and Structural Adjustment Programme for Benin was completed, following consultations between the Government of Benin and a joint International Monetary Fund (IMF)/World Bank mission. A timetable was drawn up for the implementation of a series of measures during 1988. Evaluation is scheduled for June/July 1988, negotiation for September/October 1988 and presentation to the Board/Council is planned for December 1988. Donor support that takes account of the economic and social impact of the measures undertaken by the Government of Benin in implementing a financial stabilization and Structural Adjustment Programme will be of key importance to the achievement of the desired goals.

4. External assistance and aid co-ordination

16. In 1986, total external assistance to Benin in the form of technical assistance or financing of capital investment amounted to \$133.5 million. Of this amount, \$80.1 million represented capital investment or financial assistance provided by 17 donor agencies and, in current dollars, represented an increase over the \$53.5 million in this type of assistance in 1985. The value of technical assistance to Benin in 1986 was \$53.4 million, of which the contribution of the United Nations system, including UNDP, amounted to \$10,066,000.

17. A round-table conference for Benin is tentatively scheduled for late 1988 or early 1989. This will provide an opportunity for dialogue between the Government of Benin and bilateral and multilateral donors concerning the Government's programmes to stimulate economic recovery and the country's needs for external assistance to support these programmes. In the period since the 1983 round-table conference, consultations have taken place concerning a wide range of sectors, the most recent of which were the consultations for integrated rural development in Mono Province, held in October 1987, and for telecommunications, held in November 1987. Within its ongoing country programme, UNDP will implement one project to enhance the planning capacity of the Government and another to strengthen aid co-ordination.

B. Central African Republic

1. Background

18. The special programme of economic assistance for the Central African Republic was initiated in response to General Assembly resolution 35/87 of 5 December 1980. In its resolution 42/205, the General Assembly noted that despite serious efforts undertaken by the Government of the Central African Republic to re-establish economic stability, the country's situation remained precarious and that more assistance was required from the international community for the achievement of the country's development objectives.

2. Economic situation

19. The programme of economic and social rehabilitation that the Central African Republic embarked upon in 1981 has achieved some noteworthy results, although some are somewhat less than targeted. Weakness in world prices for cotton and coffee has constituted one major setback to the programme. Normally, these two cash crops provide about one third of the Republic's export revenues. Reacting to the drop in world prices, production of cotton in the Central African Republic was 26 per cent below target in 1987 and that of coffee 11 per cent below target. Total export revenues are estimated to have fallen off by 30 per cent in 1987 as compared with 1986. Repercussions have been felt throughout the economy, especially in the export-oriented and modern sectors, and government revenues have been reduced.

20. A concomitant shift in agricultural production in favour of food and fuelwood resulted in increased supplies and, to some extent, cheaper staples have cushioned

some of the impact of the Structural Adjustment Programme on urban populations. Owing primarily to increased productivity in agriculture, the growth of GDP in 1987 is estimated at a little over 2 per cent. The target set under the Structural Adjustment Programme was at least 3.5 per cent.

21. The course of exchange rate movements has also adversely affected the economy of the Central African Republic. The prices of the country's principal exports are set in terms of United States dollars, the value of which has declined in relation to other major currencies, while import prices are set in currencies that have become increasingly strong.

3. Structural Adjustment Programme and Development Plan

22. The objectives of the Structural Adjustment Programme for the Central African Republic and the country's five-year Development Plan for the period 1986-1990 are outlined in document A/42/442, section II.B.

23. The results of the first phase of the Structural Adjustment Programme were evaluated by the Government and concerned donors at the end of 1987. While some aspects of the Programme had been seriously disrupted as a result of external factors, as indicated above, the implementation by the Government of a number of measures agreed to under the Programme was deemed satisfactory. The areas covered by these measures included fiscal and budgetary policies, the gradual withdrawal of the State with regard to internal price mechanisms and the reform of public institutions and public enterprises. However, faster progress is hoped for in some areas, particularly in respect of two components of the programme: (a) the use of state resources and (b) the sources of budgetary revenue. The first component is centred on the reduction in the number of civil service personnel, whose salaries represented two thirds of budget receipts in 1987. The aim is to reduce this proportion to 50 per cent within three years in order to free additional resources for capital investment, to which somewhat less than 19 per cent of state revenues are currently directed. In terms of number of state employees, a reduction of 2,000 from the present total of 23,000 is involved. The second component aims to raise state revenues from 10.5 per cent of GDP in 1987 to 13.0 per cent by 1990, largely by improved tax collection in the informal sector and by stricter collection of customs duties.

24. The 1987 evaluation indicated that notable progress had been made despite the economic setbacks resulting from exogenous factors. Budgetary discipline had reduced the central budget deficit from 4 per cent of GDP in 1981 to 2.3 per cent in 1986. Public revenues increased, in nominal terms, by 32 per cent between 1982 and 1985, after which receipts fell off as a result of the decline in export revenues. In 1984/85, just before the collapse of cotton and coffee prices, financial stabilization efforts had, within two years, curbed the growth of the external debt contracted from 43 per cent of GDP to 39 per cent. However, debt service payments, which, after a rescheduling negotiated with Paris Club creditors in November 1985, were to have represented 13.9 per cent of export earnings, represented over 20 per cent of export revenues in 1987. Further rescheduling negotiations with creditors are expected to take place after July 1988, when the

IMF/World Bank financing arrangements for a second phase of the Structural Adjustment Programme are expected to be signed.

25. According to World Bank estimates, the financing requirement of the Central African Republic to meet its investment programme for 1987-1992, after taking account of expected external financing, has a shortfall of \$20 million in 1988 and of \$24 million in 1989. Thereafter, the shortfall is expected to decline to \$5 million in 1992. The investment programme aims, in particular, to revitalize the commercial exploitation of the country's forestry resources, strengthen receipts from the diamond industry and stimulate the private sector, especially at the level of small and medium-sized enterprises. Social investment will focus on developing the country's human resources and improving health conditions.

4. Round-table process and aid co-ordination

26. In accordance with recommendations made at the round-table conference held at Geneva in June 1987, follow-up consultations were scheduled for rural development, in June 1988, for education, training and employment, in November 1988, and for small and medium-sized enterprises, in the first quarter of 1989.

27. The Central African Republic is participating in the National Technical Co-operation Assessment and Programmes (NaTCAP) exercise organized by UNDP. Given the priorities established in the Structural Adjustment Programme, the first phase of the NaTCAP exercise focused on the structure and staffing needs of four national ministries: Planning, Public Administration, Rural Development and National Education. With technical and financial support from UNDP, a seminar on national planning was held in the Central African Republic in November 1987. A second phase of the NaTCAP exercise is planned. Moreover, under its fourth country programme for the Central African Republic, UNDP is providing support for the strengthening of the Ministry of Planning, Statistics and Economic and Financial Co-operation, which is responsible for aid co-ordination on the government side.

28. At the sectoral level, bilateral and multilateral donors and non-governmental organizations are co-ordinating their assistance to the Central African Republic. Typical arrangements include UNDP co-operation with other donors in rural development, with the World Bank and the United States in the promotion of small and medium-sized enterprises and with a number of United Nations organizations and agencies in the health and education sectors.

C. Chad

1. Background

29. A special programme of economic assistance to Chad was initiated pursuant to General Assembly resolution 35/92 of 5 December 1980. In its resolution 42/200, the Assembly recognized the need for emergency humanitarian assistance to Chad as well as for assistance for the reconstruction and development of the country, and appealed to the international community to continue its assistance to Chad.

2. Economic situation

30. Recurrence of drought conditions in Chad resulted in a marked reduction in agricultural production in 1987, with food crops as well as the principal export crop, cotton, affected. The 1987 production figures, in tonnes, and the previous year's production, which is shown in brackets, were as follows: sorghum, 110,000 (142,200); ground-nuts, 79,100 (95,800); food production (southern Sudanian zone), 423,500 (544,600); food production (central Sudanian zone), 202,000 (222,000); cotton, 89,469 (99,469).

31. Owing to the fall in agricultural production, which accounts for 43 per cent of total output in Chad, GDP is estimated to have declined in 1987. Reduced cotton exports in 1987 depressed both export revenues (of which they constitute 60 per cent) and state fiscal receipts (to which they contribute 20 per cent). In 1987, state revenues in Chad declined for the third consecutive year and the situation with respect to the external trade account, which is estimated by the World Bank to have been in deficit since 1981, worsened.

32. Data compiled by the World Bank indicate that, at year-end 1986, the total of Chad's external debt outstanding and disbursed amounted to \$171.8 million. Total debt service payments (principal and interest) due in 1986 amounted to \$3.2 million.

3. Development planning and the round-table process

33. With the Interim Plan (1986-1988) now in its third year, the Government is currently drawing up a development plan for the period 1989-1992. UNDP is providing funding for analytical work to be carried out in connection with this planning exercise.

34. Following the round-table conference for Chad held at Geneva in December 1985, sectoral consultations for cotton were held at Washington, DC, in May 1986, for the agro-sylvo-pastoral sector at N'Djamena in December 1986 and for transport and communications at N'Djamena in February 1988. Preparations are under way for special consultations for the reconstruction and development of the northern region (Borkou-Ennedi-Tibesti) to be held in the latter part of 1988. The Department of Technical Co-operation for Development of the United Nations Secretariat has financed advisory services to assist the Government of Chad in the preparation of documentation for these special consultations as well as for consultations for human resources (health and education), which are scheduled for early 1989. Consultations for industry are also scheduled for that period.

4. Emergency needs and assistance

35. In January 1988, the Government of Chad appealed for food donations and financial assistance to help meet a food deficit estimated at 141,000 tonnes. Funds were required for the local purchase of 26,500 tonnes of cereals, 7,650 tonnes of edible oils, 3,285 tonnes of sugar and to finance import of 50,000 tonnes of cereals and 7,650 tonnes of milk. These were considered minimum

needs. In addition, the Government hoped to establish a security stock of 20,000 tonnes of cereals. An estimated \$13 million was required to meet the cost of local purchases, transport and storage. Following the Government's appeal, the following donors provided food donations:

<u>Donor</u>	<u>Amount in tonnes</u>
World Food Programme	7 315
Federal Republic of Germany	3 000
Fonds d'assistance et de co-opération (FAC)	2 000
African and Malagasy Sugar Council	40
League of Red Cross Societies	2 000
USAID	2 000
Swiss co-operation	<u>325</u>
Total	<u>16 680</u>

36. In March 1988, the Government appealed for financial assistance in the amount of CFAF 470 million to transport 7,500 tonnes of food to deficit areas.

Other United Nations assistance

37. The emergency conditions that had prevailed in Chad following the devastating drought of 1984-1985 and the large-scale displacement of people from the northern province of Borkou-Ennedi-Tibesti as a result of armed conflict imposed a heavy strain on the national economy. Under an assistance programme for victims of armed conflict in the north, the Office of the United Nations Disaster Relief Co-ordinator (UNDRO) assisted in the mobilization of \$7.2 million by the international community. Bilateral donors, the United Nations system and non-governmental organizations provided emergency aid in the form of blankets, tents, medicines, food, shelter and other relief items as well as assistance towards the implementation of rehabilitation projects.

38. Under an Integrated Basic Services Programme, the United Nations Children's Fund (UNICEF) is collaborating with the World Bank and the Food and Agriculture Organization (FAO) to provide rural areas in Chad with wells and with the equipment and training facilities required to promote health education and small-scale farming. About 60,000 persons in 150 villages in Kanem and Mayo-Kebbi provinces have already been assisted and the Programme is being expanded. Drawing on a special contribution, UNICEF has assisted the Government of Chad in carrying out a nation-wide immunization programme. UNICEF is also active in maternal and child health care, nutrition and the training of primary school teachers.

39. The large-scale return of Chadians to their country, both spontaneous and organized that began in 1986 continued in 1987 and 1988. The Office of the United Nations High Commissioner for Refugees (UNHCR) has reported that by the end of 1987 it had assisted in the reintegration of approximately 97,000 Chadian returnees.

Contributions from the donor community of close to \$3 million were used to meet basic domestic needs as well as to provide agricultural tools and seeds. In conjunction with the World Food Programme (WFP), relief foods were distributed. Where required, water supply facilities continue to be installed. UNHCR has delegated the main programme implementation to German Agro Action for agricultural activities in the east, and to the League of Red Cross Societies and the Chadian Red Cross for assistance mainly in southern Chad.

Locust threat

40. The Government is watching the situation with regard to locust infestations in neighbouring countries and is ready to join co-ordinated efforts in the event of an invasion into Chad. FAO stands ready to assist.

D. Gambia

1. Background

41. The special programme of economic assistance to the Gambia was launched in response to General Assembly resolution 36/220 of 17 December 1981 to help the country meet its urgent needs for rehabilitation and reconstruction. In resolution 42/205, the Assembly included the Gambia among those countries for which an appeal was made for continued and increased support by the international community.

2. Economic Recovery Programme

42. The Economic Recovery Programme adopted by the Government of the Gambia in 1985 and extended in mid-1986 for a further three years is showing positive results. The Programme, which involved comprehensive and far-reaching adjustment measures aimed at restoring financial equilibrium to the country while laying the basis for sustained growth, is supported by external financing from IMF under its Structural Adjustment Facility as well as a 13-month stand-by arrangement for the 1986/87 programme and by a World Bank structural adjustment credit.

43. As a result of the adjustment efforts, the return of favourable weather and the availability of substantial financing on concessionary terms, economic growth has resumed. At the same time, inflationary pressures have lessened, arrears on external payments have been reduced and reserves have risen significantly. The Gambia continues to face economic uncertainties, however, because of the narrowness of its production base and the high vulnerability of its economy to external developments. The sustained implementation of appropriate macro-economic and structural measures is considered essential to the country's future economic progress and financial viability.

3. Economic and financial performance

Economic growth

44. Economic and financial performance in the Gambia in 1986/87 exceeded objectives set in the Economic Recovery Programme. Real growth in GDP is estimated at 6 per cent in 1986/87 and is expected to rise by at least 4 per cent in 1987/88, reflecting a broad-based expansion in production. Important to the strong 1986/87 growth rate was the sharp increase in ground-nut production, which resulted from a combination of favourable weather conditions and higher prices paid to producers. Other sectors also showed buoyancy. Private and public construction activities expanded, receipts from tourism increased and commercial activity generally shared in the economic expansion. The Gambia's liberalized exchange rate and interest rate policies have helped revive private sector confidence.

Inflation

45. The rate of inflation has lessened markedly, falling from an annual rate of 70 per cent in 1985/86 to 20 per cent in 1986/87 and to an annualized rate of about 10 per cent during July-December 1987.

Fiscal policy

46. In the 1986/87 budget, import duties were raised on some items and reduced on other commodities with a view to stimulating re-exports. As part of the 1987/88 budget, reforms were introduced into the income tax law, the central revenue and customs departments were strengthened and strict controls imposed on subsidies and personal emoluments. As in the two previous years, civil service wages continued to be frozen under the 1987/88 budget while the number of civil servants was to be cut back. The allocation of development expenditures was rationalized through more rigorous project selection. Nevertheless, the budget deficit for 1987/88 is expected to be a high 19.3 per cent of GDP, owing largely to the retirement of the bulk of the debt incurred by the Gambia's Produce Marketing Board. Thereafter, the deficit is expected to decline.

External accounts

47. The Gambia's overall external position has improved, with a decline in the balance-of-payments deficit from SDR 19.3 million in 1985/86 to SDR 7.2 million in 1986/87 as a result of increased official transfers and capital inflows as well as the surrender of foreign exchange receipts from unofficial exports to the banking system. In 1987/88 the overall balance of payments is expected to decline further to SDR 1.4 million. The current account deficit widened, however, in 1986/87, owing in part to a strong expansion in imports associated with more buoyant domestic activity.

48. Gross official reserves rose from SDR 1.3 million in July 1986 to SDR 14.9 million at year-end 1987, while external payments arrears were reduced by about SDR 23 million.

4. External assistance and the round-table process

49. The flow of bilateral, multilateral and United Nations assistance to the Gambia remains in line with the country's priority development objectives. The World Bank is providing strong support to the Gambia's agriculture sector; the European Community is helping to increase food production and productivity, including fisheries; USAID is assisting in agricultural research and the introduction of new crops. UNDP's fourth country programme for the Gambia includes support for water resources as well as for animal health and horticulture. UNDP is also directing assistance to strengthening the Government's institutional structure. Along with the World Bank, IMF and the United Kingdom's Overseas Development Agency, UNDP is providing support in the areas of planning, finance and economic management, key areas for the successful implementation of the structural adjustment programme.

50. The first round-table conference for the Gambia, held in November 1984, has been followed by a series of sectoral consultations, the most recent of which were for agriculture and water, held at Banjul in October 1987.

E. Madagascar

1. Background

51. A special programme of economic assistance for Madagascar was initiated in 1984 in response to Economic and Social Council resolution 1984/3 of 11 May 1984 to help the country cope with the effects of the cyclones and floods that had occurred. In its resolution 42/205, the General Assembly noted that cyclones and floods afflicted Madagascar periodically and that the execution of reconstruction and rehabilitation programmes required the mobilization of resources exceeding the country's possibilities. The Assembly included Madagascar in the list of countries for which an appeal for assistance was made to the international community.

2. Output in 1987

52. In real terms, the economy of Madagascar grew by 1.4 per cent in 1987. With population growing at an estimated annual rate of 3 per cent, real per capita income in Madagascar continued to decline. Agricultural output, which has been increasing at an annual rate of 2 per cent, is also growing at a lower rate than population.

Agriculture

53. Climatic conditions were not favourable to Madagascar's agricultural output in 1987. Floods that occurred in the high plateau areas in January 1987 did some damage to the main rice crop. In the southern tip of the country, the persistence of chronic drought until April caused malnutrition in that area. The 1987/88 monsoon was generally late, with the result that the first crop of rice was poor and the main crop was delayed one month.

3. Economic stabilization efforts

54. In 1988, Madagascar entered its fifth consecutive year of implementing serious adjustment measures, formulated in co-operation with the World Bank and IMF. These efforts continue within the Structural Policy Framework for the period 1987-1990, the main objective of which is to increase the growth rate of GDP and exports. It is hoped that continuation of the trade liberalization process and a further devaluation of the Malagasy franc, by 45 per cent in May/June 1987, will encourage producers and exporters to focus on the processing and marketing of export items, followed, at a later stage, by new investment in those activities in which Madagascar enjoys comparative advantage. However, further policy reforms are deemed necessary. In the 1987-1990 phase of adjustment, particular attention will be given to increasing the efficiency of allocation and use of public resources. Thus, this phase is to include the strengthening of the budgetary processes, major reforms in the parastatal sector and a restructuring of the financial sector, including the state-owned banks.

55. A number of major issues have come to the forefront and are receiving attention:

(a) The social problems emanating from successive devaluations of the Malagasy franc, which reduced the effective exchange rate by half compared to 1983 and the implementation of other structural adjustment measures, are of concern. A consortium of donors, working with the Government of Madagascar, is considering means of alleviating these problems.

(b) Related to the prolonged decline in per capita income in Madagascar are the nutritional deficiencies and health problems affecting the country's children, and the high infant mortality rates. Estimates from studies indicate that about 80 per cent of Malagasy children attending school are undernourished, with serious implications for their physical and intellectual development. There is general agreement on the urgent need to address the plight of the more vulnerable groups in Madagascar and to incorporate social considerations in overall economic programmes. The World Bank has indicated that it is prepared to consider supporting, hopefully with other donors, a medium- and long-term action programme that would have as its elements employment generation, nutrition intervention, an essential medicines programme, child and family welfare programmes and an assessment of the interrelationship between population and various sectors.

(c) There is growing concern about environmental degradation in Madagascar, in particular the problem of deforestation. A permanent unit has been set up within the Directorate General of Planning to deal with environmental questions.

4. External assistance and aid co-ordination

56. On 28 and 29 January 1988, the fifth meeting of the Consultative Group for Madagascar was held in Paris under the auspices of the World Bank. At this meeting, the Government of Madagascar presented its strategy for continued structural adjustment in the immediate future and donors pledged a total of \$700 million for 1988 and 1989.

57. The continuation and broadening of donor support to the Government of Madagascar as it undertakes a further phase of difficult adjustment measures will call for strong mechanisms of aid co-ordination. Two new UNDP-funded projects relating to enhanced management of external aid were started in 1987. The projects aim to expand the capability of the Directorate General of Planning, which is responsible for co-ordinating all external development assistance to the country. One project strengthens the capacity of the Directorate to evaluate projects, while the other strengthens its capacity to co-ordinate external aid. The projects were prepared and are being implemented jointly by the Directorate and the World Bank.

58. Over the past year, a number of informal meetings have taken place in Madagascar that have permitted an exchange of information between government departments and concerned donors. These meetings have touched on the social aspects of structural adjustment, food security, forestry, the environment and emergency situations.

III. REGIONAL BUREAU FOR ARAB STATES AND EUROPEAN PROGRAMMES

A. Democratic Yemen

1. Background

59. In March 1982 unprecedented heavy rains and flooding resulted in severe damage and loss of lives in Democratic Yemen. The number of deaths was estimated at close to 500, thousands were left homeless and thousands of livestock were killed. On 17 December 1982, the General Assembly adopted resolution 37/150, in which it appealed for international support for the Democratic Yemen's rehabilitation and reconstruction programmes. On 11 December 1987, the Assembly adopted resolution 42/205 concerning Democratic Yemen and a number of other developing countries facing special economic and financial difficulties.

2. Third Five-Year Development Plan

60. The disastrous consequences of the floods of 1982 compounded the problems facing Democratic Yemen in its long-term development efforts: poor endowment in natural resources, harsh climate, rugged terrain and shortage of trained personnel. The consequences of the disaster undermined the targets of the country's Second Five-Year Plan (1981-1985) and its repercussions continue to be felt. Implementation of the Third Five-Year Plan (1986-1990) was delayed by the events of January 1986 and the Government proceeded with a one-year investment plan. In the light of a new resources situation, a revised Plan was approved by the Supreme People's Council in October 1987. With the support of a number of bilateral and multilateral donors, Democratic Yemen has been able progressively to resume its developmental activities. Under the revised Plan, total investment over five years is set at YD 582.9 million (approximately \$1,699 million), a 36 per cent increase over the 1981-1985 Plan. Of the total investment, 58 per cent is allocated to the productive sector, 18 per cent to transport and communications and 24 per cent to health, education, housing and other basic human needs. With internal sources expected to cover 48 per cent of the financing requirements, full

implementation of the Plan will rely heavily on external assistance. The Ministry of Planning is responsible for the co-ordination of all development assistance to Democratic Yemen.

3. The economic situation

61. Despite austerity measures imposed to restrict foreign currency spending, imports increased in 1987 by 24 per cent over 1986, in terms of national currency, while the value of non-oil products exported declined by 13 per cent in 1987 as compared with 1986. Remittances from expatriate Yemenis remained in 1987 at about the 1986 level of \$282 million, reflecting the slow-down of economic growth in neighbouring countries of employment. Foreign currency reserves decreased for the third consecutive year and, at \$104 million in September 1987, represented just under two thirds of the debt service payments due in 1988.

62. A positive development, however, was the discovery of oil in Democratic Yemen, announced by the Government in April 1987. The extent of reserves is yet to be announced, but in late 1987 an average of 10,000 barrels per day began to be trucked from the Shabwah area to the refinery and it was expected that this amount would increase. Plans were approved in 1987 for the construction of two pipelines and concessions were awarded for further exploration activities.

4. Reconstruction and rehabilitation programme

63. Previous reports of the Secretary-General have contained detailed information on the extensive bilateral and multilateral assistance provided for the reconstruction and rehabilitation of Democratic Yemen following the disaster of 1982. As indicated in the most recent report (A/42/442, section III.A), most of the aid-assisted programmes have been completed or are close to completion. Two UNDP-funded projects will be completed in 1988. These are the reconstruction of the Abyan Delta, executed by UNDP, and flood control at Wadi Bana and Wadi Hassan, executed by FAO.

64. In December 1987, consultations took place at Aden within the framework of a conference held under UNDP/FAO auspices as part of a major effort to reduce the vulnerability of the country's spate irrigation systems to flood disasters.

B. Djibouti

1. Background

65. In response to General Assembly resolution 32/93 of 17 December 1977, a special programme of economic assistance to Djibouti was instituted in 1978 to help the country cope with serious economic and social problems that had been compounded by severe drought. In its resolution 42/205, the Assembly noted that adverse climatic conditions, recurring drought and the presence of large numbers of refugees were having a devastating impact on the economic and social development of Djibouti.

2. Economic situation

66. In general, the economy of Djibouti showed no real growth in 1987. The Government's budgetary austerity campaign and an unfavourable global economic environment were not conducive to expansion in the industrial and commercial sectors. Difficulties were compounded by the effects of drought. Exceptional to the general trend were the increased receipts from port-related facilities and services as a result of increased use of the port of Djibouti during the year.

67. In the course of 1987, the Government instituted a number of measures designed to improve the country's budgetary and financial situation. These extended to economies in the civil service administration, improvements in the collection of indirect taxes and the rebuilding of reserve funds. The Government is also studying with care the situation of public enterprises; action with regard to public industrial enterprises that are in financial difficulties is under consideration. Measures to encourage investment in the private sector are also receiving attention.

68. On the basis of results achieved in 1987, the Government of Djibouti will continue its austerity campaign in 1988. The 1988 budget aims to increase revenues by further improvements in the collection of indirect taxes, raising certain taxes and the imposition of profit taxes on public enterprises. Government expenditures are to be kept to a necessary minimum and the civil service will continue to be subject to financial constraints. Nevertheless, in 1988, as in 1987 and previous years, the budget of Djibouti will require external assistance to bring it into balance.

69. Of the planned Public Investment Programme for 1987, amounting to \$356 million, 74 per cent was to be financed by external loans, 18 per cent by grants and 8 per cent from domestic resources. Sixty per cent of the 1987 Plan was implemented.

70. Servicing of Djibouti's long-term external debt (state and public enterprises) increased in 1987 to \$13.5 million. Payments due in 1988 are expected to increase by a further 9.6 per cent to \$14.8 million.

Geothermal energy

71. Exploration has indicated good potential for Djibouti in geothermal energy. In December 1987, principal donors met to discuss the development of the sector. An investment programme of about \$60 million was envisaged and donors expressed interest in participating. UNDP was requested to continue to be responsible for the technical direction of the project and also to finance a feasibility study.

3. Drought

72. Although drought is a chronic condition in Djibouti, 1987 was a particularly dry year. A joint WFP/Djibouti Government mission carried out in November 1987 noted that 50,000 nomads were seriously affected and that many of their cattle had died. The northern region was particularly affected and the situation was deemed

as catastrophic as in the regions bordering on Ethiopia where a state of emergency exists. In February 1988, the Djibouti Government addressed an appeal to the international community for assistance in coping with the consequences of the drought and requested UNDP to co-ordinate the efforts to mobilise resources. To this end, UNDP approved an emergency grant of \$50,000 for the purchase of various items and for the services of a consultant who would assist the Government in project preparation.

4. Refugees

73. The presence of large numbers of refugees has placed further pressure on Djibouti's resources and repatriation efforts continue. Of the 16,715 refugees enumerated by the Djibouti Government at the end of 1986, 3,591 had been repatriated by the end of 1987. About 13,000 refugees in Djibouti are being assisted by WFP.

5. Aid co-ordination

74. Under arrangements made in November 1987, the Prime Minister of Djibouti assumed responsibility for planning. The promotion of co-ordination of the economic activities of the private and public sectors, and the planning of public investment projects fall under his jurisdiction. In support of government capacity in planning, UNDP will provide technical assistance in the amount of \$554,000 under a project to go into operation in mid-1988.

75. Because of the key role that geothermal energy will play in Djibouti's energy plans, the round-table meeting on energy has been postponed until the end of 1988, at which time results of geothermal exploration can be taken into account.

76. The programme of mother/child health care in Djibouti is being carried out with the co-ordinated efforts of a number of United Nations organizations and agencies and local non-governmental organizations. At the regional level, the activities of the Intergovernmental Authority on Drought and Development, of which Djibouti is a member, have been supported by co-ordinated efforts, in particular on the part of the World Bank, FAO and UNDP/United Nations Sudano-Sahelian Office.

IV. REGIONAL BUREAU FOR ASIA AND THE PACIFIC

Vanuatu

1. Background

77. A special programme of economic assistance to Vanuatu, an island developing country, was instituted in response to General Assembly resolution 38/218 of 20 December 1983. The report of the inter-agency mission that visited Vanuatu in June 1984 (see A/39/388, annex) described the country's urgent development needs and provided information on the economic, financial and social conditions. In its

resolution 40/233 of 17 December 1985, the Assembly decided to include Vanuatu in the list of least developed countries, and requested UNDP to assist Vanuatu in the preparation and organisation of a donor's meeting. On 7 and 8 February 1987, Vanuatu was struck by the devastating cyclone Uma. In its resolution 1987/15, adopted on 26 May 1987, the Economic and Social Council urged the international community to respond generously to the reconstruction needs of Vanuatu. In General Assembly resolution 42/205, the Assembly noted that Vanuatu continued to experience severe constraints in its economic and social development, particularly as a consequence of the devastation and loss of life caused by cyclone Uma. In its resolution, the Assembly included Vanuatu in the list of countries for which an appeal was made for international assistance.

2. Cyclone Uma

78. The effects of cyclone Uma and its consequences for the economy of Vanuatu are described in document A/42/442, section IV.B. That document also indicates the relief and reconstruction measures undertaken by the Government of Vanuatu following the cyclone. Important among these was the holding of a Joint Aid Donor Meeting at Port Vila on 1 and 2 June 1987, organised with the assistance of UNDP. At that meeting, the Government presented a reconstruction programme comprising 52 projects with an estimated cost of \$15.3 million.

3. External assistance and aid co-ordination

79. At the June 1987 Joint Aid Donor Meeting, bilateral donors, multilateral aid agencies and the United Nations system pledged financial and technical assistance totalling \$9.7 million to help meet Vanuatu's reconstruction needs.

80. Vanuatu's longer-term developmental needs are also being addressed. UNDP is assisting the Government of Vanuatu in the organising and financing of a round-table meeting to be held at Geneva in October 1988. The preparation of documentation describing the country's economic situation, the Government's macro-economic policies, its developmental goals and priorities and the country's priority needs for external assistance is under way and will be available in advance of the meeting. The documentation will also include detailed profiles of individual proposed projects. UNDP is also compiling an inventory of development assistance provided to Vanuatu during 1987 by bilateral donors, multilateral agencies and the United Nations system.

V. REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN

A. Ecuador

1. Background

81. On 26 May 1987, at its first regular session of 1987, the Economic and Social Council adopted resolution 1987/17, in which the Council called for the full

participation of the international community in the reconstruction and rehabilitation of the areas of Ecuador affected by the devastating earthquakes of 5 and 6 March 1987. As reported in document A/42/442, section V.A, a multidisciplinary mission that visited Ecuador from 21 to 31 March 1987 assessed direct damages to Ecuador's social and economic infrastructure at \$185 million and indirect damages at \$815 million. The mission's report 2/ set the number of lives lost at approximately 1,000. In its resolution 42/205, the General Assembly included Ecuador in the list of countries for which an appeal was made to the international community to respond generously to identified needs.

2. Economic and financial situation

82. The March 1987 earthquakes experienced in Ecuador compounded already existing social, economic and financial problems. Rehabilitation and reconstruction necessitated unplanned-for capital expenditures by the Government. Export revenues were considerably lower than had been anticipated prior to the earthquakes as a result of the extensive damage to the oil pipeline, which held up oil exports over an eight-month period.

Balance of payments

83. Income from Ecuador's exports of crude petroleum and derivatives in 1987 amounted to \$764 million, as compared with \$980 million in 1986. The value of Ecuador's non-oil exports in 1987 amounted to \$1.2 billion, about the same level as in 1986, bringing the value of total exports to \$1.9 billion. The import bill rose in 1987 to \$1.88 billion, the increase being due mainly to purchases of capital equipment for the earthquake reconstruction programme, imports of petroleum and petroleum products, and the higher cost of imports. The 1987 deficit on the current account amounted to \$776 million, despite the Government's decision to defer payment of almost \$1 billion in principal and interest on the external debt.

Sectoral performance

84. Government estimates indicate that Ecuador's non-oil productive sectors showed considerably weaker growth in 1987 than in 1986. The growth of export-oriented agricultural production was reduced from 11 per cent in 1986 to 5.6 per cent in 1987, while growth in agricultural production for the domestic market was reduced from 5.5 per cent in 1986 to 3.3 per cent in 1987. The expansion of industrial production in 1987 barely reached 1 per cent, construction and transport activities registered a growth rate of 2.5 per cent and commercial and financial activities grew by 1.8 per cent.

85. The slow-down in the growth of the non-oil productive sectors caused the overall unemployment rate to rise to 11 per cent of the labour force. With wage increases failing to keep pace with the rate of inflation, which accelerated to an annual rate of 31 per cent in 1987, as compared with 27.4 per cent in 1986, there was a reduction in the real incomes of large segments of the population. This, together with the higher level of unemployment, contributed to a marked weakening in domestic demand.

Fiscal situation

86. Ecuador's public sector deficit was slightly lower in 1987 than in 1986, due mainly to the deferral of external debt payments. The 1987 deficit, amounting to 52 billion sucres (about \$305 million at the 1987 average exchange rate of 170 sucres = 1 United States dollar) was attributed by the Government mainly to investments in the reconstruction programme following the earthquakes and the effect of inflation on operational public works programmes. The deficit was financed by loans from the Central Bank.

3. External assistance

87. The report 2/ of the multidisciplinary mission that visited Ecuador in March 1987 following the earthquakes identified the issues, sectors and geographical areas that should be given priority in rehabilitation and reconstruction. The Government of Ecuador prepared requests for assistance for specific projects. Assistance in cash and kind were needed as well as technical co-operation.

88. As indicated in document A/42/442, section V.A, emergency assistance following the earthquakes was provided to Ecuador by a number of agencies and programmes of the United Nations system. The total of emergency assistance to Ecuador provided by United Nations programmes and agencies amounted to \$158,450. In addition, bilateral donors channelled \$313,385 in emergency assistance to Ecuador through UNDRO.

89. Bilateral donors and the European Community provided direct emergency assistance to Ecuador in cash and kind with a value of \$7.5 million. Included in this was the provision of blankets, tents, foods, medicines, vaccines and purification equipment. Emergency assistance from non-governmental organizations and private institutions approximated \$700,000, while bilateral donations channelled through the Red Cross amounted to \$730,000.

90. For the rehabilitation and reconstruction phase, FAO provided \$250,000, while UNDP provided assistance of a value of \$1.1 million from the Special Programme Reserve, which was used largely for two housing reconstruction projects. These two projects served as catalysts for additional inputs: under a food-for-work programme, WFP provided food with a value of \$100,000; the Inter-American Development Bank indicated it would contribute \$900,000; and Sweden donated 2.0 million kronor, or approximately \$333,000.

4. Aid co-ordination

91. The National Planning Council (CONADE) is the government agency charged with the responsibility for co-ordinating external assistance to Ecuador. The Resident Co-ordinator of the United Nations system's operational activities for development in Ecuador is also active in promoting the co-ordination of external assistance.

B. El Salvador

1. Background

92. On 10 October 1986, San Salvador, and adjoining villages were struck by an earthquake that resulted in the loss of 1,200 lives and more than 10,000 wounded, and affected approximately half a million persons. In its resolution 41/2 of 14 October 1986, the General Assembly called upon all States to contribute generously to the relief and reconstruction efforts and requested the Secretary-General to mobilize resources to assist in this task. In its resolution 41/194, adopted on 8 December 1986, the General Assembly, appealed to the international community to continue and to increase its assistance to El Salvador. Actions taken following the adoption of these resolutions were reported in document A/42/442, section V.B. In its resolution 42/203, the Assembly expressed concern that the efforts made by the Government of El Salvador had been restricted and hindered by the existence of serious economic and financial problems, which had increased as a result of a substantial fall in agricultural export production and unfavourable conditions in international markets. The resolution urged the international community to continue to contribute generously to the reconstruction of El Salvador, especially through grants and low-interest, long-term loans.

2. External assistance

Immediate response

93. The relief assistance received by the Government of El Salvador during the emergency period from 10 October to 25 November 1986 and reported by UNDR0 amounted to \$13,468,824 in cash and in kind. At a special meeting held at United Nations Headquarters on 26 November 1986, grants pledged by Governments and UNDP amounted to the equivalent of \$62.8 million and loans pledged reached \$168 million, bringing the total pledged to \$230.8 million. Following the adoption of resolution 42/203, the Special Representative of the Secretary-General to El Salvador made an appeal on 23 December 1987 to major donors, multilateral banks and United Nations organizations.

Status of reconstruction funding

94. The Government of El Salvador has reported that the damages caused by the earthquake amount to \$873.0 million. The Ministry of Planning has reported the status of reconstruction funding as at 30 April 1988 to be as follows: loans committed amounted to \$175.08 million while grants reached \$292.96 million, bringing the total of committed funds to \$468.04 million. Thus, the resources gap remaining amounts to \$404.96 million or 46.4 per cent of the assessed damages. Bilateral commitments accounted for 46.4 per cent of total loans, 78.6 per cent of grants, and two thirds of total funds committed.

Table 1. Status of reconstruction funding, as at 30 April 1988

(Millions of United States dollars)

<u>Sector</u>	<u>Damages</u>	<u>Source</u>	<u>Loans</u>	<u>Grants</u>	<u>Total commitments</u>
Housing	234.00	Bilateral	48.30	102.00	150.30
		Multilateral	20.20	8.40	28.60
Health	97.00	Bilateral	18.18	30.88	49.06
		Multilateral	0.00	11.80	11.80
Education	62.00	Bilateral	0.00	18.60	18.60
		Multilateral	18.90	14.00	32.90
Water and sewerage	31.00	Bilateral	0.00	1.50	1.50
		Multilateral	4.00	0.08	4.08
Telecommunications	27.00	Multilateral	24.50	0.00	24.50
Electricity	19.00	Bilateral	14.80	0.00	14.80
Transport and urban viability	30.00	Bilateral	0.00	12.70	12.70
		Multilateral	12.50	0.00	12.50
Public buildings	53.00	Bilateral	0.00	1.80	1.80
		Multilateral	1.70	0.30	2.00
Banking	28.00	-	0.00	0.00	0.00
Other economic infrastructure	5.00	-	0.00	0.00	0.00
Industry	25.00	Bilateral	0.00	13.60	13.60
		Multilateral	12.00	0.00	12.00
Trade	181.00	-	0.00	0.00	0.00
Emergency rehabilitation	25.00	Bilateral	0.00	8.00	8.00
Demolition and clean-up	56.00	Bilateral	0.00	4.00	4.00
Administrative costs of financing and non-assigned funds	-	Bilateral	0.00	37.20	37.20
		Multilateral	0.00	28.10	28.10
Total	<u>873.00</u>		<u>175.08</u>	<u>292.96</u>	<u>468.04</u>
of which:		Bilateral	81.28	230.28	311.56
		Multilateral	<u>93.80</u>	<u>62.68</u>	<u>156.48</u>

Source: Ministry of Planning, El Salvador.

C. Nicaragua

1. Background

95. In its resolution 41/200 of 8 December 1986, the General Assembly appealed to the international community for generous assistance to Nicaragua. In its resolution 42/205, the Assembly noted the adverse effects on the economy of Nicaragua of various events and natural disasters such as drought, the floods of 1982, 1985, 1986 and August 1987, all of which had worsened and impeded the normalisation of the economic situation, which required international assistance to complement national development efforts.

2. Economic situation

96. The Government of Nicaragua has reported that the GDP of Nicaragua increased by 1.7 per cent in 1987, reversing the deteriorating trend of the previous three years. Output of the agricultural sector (including fisheries) rose by 2.0 per cent, despite the negative effects of armed conflict in production areas, the limited availability of inputs and agricultural machinery and a pattern of irregular rainfall, with drought resulting in the loss of an estimated 244,000 tonnes of basic cereals.

97. The external sector was characterized by restrictions related to the blocking of commercial credit, the global economic environment and the reduced volume and lack of diversification of exportable items. Both the balance of trade and the current balance deteriorated further in 1987.

98. The Government's compilations indicate that the rate of inflation in Nicaragua accelerated during 1987 to an annual rate of 1,340.0 per cent, as a result of the gap between domestic production and the impossibility of supplementing it through imports on the one hand and the expansion of domestic expenditures occasioned by the state of strife, on the other. The Government has identified the state of conflict prevailing since 1981 as the most significant factor affecting the economy of the country in recent years. The Government has estimated that the conflict has cost Nicaragua \$3.6 billion in property damage and lost production.

99. Within the limitations imposed by these conditions, the Government of Nicaragua in 1985 launched a series of measures designed to reduce internal and external disequilibrium and to curtail price distortions. Nevertheless, by the end of 1987, the economy continued to be characterized by large and growing imbalances, shortage of resources, hyper-inflation and price distortion. With a view to strengthening capacity in managing the national economy, therefore, the Government of Nicaragua has launched a more complete programme of economic and financial adjustment and stabilisation, beginning with the Law of Monetary Reform of 15 February 1988.

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3. External assistance

(a) Information provided by the Government of Nicaragua

100. The Government of Nicaragua has provided the following information relating to external assistance.

Table 2. Summary of medium- and long-term loans, by source of funding, in 1987 and 1988

(Millions of United States dollars)

Source of funding	1987 January-December	1988 January-April ^{a/}
Multilateral agencies	0.0	0.0
Bilateral sources	<u>229.2</u>	<u>252.9</u>
Western Europe	42.6	6.9
Socialist countries	<u>186.6</u>	<u>246.0</u>
Total	<u>229.2</u>	<u>252.9</u>

Sources: Ministry of External Co-operation; Ministry of the Presidency.

^{a/} Preliminary figures.

Table 3. External bilateral non-reimbursable assistance, a/
by source, in 1987 and 1988

(Thousands of United States dollars)

Donor	1987 January-December	1988 January-December <u>b/</u>
1. <u>Countries</u>	<u>73 326.0</u>	<u>21 200.5</u>
Latin America	981.0	3.5
North America <u>c/</u>	694.0	1 711.0
Western Europe <u>c/</u>	41 031.0	12 252.0
Africa and Asia	4 010.0	0.0
Socialist countries	26 610.0	7 234.0
2. <u>Regional and international organizations a/</u>	<u>9 011.0</u>	<u>945.0</u>
European Community	8 789.0	900.0
Organization of American States	222.0	45.0
3. <u>Non-governmental organizations c/</u>	<u>0.0</u>	<u>0.0</u>
Total	<u>82 337.0</u>	<u>22 145.5</u>

a/ Data do not include assistance from the United Nations system (see sect. 3 (b)).

b/ Preliminary.

c/ Figures shown for North America and Western Europe include assistance from non-governmental organizations.

Table 4. Sectoral allocation of external assistance,
May 1987 to April 1988

	Productive activities and internal trade	Economic infrastructure	Social infrastructure	Various	Total
Millions of US dollars	77.76	41.38	19.06	43.61	181.81
Percent	42.7	22.8	10.5	24.0	100.0

Food assistance

101. The Ministry of External Co-operation of Nicaragua has reported that, during the period June 1987 to April 1988, Nicaragua received food assistance from individual donor countries and EEC in the amount of 116,514 tonnes, including 66,000 tonnes of wheat and 35,000 tonnes of rice. These figures do not include food grants from WFP (see sect. 3 (b) below).

(b) Assistance provided by the United Nations system

102. The Office of the Resident Co-ordinator of the United Nations system's operational activities for development at Managua has provided the following information. Assistance approved by organs, organizations and agencies of the United Nations system in Nicaragua during the period 19 July 1979 to 1 May 1988 amounted to \$335,394,790. Of this amount, \$26.8 million was approved during the period May 1987 to May 1988 by 16 organisations and agencies of the United Nations system. Of the \$26.8 million, 40 per cent was for humanitarian assistance and a further 30 per cent for the health sector. The \$26.8 million includes \$9.2 million approved by WFP and \$7.0 million approved by the World Health Organization.

Notes

1/ Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981 (United Nations publication, Sales No. E.82.I.8), part one, sect. A.

2/ Document LC/G.1465 dated 22 April 1987.
