



**General Assembly**

Distr.  
GENERAL

A/39/578  
19 October 1984

ORIGINAL: ENGLISH

Thirty-ninth session  
Agenda item 80 (n)

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION  
Implementation of the Substantial New Programme of Action for  
the 1980s for the Least Developed Countries  
Report of the Secretary-General

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## I. INTRODUCTION

1. The General Assembly, in its resolution 38/195 of 20 December 1983, on the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, reaffirmed the commitments of the international community to this Programme, which had been adopted by the United Nations Conference on the Least Developed Countries, 1/ held in Paris from 1 to 14 September 1981, and which it had endorsed in its resolution 36/194 of 17 December 1981 and reaffirmed in its resolution 37/224 of 20 December 1982.
2. In its resolution 38/195, the General Assembly expressed serious concern at the continued deterioration of the economic and social situation of the least developed countries in spite of their national efforts and the efforts made by the international community, even two years after the adoption of the Substantial New Programme of Action, and stressed the immediate need for greatly expanded support measures, including a major increase in the transfer of additional resources for the realization of the objectives of the Substantial New Programme of Action. It urged all countries, international institutions and others concerned to implement fully and effectively their commitments under the Substantial New Programme of Action.
3. It also renewed the invitation to the governing bodies of appropriate organs, organizations and bodies of the United Nations system to take the necessary and appropriate measures for effective implementation and follow-up of the Substantial New Programme of Action within their respective spheres of competence and mandates.
4. In paragraph 24 of the resolution, the Assembly requested the Secretary-General "to submit a report to the General Assembly at its thirty-ninth session on the implementation of the present resolution". This report has been prepared by the secretariat of the United Nations Conference on Trade and Development (UNCTAD) in response to that request.
5. Section II of the report contains a brief account of recent economic performance of the least developed countries. Section III concerns international support measures other than action taken by the organizations of the United Nations system. Section IV is devoted especially to action by the latter organizations. It is based primarily on the replies to a letter which the Director-General for Development and International Economic Co-operation had addressed to the Executive Heads of the organs, organizations and bodies of the United Nations system seeking information on measures undertaken by each of them in the implementation of the Substantial New Programme of Action and of General Assembly resolution 38/195. Section V reports on follow-up and monitoring of the implementation of the Substantial New Programme of Action, including arrangements for the global mid-term review. Section VI contains conclusions and recommendations.

II. RECENT ECONOMIC PERFORMANCE AND NATIONAL ACTION IN THE  
 LEAST DEVELOPED COUNTRIES

A. Overall growth

1. Total gross domestic product

6. After growing at an average annual rate of only 3 per cent in the 1970s and in the beginning of the present decade, the least developed countries as a group recorded in 1982 an even lower rate of growth of only 2 per cent. Since population is growing by as much as 2.6 per cent per year, gross domestic product (GDP) per capita declined in 1982 to a level of \$210, which is less than a quarter of the level for developing countries as a group and is negligible compared to levels in developed market-economy countries and socialist countries of Eastern Europe (see table 1). It is estimated that in 1983 GDP growth regained its former low rate of 3 per cent. For 1984 and 1985 the UNCTAD secretariat forecasts a slight improvement, to a growth of almost 4 per cent. 2/

Table 1  
Principal economic indicators of the least developed countries

	Level per capita (Dollars)	Real annual average growth rate per capita			
		(Percentage)			
	1982	1970- 1980	1980- 1981	1981- 1982	1982- 1983
Real GDP	210	0.4	0.3	-0.8	..
Agricultural production	..	-1.1	0.6	-1.7	1.2
Real manufacturing	16	0.6	-3.2	-2.4	..
Food production	..	-0.7	1.1	-2.2	0.7
Real investment	37	1.8	-1.2	-7.0	..
Export purchasing power	23	-5.1	-12.6	-3.7	1.1
Import volume	55	-0.1	-6.3	-5.5	-2.3
External assistance	26	3.9	-15.5	10.5	..

7. In the first year of the present decade only seven least developed countries out of 36 were able to exceed the annual rate of growth required to meet the target of doubling national income by 1990, 3/ while four of them came close to it and recorded growth rates higher than 5.5 per cent. In 1982, only two least developed countries exceeded this target and seven came close. However, it should be noted that these relatively high growth rates often reflected only a recovery to former absolute levels of GDP. The decline in GDP per capita for least developed countries as a whole, in contrast to high growth in these few countries, is due to the extremely poor performance of other countries. In fact, there were six least developed countries in which total GDP declined in the two successive years, while in a further 15 GDP per capita in 1982 was lower than at the start of the decade (see table 2).

/...

**Table 2**  
**Population and GDR growth in the least developed countries, 1970-1982**

Country	Population (Millions) 1982	Annual average growth rate of population (Per cent per annum) 1970-1982	Per capita GDP (Dollars) 1982	Annual average growth rate of total real product (Percentage)			Annual average growth rate of per capita real product (Percentage)		
				1970-1980	1980-1981	1981-1982	1970-1980	1980-1981	1981-1982
Afghanistan <u>a/</u>	16.79	2.6	232 <u>g/</u>	1.6	2.2	0.9	-0.9	-0.4	-1.7
Bangladesh <u>b/</u>	92.59	2.6	115	2.6	5.9	0.9	-0.1	3.8	-1.4
Benin	3.62	2.5	288	3.0	4.6	6.2	0.5	1.7	3.3
Bhutan <u>c/</u>	1.33	2.0	102 <u>h/</u>	..	14.5	..	..	12.1	..
Botswana	0.97	3.8	824	10.2	12.6	2.0	6.1	8.7	-1.4
Burkina Faso	6.36	1.4	185	2.2	8.6	6.9	0.9	6.9	5.0
Burundi	4.26	1.8	261	2.8	1.3	-2.6	1.1	-1.1	-5.1
Cape Verde	0.31	1.7	278 <u>i/</u>	0.3	8.5	5.3	-1.4	7.0	3.6
Central African Republic	2.39	2.1	270	1.3	-2.1	-1.6	-0.7	-4.2	-3.8
Chad	4.68	2.1	147	0.4	-9.0	-7.3	-1.6	-11.0	-9.4
Comoros	0.42	3.7	237	1.1	3.6	6.0	-2.6	0.3	2.7
Democratic Yemen	2.09	3.2	419	10.9	13.0	6.2	7.5	9.7	3.0
Djibouti <u>d/</u>	0.33	6.4	636	3.0	2.9	1.6	-3.6	-1.5	-1.7
Equatorial Guinea	0.37	2.0	195 <u>h/</u>	-11.4	2.2	3.9	-13.1	0.2	1.7
Ethiopia <u>e/</u>	32.78	2.4	137	3.0	2.2	2.4	0.6	-0.5	-0.3
Gambia <u>b/</u>	0.63	2.9	357	3.2	-3.2	9.9	0.2	-5.7	7.2
Guinea	5.06	2.1	404	3.1	2.1	5.7	0.9	-0.2	3.3
Guinea-Bissau	0.85	4.1	191	0.9	3.0	0.5	-3.3	0.2	-1.5
Haiti	5.20	1.7	315 <u>g/</u>	4.6	-3.0	-0.4	2.8	-4.8	-2.3
Laos People's Democratic Republic	4.10	2.6	103 <u>j/</u>	1.0	9.2	..	-1.6	6.4	..
Lesotho <u>c/</u>	1.41	2.4	240	7.0	3.5	2.2	4.6	0.9	-0.3
Malawi	6.27	2.6	213	7.7	-0.8	2.7	5.0	-3.4	0.1
Maldives	0.16	3.0	380 <u>k/</u>	..	8.0	9.0	..	4.6	6.3
Mali	7.34	2.1	157	3.6	-1.8	-1.7	1.5	-4.2	-4.2
Nepal <u>f/</u>	15.37	2.5	153	2.1	5.6	3.8	-0.4	3.1	1.4
Niger	5.61	2.6	354	4.6	1.1	-0.5	2.0	-1.6	-3.2
Rwanda	5.51	3.3	251	7.4	2.8	4.5	3.9	-0.6	-1.0
Samoa	0.16	1.0	532 <u>h/</u>	..	..	..	..	..	..
Sao Tome and Principe	0.09	1.5	331 <u>h/</u>	1.6	-11.5	..	0.2	-13.5	..
Sierra Leone <u>b/</u>	3.41	1.6	375	2.3	6.2	-0.2	0.8	4.4	-1.9
Somalia	5.08	5.1	295	1.6	1.3	6.0	-3.4	-4.1	1.5
Sudan <u>b/</u>	19.79	3.0	462	3.4	4.6	4.6	0.4	1.6	1.7
Togo	2.68	2.4	307	2.6	-5.1	-3.5	0.3	-7.6	-6.1
Uganda	14.12	3.1	229 <u>j/</u>	-1.9	4.1	5.9	-4.8	0.6	2.3
United Republic of Tanzania	20.23	3.4	247	4.4	-4.6	-2.9	1.0	-7.8	-6.2
Yemen <u>b/</u>	7.43	2.9	382	9.6	3.8	1.2	6.5	0.9	-1.3
All least developed countries	299.81	2.6	210	3.1	2.8	1.9	0.4	0.3	-0.8
All developing countries	2 340.12	2.6	1 003 <u>b/</u>	5.7	1.2	0.9	3.0	-1.4	-1.6

- a/ Net material products, year beginning 21 March.  
b/ Year beginning 1 July.  
c/ Year beginning 1 April.  
d/ Adjusted data (i.e. excluding income accruing to non-resident population).  
e/ Year beginning 8 July.  
f/ Year beginning 16 July.  
g/ 1981 prices.  
h/ 1981.  
i/ 1980.  
j/ GNP.  
k/ At 1980 prices.

## 2. Agriculture

8. The severe droughts in the countries of Africa neighbouring the Sahara and Kalahari deserts brought to a head a problem that has been lingering for decades. The drought that began in 1968 had not yet ended in 1983, especially in the Sahel, before it had spread, in recent years, to southern Africa and some parts of eastern Africa. 4/ The drought is now affecting 20 out of the 26 African least developed countries. 5/

9. The Substantial New Programme of Action accords the highest priority to the development of agriculture and states in paragraph 6, that the least developed countries "must aim to progress towards and if possible surpass the 4 per cent average annual growth target set in the International Development Strategy for all developing countries, so that food production in each country increases faster than population growth with a view to guaranteeing food security". Only six countries - Afghanistan, Botswana, Malawi, Nepal, Sierra Leone and Uganda - succeeded in achieving the target of 4 per cent growth in agricultural production over the three years of the present decade. 6/ Of these six countries there were wide annual fluctuations over the period in Nepal, while in two other cases the outcome was due to one particularly good year (1983 in Afghanistan and 1982 in Sierra Leone). For the least developed countries as a group, however, agricultural production has just about kept up with population growth in the first three years of the decade; in 10 out of the 29 countries for which data are available (Afghanistan, Bhutan, Botswana, Ethiopia, Lao People's Democratic Republic, Malawi, Nepal, Rwanda, Sierra Leone and Uganda) food production rose faster than population, as called for in the Substantial New Programme of Action, though in Bhutan, Malawi and Rwanda only slightly so. 6/

## 3. Manufacturing

10. Concerning manufacturing, the Substantial New Programme of Action states that the least developed countries should aim to increase their overall annual growth of output to 9 per cent or more (para. 6). Only seven least developed countries surpassed this target in either or both of the years 1981 and 1982. However, in four of them this represented a recovery from a previous decline (Botswana, Gambia, Lao People's Democratic Republic and Uganda). The other least developed countries to meet the Programme's growth target are Bhutan, Maldives and Rwanda. Cement was largely responsible for the high rate of industrial growth in Bhutan, while in Maldives it was based on export processing. In Rwanda, a major share of industrial output consists of processing of food and beverages.

## B. External sector

11. The impact of the world economic crisis on the economies of the least developed countries was particularly harsh in 1981, when their export prices declined by 9 per cent, mainly due to sharp drops in the prices of coffee, cocoa, diamonds and uranium. In spite of unfavourable world markets, the least developed countries were able to increase slightly the volume of their exports, so that the decline in value terms was limited to 8 per cent. In 1982 the volume of exports

was maintained at the previous year's level, but prices further declined, with the result that the value of exports fell by a further 4 per cent (see table 3). For 1983 it is estimated that export prices improved somewhat.

Table 3  
Foreign trade indices for the least developed countries  
 (1980 = 100)

	1981	1982	1983 <u>a/</u>
<b>Exports of goods <u>b/</u></b>			
Value	92	88 <u>c/</u>	89
Volume	101	100	100
Unit value	91	88	89
<b>Imports of goods</b>			
Value	98	93	91
Volume	102	100	100
Unit value <u>d/</u>	97	93	91

Source: UNCTAD secretariat calculations, based on international and national sources and estimates.

a/ Estimated.

b/ Based on data for all least developed countries except Bhutan and Democratic Yemen.

c/ The figure obtained from balance-of-payments data is substantially lower in this year.

d/ Based on a sample of 18 least developed countries.

12. In short, during the first three years of the decade, the least developed countries as a group were able to maintain the volume of their exports at an almost constant level, in spite of the depressed conditions in world markets, which indicates a considerable effort on their part. However, these efforts were not sufficient to compensate for the value loss due to price declines of their export products.

13. Import volumes also remained constant in this period. The prices of imports declined slightly, owing both to the increased value of the dollar, which lowered import prices from Europe and Japan, and to the drop in prices of fuels in 1983.

14. The balance of payments for the least developed countries shows an annual current-account deficit of around \$8 billion in the period 1980-1982. The constancy of this deficit, which had increased sharply in the 1970s, however, does not necessarily represent an improvement in the external situation of the least developed countries, but may reflect their inability to incur larger deficits in the absence of greater external financing (see table 4). In 1980, as well as in 1981, about \$0.8 billion in reserve holdings and International Monetary Fund (IMF) credits were utilized to finance part of this current-account deficit, while in 1982 this was twice as large: \$1.6 billion. Private transfers, which showed a very favourable development in earlier years and constitute a major source of foreign exchange for least developed countries, seem to have stabilized at an annual amount of around \$2.3 billion.

Table 4

Balance of payments of the least developed countries

(Billions of dollars)

	1980	1981	1982 a/	1983 b/
<u>Current-account balance</u>	<u>-7.4</u>	<u>-8.0</u>	<u>-8.0</u>	<u>-6.9</u>
Exports of goods, f.o.b.	7.8	7.3	6.3	6.2
Imports of goods, f.o.b.	-15.4	-15.8	-14.9	14.0
Non-factor services (net) c/	-1.8	-1.4	-1.0	-0.8
Receipts of interest	0.5	0.4	0.4	0.4
Payments of interest	-0.5	-0.7	-0.8	-0.9
Direct investment income (net)	-0.2	-0.2	-0.2	-0.2
Private transfers (net) d/	2.3	2.3	2.2	2.4
<u>Capital-account balance</u>	<u>6.7</u>	<u>7.2</u>	<u>6.4</u>	<u>6.9</u>
<u>Overall balance</u>	<u>0.7</u>	<u>0.8</u>	<u>1.6</u>	<u>0.0</u>

Source: UNCTAD secretariat, based on estimates of the International Monetary Fund.

a/ Estimated. The figure for exports of goods may be on the low side, given the value derived from foreign trade statistics.

b/ Provisional.

c/ Including income from labour.

d/ Including migrants' transfers and workers' remittances.



15. The total external long-term debt of the least developed countries has increased from \$8.7 billion at the end of 1975 to \$26.2 billion in 1982. Though the average terms of this debt are relatively soft, an increasing share is accounted for by private debt at commercial terms. Together with the high interest rates in capital markets in the 1980s, this has increased the annual interest burden of least developed country debt to reach the amount of some \$0.8 billion in 1982.

C. National action to implement the Substantial  
New Programme of Action

16. The General Assembly, in paragraph 6 of its resolution 38/195, reaffirmed that, as stated in the Substantial New Programme of Action, the least developed countries have primary responsibility for their overall development and that, although international support measures are vitally important, the domestic policies that those countries pursue will be of critical importance for the success of their development efforts.

17. No development strategy can overlook the need for imports. The opportunities for the least developed countries to meet such needs through their own export efforts have, however, come up against an inhospitable world market since the Paris Conference. Their terms of trade have declined, and together with the fall in export volume, this has resulted in decline in the purchasing power of their exports by 15 per cent during this period.

18. Meanwhile, and notwithstanding intentions expressed at the Paris Conference and the hopes raised thereby, total external assistance to the least developed countries has not increased as envisaged.

19. The kind of national action in which this has resulted is not that which was envisaged in the Substantial New Programme of Action: because of the increasingly harsh external environment, a number of Governments have had to resort to shorter-term emergency measures, instead of pursuing their longer-term development goals. Guinea-Bissau has included a programme for economic and financial stabilization for 1983-1984 in its 1983-1986 four-year development plan. When it became clear that few of the targets contained in Haiti's third five-year development plan for 1981/82-1985/86, were likely to be achieved for reasons outside the country's control, the Government prepared annual programmes for 1983 and 1984, which are less ambitious. Lesotho introduced an austerity programme in 1982/83. Malawi has worked out a core investment programme that aims at retaining public investment at levels compatible with the structural objectives and policies of the current medium-term programme. Niger has prepared an "interim consolidation programme" for 1984-1985. The objectives laid out in Samoa's fourth development plan (1980-1984) are continuing to guide the country's development efforts. However, in view of the deteriorating economic and financial situation, in 1983 and 1984 the Government had to redirect its economic policies and adjust priorities and to adopt a short-term programme of action designed to put the economy back on course, and to rectify the internal and external financial imbalances. Somalia launched a stabilization programme in 1980 and has continued it since; the United Republic of Tanzania is implementing a three-year structural adjustment programme. Some nine least developed countries have reached some arrangement with IMF for balance-of-payments support.

20. A number of least developed countries launched new development plans in 1983 (Benin, Burundi, Central African Republic, Djibouti and Sierra Leone). Sudan has adopted the practice of preparing annually a rolling three-year public investment programme.
21. The development plans and policies of the least developed countries generally reflect the priorities contained in the Substantial New Programme of Action, but the ability to muster the means to implement their plans, or the Programme, varies widely from one country to another.
22. Since the United Nations Conference on the Least Developed Countries, 24 countries have elaborated their strategies, plans and programmes and discussed them with their development partners, in most cases through consultative group meetings or round-tables, in order to obtain the support required, in some cases on more than one occasion.
23. In paragraph 20 of the report to the General Assembly at its thirty-eighth session (A/38/471), it was pointed out that:
- "In an effort to mobilize domestic resources for development, some of the least developed countries have endeavoured to improve their tax régime. A number of them are also taking steps to develop internal banking and borrowing by expanding the use and the geographical coverage of the banking system. Some of the least developed countries are in particular providing fiscal and monetary incentives to channel private domestic savings and workers' remittances into productive investment, through concessional credit, tax rebates, or favourable exchange rates. Several least developed countries have taken measures to control current government expenditure, including phasing out consumer and producer subsidies and improving the financial performance of public sector enterprises and utilities."
24. The number of least developed countries taking such measures continues to grow. In various cases the tax base has been broadened or tax collection improved. Efforts are being made in some countries to improve farm credit facilities in rural areas, particularly for investment. In some least developed countries the official exchange rate has been brought more into line with free market rates. One purpose of this type of measure is to increase the efficiency of tax collection in the international trade sector.
25. Sierra Leone has announced that it will undertake a population census in 1985: this will be the first such census since 1962 and provide an invaluable data base for more effective economic planning.
26. Given the low domestic savings rates in the least developed countries and the structural reasons for them, as well as the worsening international economic climate, it is clear that in the immediate future these countries will continue to depend primarily on external aid to finance their development programmes.

### III. INTERNATIONAL SUPPORT MEASURES

#### A. Volume of aid

27. In its resolution 38/195, the General Assembly recognized that only a substantial increase in official development assistance (ODA) in real terms during the present decade will enable the least developed countries to achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action. It also recognized, more specifically, the importance of doubling by 1985 flows of ODA to the least developed countries, in relation to the flow in 1976-1980. It urged donor countries to attain the aid targets embodied in the Substantial New Programme of Action, i.e. to provide 0.15 per cent of their gross national product as ODA to the least developed countries, or to double their ODA to them by 1985 or as soon as possible thereafter.

28. Despite the commitments of all concerned to the Substantial New Programme of Action, however, the transfer of external resources to least developed countries so far during the 1980s has been disappointing. ODA to least developed countries, which had steadily increased during the 1970s, reaching \$6.9 billion in 1980, decreased by 7 per cent (in 1980 dollars) in 1981. In 1982, it only marginally surpassed the level reached in 1980. Provisional estimates for 1983 indicate that there may have been another decline. Of concern is the fact that the levels of concessional flows to least developed countries in 1981 and 1982 were respectively 4 per cent below and 6 per cent above the average level of 1976-1980, which is far from the rate required to double ODA flows by 1985 as envisaged in the Substantial New Programme of Action and reaffirmed thereafter.

29. For individual least developed countries, there has resulted in most cases a fall in per capita ODA receipts in 1981 and 1982 from the 1980 level. Indeed, the average decline in real terms began to set in after 1978. In that year ODA per capita reached a peak of \$27, falling steadily to \$22 in 1981. In 1982 the figure returned almost to the 1980 level of \$24 only.

30. During the 1980s 78 per cent of ODA disbursements were provided by Development Assistance Committee (DAC) member countries and multilateral organizations financed mainly by them, and 14 per cent by OPEC member countries and multilateral agencies financed by the latter. In 1981 ODA flows to least developed countries from all major groups had decreased. In 1982 the most noticeable improvement in disbursement performance was among OPEC bilateral donors, with a real increase of almost 50 per cent over 1981, to a total of \$960 million. This level constitutes a peak in current terms. Bilateral ODA from DAC donors slightly exceeded the 1980 level, while the flow of concessional assistance from multilateral agencies financed mainly by these countries continued to stagnate (see table 5).

Table 5  
Total net resource receipts of the least developed countries

	(Millions of 1980 dollars a/)				(Millions of current dollars)				Percentage of total				Share of least developed countries in flows to all developing countries (percentage)			
	Average 1976-1980	1980	1981	1982	Average 1976-1980	1980	1981	1982	Average 1976-1980	1980	1981	1982	Average 1976-1980	1980	1981	1982
<u>Concessional flows</u>	6 687.9	6 893.5	6 412.8	7 105.1	4 815.0	6 893.5	6 559.7	7 042.6	88.2	85.8	92.1	89.9	18.6	19.4	19.0	22.4
of which:																
DAC	5 091.7	5 347.6	5 078.7	5 458.8	3 696.5	5 347.6	5 195.0	5 410.8	67.7	66.5	72.9	69.1	21.4	22.0	21.5	22.5
Bilateral	3 176.5	3 365.4	3 146.8	3 479.2	2 310.1	3 365.4	2 218.9	3 448.6	42.3	41.9	45.2	44.0	18.9	19.9	18.7	20.2
Multilateral b/	1 915.3	1 982.2	1 931.9	1 979.6	1 386.3	1 982.2	1 976.1	1 962.2	25.4	24.6	27.7	25.0	27.6	26.9	28.4	28.0
OPEC	1 194.8	965.5	860.7	1 124.6	820.2	965.5	880.4	1 114.7	15.0	12.0	12.4	14.2	11.8	10.7	10.9	21.2
Bilateral	1 047.1	829.6	656.3	959.6	717.0	829.6	671.3	951.2	13.1	10.3	9.4	12.1	11.3	9.5	8.8	19.5
Multilateral c/	147.6	135.9	204.4	165.0	103.2	135.9	209.1	163.5	1.9	1.7	2.9	2.1	16.9	46.7	51.2	42.5
<u>Non-concessional flows</u>	860.9	1 145.2	552.8	800.2	641.7	1 145.2	565.5	793.1	11.8	14.2	7.9	10.1	1.5	2.4	0.9	1.6
of which:																
DAC-guaranteed private export credits	544.0	872.7	196.9	175.6	413.7	872.7	201.4	174.1	7.6	10.9	2.8	2.2	5.0	8.1	2.3	2.6
Total receipts	7 548.8	8 038.7	6 965.7	7 905.3	5 456.6	8 038.7	7 125.2	7 835.7	100.0	100.0	100.0	100.0	7.9	9.7	7.5	9.6

SOURCE: UNCTAD secretariat calculations mainly based on data from the OECD secretariat.

a/ External flows in real terms are expressed in terms of least developed countries' command over imports in 1980.

b/ From multilateral agencies mainly financed by DAC member countries.

c/ From multilateral agencies mainly financed by OPEC member countries.

31. Of major concern are the present difficulties in funding international financial institutions, in particular the International Development Association. These may lead to a further contraction of the flow of multilateral aid to least developed countries, unless there is an upturn in contributions to the multilateral section. 7/ In paragraph 8 of its resolution 38/195, the General Assembly stressed the critical importance of IDA to the least developed countries and urged that negotiations on the seventh replenishment of the Association be completed as soon as possible and at an adequate level. According to the latest available information, the prospects for increasing the resources of IDA above the level of \$9,000 million agreed for the seventh replenishment period that began on 1 July 1984 are poor, despite widespread support among many donors for a \$12,000 million replenishment. Other major donors have been unwilling to increase their commitments unless the United States, for its part, is prepared to raise the limit of \$2,250 million it has placed on its own contribution to the replenishment.

32. For individual donors, net disbursement data (including in this case bilateral ODA and imputed ODA channelled through multilateral agencies), 7/ indicate an aid performance in most cases still remote from the targets of the Substantial New Programme of Action.

33. ODA from DAC member countries as a whole remained at 0.08 per cent of gross national product in 1981 and in 1982, as compared to 0.09 per cent in 1980. Among individual DAC members, Denmark, the Netherlands, Norway and Sweden had already exceeded the 0.15 per cent target before the adoption of the Substantial New Programme of Action and have continued to do so. Belgium exceeded it for the first time in 1981 and attained it again in 1982 (see table 6).

34. In 1982, 12 out of the 17 DAC member countries had not yet met either of the targets of the Substantial New Programme of Action, although Australia almost doubled its ODA in real terms over the 1976-1980 level. Of these 12 countries, for eight, including major donors, ODA to the least developed countries was lower in 1982 than in 1981, all data, including imputed multilateral flows to least developed countries, being expressed in real terms. Preliminary information for 1983 indicates a further fall in the level of ODA. 8/

35. In past years, total concessional assistance from member countries of the Organization of Petroleum Exporting Countries (OPEC), expressed as a percentage of their GNP, has been well above 0.15 per cent of their combined GNP, mainly because of the high percentage achieved by Kuwait, Qatar, Saudi Arabia and the United Arab Emirates. In 1981 the 0.15 per cent target was also exceeded by the Libyan Arab Jamahiriya (see table 6).

Table 6

Net official development assistance to least developed countries  
as percentage of donor's GNP a/

	1980	1981	1982
<u>DAC member countries</u>			
Australia	0.06	0.05	0.10
Austria	0.01	0.04	0.04
Belgium	0.13	0.16	0.15
Canada	0.11	0.11	0.12
Denmark	0.28	0.25	0.28
Finland	0.07	0.09	0.08
France	0.10	0.12	0.12
Germany, Federal Republic of	0.12	0.12	0.12
Italy	0.06	0.06	0.07
Japan	0.08	0.05	0.05
Netherlands	0.27	0.29	0.29
New Zealand	0.04	0.03	0.03
Norway	0.27	0.28	0.36
Sweden	0.22	0.26	0.31
Switzerland	0.08	0.09	0.08
United Kingdom of Great Britian and Northern Ireland	0.10	0.11	0.11
United States of America	0.05	0.03	0.05
Total	<u>0.09</u>	<u>0.08</u>	<u>0.08</u>
<u>OPEC member countries</u>			
Algeria	0.11	0.09	0.10
Iran (Islamic Republic of)	0.02	0.00	0.00
Iraq	0.19	0.10	0.06
Kuwait	0.72	0.70	0.86
Libyan Arab Jamahiriya	0.12	0.20	0.11
Nigeria	0.01	0.13	0.03
Qatar	0.39	0.10	0.20
Saudi Arabia	0.47	0.42	0.58
United Arab Emirates	0.58	0.34	0.48
Venezuela	0.04	0.04	0.04
Total	<u>0.22</u>	<u>0.22</u>	<u>0.27</u>

(Source and footnotes on following page)

(Source and footnotes to table 6)

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Source: UNCTAD secretariat calculations, mainly based on data from the OECD secretariat.

a/ In order to provide a clear picture of the total flow of ODA, an attempt has been made in this table to estimate the share of multilateral flows to least developed countries provided by each donor. To that end, the share of each multilateral agency's net disbursements to least developed countries, expressed as a percentage of its total disbursements to developing countries, was applied to the donor's contributions to the agency in question; the sum for all agencies thus calculated was then added to the donor's bilateral ODA and expressed as a percentage of GNP.

36. Non-concessional flows have traditionally played a role in only a limited number of least developed countries. On the average, they have never exceeded 15 per cent of total external receipts of least developed countries, but fluctuations in these flows have seriously affected the countries concerned. In 1981 non-concessional flows to least developed countries were only half the 1980 level of \$1.1 billion, with a particularly marked decline in guaranteed private export credits from DAC member countries to a level below that reached in 1975. There was only a partial recovery to earlier levels in 1982. It is noteworthy that net guaranteed private export credits from DAC member countries as a whole further decreased during that year, while the increase in non-concessional flows over the previous year was to a large extent due to higher private sector flows other than direct investment. This private capital market financing is mainly accounted for by bank credits (other than export credits), which are particularly burdensome and have significant implications for debt servicing.

#### B. Forms of aid and sectoral distribution

37. In paragraph 10 of its resolution 38/195 the General Assembly welcomed the provision by some donors of assistance to least developed countries in more flexible forms such as local- and recurrent-cost financing, maintenance aid, rehabilitation aid and balance-of-payments support, and urged other donors to take similar steps as a general rule. In paragraph 5 it called upon the international community to provide support measures for the efforts of the least developed countries in priority sectors, particularly in food and agriculture, manufacturing industries, exploration and development of energy and natural resources, human resources development, expansion and diversification of exports, development of transport and communications, and improvement in planning, implementation and management capabilities.

38. Although there is no statistical basis for assessing the extent to which such action has been taken, it is known that some local-cost and recurrent-cost financing is being provided by most DAC donors. <sup>9/</sup> Some OPEC sources of finance are known to have been particularly flexible in this respect.

39. With regard to general economic support, or non-project aid, including, inter alia, balance-of-payments support and rehabilitation aid, commitments data show that DAC countries in 1981 and 1982 provided approximately one fifth of their ODA to least developed countries (excluding the part channeled through multilateral financial institutions and the United Nations) for such forms of aid <sup>10/</sup> and a further fifth for technical co-operation (see table 7). Multilateral agencies financed mainly by DAC member countries provide mainly project assistance, although some 20 per cent of commitments from these agencies is for technical assistance through the United Nations system. General economic support provided multilaterally rose in 1982, as IDA increased its aid for this purpose to 20 per cent of its total commitments to least developed countries.



Table 7

Concessional commitments to the least developed countries from members of DAC and OPEC, by purpose, 1981 and 1982

Donors	Year	Per cent of total								Technical co-operation	Total (Millions of dollars)
		Agriculture	Industry, mining and construction	Energy	Transport and communications	Health, education and social infrastructure	General economic support	Other and unallocated	Technical co-operation		
Total of which:	1981	19	3	6	9	9	20	18	(16)	8 680	
	1982	16	8	12	9	11	17	13	(14)	8 823	
DAC	1981	22	3	5	9	9	16	16	20	6 872	
	1982	19	3	7	9	11	17	15	19	6 824	
Bilateral a/	1981	17	3	4	9	10	23	14	20	4 509	
	1982	20	2	4	8	12	21	14	19	4 186	
Multilateral b/	1981	31	3	7	8	9	2	19	21	2 363	
	1982	19	5	12	12	9	10	15	18	2 638	
OPEC	1981	9	7	8	16	8	38	14	d/	1 149	
	1982	1	29	18	11	17	18	6	d/	1 398	
Bilateral	1981	9	7	6	15	4	40	19	d/	846	
	1982	0	34	16	6	20	18	6	d/	1 115	
Multilateral c/	1981	8	7	16	17	20	31	1	d/	303	
	1982	4	12	27	28	6	18	5	d/	283	

Source: UNCTAD secretariat estimates based on information from the OECD secretariat.

a/ Including aid through the European Economic Community.

b/ Commitments from multilateral agencies financed mainly by DAC member countries.

c/ Commitments from multilateral agencies financed mainly by OPEC member countries.

d/ Not available separately.

40. OPEC member countries have been providing a substantial share of their aid to least developed countries as non-project aid, mainly for budget support. The share of non-project aid in total ODA commitments from OPEC bilateral and multilateral sources was over 35 per cent in 1981. As new commitments rose in 1982, increasing amounts went to project aid, and non-project aid fell both as a share of total commitments (to less than 20 per cent) and in absolute terms.

41. In the sectoral distribution of their aid to the least developed countries, DAC member countries have been placing particular emphasis on food and agriculture and on health, education and social infrastructure. Whereas overall bilateral commitments decreased in 1982, food and agriculture received an increased volume of commitments and the share of this sector rose to 20 per cent of total commitments, as against 17 per cent in 1981. In 1982, increased amounts were also allocated to health, education and social infrastructure and welfare; the share of these sectors taken together in DAC bilateral commitments increased to 12 per cent from 10 per cent in 1981. The energy sector in 1982 received the same share (4 per cent) and the same absolute amount as in the preceding year. The shares of transport and communications and of industry, mining and construction declined somewhat between 1981 and 1982, as did the absolute levels of bilateral aid committed.

42. The largest share of aid extended to the least developed countries from multilateral agencies financed mainly by DAC also goes to food and agriculture; however, the level of new commitments declined in 1982 and the share of this sector in total commitments dropped to 19 per cent as against 31 per cent in 1981. In 1982, increased amounts were allocated by these agencies to energy, transport and communications, industry and health, all of which increased their shares in total commitments.

43. Sectors receiving special emphasis under OPEC countries' bilateral and multilateral aid programmes are transport, manufacturing, energy and social services and facilities. In 1982, the amounts allocated bilaterally to agriculture and to transport decreased from the previous year's levels. Substantially increased amounts were in 1982 allocated to manufacturing (over one fourth of total commitments), energy, and social services and facilities.

#### C. Terms and conditions of aid

44. In paragraph 10 of its resolution 38/195, the General Assembly also welcomed the provision by some donors of assistance to least developed countries entirely in the form of grants and urged other donors to take similar steps as a general rule. In paragraph 11 it went on to call upon donor countries to provide ODA to the least developed countries on an untied basis to the maximum extent possible.

45. Little improvement seems to have taken place with regard to overall concessionality and conditions of aid to least developed countries, although there has been an amelioration of terms offered under some donor programmes (see table 8). The overall grant element 11/ for concessional commitments to least developed countries as a group has remained fairly stable over the period 1979-1982, at around 85 per cent. The grant element of loans has on the whole tended to increase over this period (66.8 per cent in 1982, compared to 62.9 per cent in 1979).

Table 8

Concessional commitments to the least developed countries, 1979-1982

(Millions of dollars)

	1979	1980	1981	1982
<u>Concessional commitments</u>				
Bilateral commitments	5.4	7.2	5.4	5.2
DAC countries	3.8	4.9	3.9	3.5
OPEC countries	0.6	1.2	0.8	1.1
Multilateral commitments	2.2	3.1	3.2	3.3
Total commitments	7.6	10.3	8.6	8.5
Grants	4.6	5.9	5.3	4.8
Loans	3.0	4.4	3.3	3.7
<u>Grant element of:</u>				
	Percentages			
Concessional commitments	85.4	83.9	86.8	85.6
Concessional loans	62.9	60.4	64.1	66.8
ODA commitments from DAC countries	95.7	94.7	94.0	92.2
ODA loans from DAC countries	64.3	61.3	58.9	58.5

Source: OECD, Geographical distribution of financial flows to developing countries 1979/82, Paris, 1984.

46. The grant element of ODA loans by DAC member countries to the least developed countries, however, decreased steadily (from 64.3 per cent in 1979 to 58.5 per cent in 1982) and the overall grant element of commitments to least developed countries, while remaining high, also declined (from 95.7 per cent in 1979 to 92.2 per cent in 1982). While the majority of DAC donors now extend all, or virtually all, their ODA to the least developed countries in grant form, the grant element of two major donors (France and Japan) declined between 1981 and 1982, with effects on the estimated overall average terms performance of DAC donors. 12/

47. On the other hand, least developed countries benefited from the softening of overall terms in the aid programmes of other donor groups. The average terms of commitments from the two largest Arab aid funds, the Kuwait Fund and the Saudi Fund, softened considerably in 1981 and 1982. 13/

48. Tying practices vary considerably among different donor groups. Procurement by multilateral financial institutions is, in general, in their member and subscribing countries. Almost all the concessional assistance provided by OPEC countries and OPEC multilateral agencies is untied. Within the group of DAC member countries, practice varies from one donor to another.

49. Detailed statistics on the tying status of commitments are available for DAC member countries and multilateral agencies only. There is no evidence of any movement towards the easing of tying provisions in favour of the least developed countries. Of total ODA commitments to least developed countries from DAC member countries and multilateral agencies financed mainly by them in 1980 and 1981, the share of untied aid remained practically unchanged. However, the share of tied bilateral aid in total commitments increased slightly (see table 9).

Table 9

Tying status of ODA commitments to least developed countries from DAC countries and multilateral agencies financed mainly by them, 1981 and 1982

	1981	1982
<u>ODA commitments from DAC countries and multilateral agencies financed mainly by them (as a percentage of total commitments)</u>		
Untied bilateral and multilateral	57	56
Partially tied	8	6
Tied bilateral, including technical co-operation	35	38
<u>DAC bilateral ODA commitments only</u>		
Untied	29	24
Partially tied	12	12
Tied, including technical co-operation	59	64
Tied, excluding technical co-operation	30	35
Tied in kind	13	19

Source: Information provided by the OECD secretariat.

50. While some DAC donors provide virtually no untied bilateral aid to the least developed countries, others still provide a significant share of aid to least developed countries under their bilateral programme as untied aid. <sup>14/</sup> For several donors this share, however, fell between 1981 and 1982, possibly indicating a shift to more restrictive policies.

D. Official development assistance debt relief

51. The General Assembly, in paragraph 9 of resolution 38/195, called upon developed countries to respond in a positive manner to requests from individual least developed countries for an alleviation of their debt burdens resulting from ODA loans by the developed country concerned and further urged developed countries

that had not yet done so to implement fully and rapidly the commitments undertaken in pursuance of section A of Trade and Development Board resolution 165 (S-IX) in respect of least developed countries.

52. Between 1978, when the Trade and Development Board adopted resolution 165 (S-IX) and 1982, the concessional debt owed by least developed countries grew by over 60 per cent and associated debt-service payments almost doubled. The upsurge in debt-service payments was due mainly to increased concessional borrowing from multilateral agencies and to bilateral loans from non-DAC sources. On the other hand, as a result of debt-relief measures undertaken by a number of DAC member countries in response to Trade and Development resolution 165 (S-IX), the concessional debt owed by least developed countries to DAC member countries in 1982 was only 6 per cent above the 1978 level, while associated debt-service payments increased by 9 per cent only during that period. In 1982 five countries (Denmark, France, Germany, Federal Republic of, Japan and the United States of America) accounted for over 95 per cent of the concessional debt owed by least developed countries to DAC member countries.

53. Nevertheless, despite the debt-relief measures referred to above, debt-service payments in respect of total concessional bilateral debt still amounted to more than one fourth (28 per cent) of the total debt-service payments by least developed countries in 1982. For one third of these countries they constituted an even higher proportion. There is thus further action required of donors, including action in response to section A of Trade and Development Board resolution 165 (S-IX).

54. The increase in debt-service payments in respect of the non-concessional bilateral, including private, debt of least developed countries (by 52 per cent between 1978 and 1982) is noteworthy, although it concerns only a limited number of least developed countries. In 1982 nine of the latter were paying over 70 per cent of total non-concessional bilateral debt-service payments by these countries to DAC countries. Four of them accounted for over 70 per cent of the total debt-service payments by least developed countries to private banks in respect of credits other than export credits. Seven of the nine (Central African Republic, Malawi, Niger, Sierra Leone, Sudan, Togo and Uganda) have had recourse to official multilateral debt rescheduling under the aegis of the Paris Club and, since 1978, three (Malawi, Sudan, Togo) have been engaged in commercial bank debt restructuring.

55. The situation of those least developed countries that hold mainly official or officially guaranteed debt with low average interest costs has also become precarious, especially since 1980. Indeed, the debt burden is heavier for least developed countries (as compared to other developing countries) because their export base is, for structural reasons, extremely small. On the average least developed countries pay for only half of their imports with their export earnings and have to rely on external assistance for the other half. The export earnings of many of these countries decreased from 1980 to 1981 and again from 1981 to 1982, while at the same time the transfer of external resources to these countries declined as well, leaving them with exceptionally severe problems of management of their external debt.

IV. ACTION BY ORGANS, ORGANIZATIONS AND BODIES  
OF THE UNITED NATIONS SYSTEM

A. General observations

56. The Director-General for Development and International Economic Co-operation, in consultation with the Secretary-General of UNCTAD, convened inter-agency consultations in April 1984 in Geneva with a view to ensuring the full mobilization and co-ordination of the activities of all organs, organizations and bodies of the United Nations system for the implementation of the Substantial New Programme of Action. In addition, the Director-General addressed a letter to the organizations of the system seeking information on measures undertaken by each of them in implementation of the Programme (see para. 5 above). In their replies, and at the inter-agency consultations, the organs, organizations and bodies of the system have reported on progress in ongoing programmes as well as on a number of new measures taken to accelerate the implementation of the Substantial New Programme of Action.

57. These replies clearly indicate that the United Nations system is giving increasing attention to the implementation of the Substantial New Programme of Action. The governing bodies of a number of agencies regularly review this matter. Special units to deal with the problems of the least developed countries and special assistance programmes have been set up or reinforced. Additional resources were allocated to meet the special needs of the least developed countries. Steps have been taken to meet the crisis situation in Africa, where 26 of the least developed countries are situated.

58. In some key areas of economic and social development, project proposals for assistance to individual least developed countries or to least developed countries as a group have been formulated and are awaiting requisite funds for their implementation.

59. Agencies continue to express their active interest in participating in the country review meetings being organized for the follow-up of the Substantial New Programme of Action at the national level, as well as in contributing, within their respective fields of competence, to the preparation and follow-up of these meetings.

60. The information received from individual organs, organizations and bodies of the United Nations system on specific measures for implementation and follow-up of the Substantial New Programme of Action in response to General Assembly resolution 38/195 is summarized below. The full texts of replies are available in the Office of the Director-General for Development and International Economic Co-operation, in New York, and from the UNCTAD Special Programme for Least Developed, Land-locked and Island Developing Countries, at Geneva.

B. United Nations

United Nations Development Programme

61. UNDP has a special role in the implementation and follow-up of the Substantial New Programme of Action, both as a lead agency in assisting Governments in the preparation and organization of country review meetings and in financing technical

assistance activities of the United Nations system facilitating the measures which Governments of least developed countries are to take towards the implementation of the Substantial New Programme of Action. UNDP has earmarked for the least developed countries some \$913 million (55 per cent of the illustrative indicative planning figure for the third UNDP programme cycle 1982-1986) or 42 per cent of IPF resources expected to be available for country programmes during that cycle, as compared to 34.2 per cent for the second cycle, 1977-1981. This shows a clear trend in channelling the central resources of UNDP increasingly towards supporting the development efforts of the least developed countries. In addition to projects financed from UNDP's central resources, least developed countries also receive assistance from a number of funds and programmes administered by UNDP.

#### Funds and programmes administered by UNDP

62. As part of its operational assistance related to the least developed countries, UNDP continues to support the development efforts of the least developed countries through the Funds administered by it. The programming of the Special Measures Fund for the Least Developed Countries, with resources of \$14 million in 1984, is fully integrated into the country programming process. From these resources, \$3.6 million have been set aside for the preparation of round-table meetings (\$100,000 per country).

63. The United Nations Capital Development Fund (UNCDF) continues to assist the least developed countries in two crucial areas: meeting the basic needs of the population and developing the productive sectors as well as the economic infrastructure. New project commitments for least developed countries in 1983 amounted to \$30 million, bringing the total UNCDF assistance to least developed countries to \$120 million since the 1981 Paris Conference.

64. United Nations Volunteers (UNV) activities play a significant role in the implementation of the Substantial New Programme of Action. Since the programme began more than a decade ago, a total of more than 1,700 volunteers have served in least developed countries, and the percentage of overall UNV programmes that are mainly concentrated in least developed countries continues to grow as more Governments take advantage of this source of middle- and higher-level operational expertise. Projects with joint UNV/Government execution financed from IPFs, Government cost-sharing and third-party cost-sharing continue to expand.

65. The United Nations Sudano-Sahelian Office (UNSO), which has a mandate for providing assistance in drought-related recovery and rehabilitation as well as desertification control, at present operates in 19 countries, of which 14 are least developed countries. Funds currently mobilized by UNSO for 117 national and 30 regional projects stand at a total of \$234.6 million. As for funds contributed directly to UNSO's own budget for these national and regional projects, the total stands at \$110.3 million.

66. With the decision of the General Assembly to liquidate the United Nations Emergency Operation Trust Fund and transfer 70 per cent of its remaining balance to be administered by UNDP for the financing of urgently needed projects, primarily in the food and agricultural sectors in countries afflicted by famine and malnutrition resulting particularly from severe and prolonged drought with special emphasis in Africa, UNDP has assumed added responsibilities, geared in major part to least

developed countries. As of 30 September 1984, a total of 92 projects in 52 countries have been approved against this Fund with budgets totalling \$27.8 million. Of these projects, 72 are to be implemented in 35 least developed countries at an annual cost of \$18.5 million.

67. In December 1983, a special contribution of 20 million Netherlands guilders was made by the Government of the Netherlands to UNDP for the strengthening of the round-table process in the least developed countries and for the financing of projects in least developed countries identified during the round-table meetings held by them, or in their country programme. The Trust Fund established with this contribution is expected to enhance the country review and consultative process by expanding the substantive backstopping and providing the required additional logistical support.

#### Co-ordination of UNDP assistance

68. As part of the continued focusing of attention on the increased effectiveness of UNDP's assistance to the least developed countries, a new unit has been established within the Planning and Co-ordination Office directly linked to the Office of the Administrator. This unit is responsible for co-ordination and monitoring of assistance provided to least developed countries from all the funds administered by UNDP.

#### Regional commissions

69. A separate subprogramme "Special measures in favour of the least developed countries" was included in the revised programme of work and priorities of the Economic and Social Commission for Asia and the Pacific (ESCAP) for 1984-1985. Activities under this subprogramme include a project on the mobilization of domestic savings in the least developed countries and preparations for national workshops on development planning techniques for selected least developed countries in the region. In addition, the least developed countries of the region benefit from a large number of programmes and activities in all the diverse fields in which ESCAP is involved, such as environment, industry, international trade, natural resources, agricultural and rural development, population, shipping, ports and inland waterways, social development, statistics, transnational corporations, and transport, communications and tourism.

70. As part of the preparation for the mid-term global review of the implementation of the Substantial New Programme of Action to be held in 1985, the ESCAP secretariat plans to undertake an analysis of the economic situation of the least developed countries in the region. A meeting of senior officials is planned for early 1985 to consider the problems and prospects of the least developed countries in the ESCAP region and to recommend measures for the effective implementation of the Substantial New Programme of Action. The Commission, at its fortieth session held in April 1984, adopted a comprehensive plan of action on technology for development in which special attention is given to initiating measures for the technological development of the least developed countries in the region. It furthermore proclaimed a Transport and Communications Decade for Asia and the Pacific, 1985-1994 (the "Tokyo Proclamation"), also emphasizing the special needs of the least developed countries in the development of transport and communications infrastructure.



71. The Economic Commission for Latin America and the Caribbean (ECLAC) and its affiliated institutions carry out a number of technical assistance activities in Haiti, the only least developed country in the region. Among these are training and advisory services offered by the Latin American Demographic Centre (CELADE) and the Latin American Institute of Social and Economic Planning. An example is support extended in 1983 for strengthening the capacity for pre-investment studies.

72. Pursuant to the provisions of the Substantial New Programme of Action and the subsequent General Assembly resolutions, the secretariat of the Economic Commission for Western Asia (ECWA) developed, within the frame of its work programme, a multi-disciplinary "Programme of action in favour of the least developed countries of the region" on a priority basis. Within the framework of ECWA's regular programme of work, assistance to the two least developed countries of the region was rendered in the areas of development planning, financial management, industrial development and industrial project identification, formulation and appraisal, transportation and communications, demography, agricultural development and statistics. Following the natural disasters (floods and earthquakes) that hit the two least developed countries of the region, the Commission adopted resolutions that call for action by the secretariat as well as involving other bodies, including the Economic and Social Council. Further, as part of its regular work programme for 1984-1985 on the least developed countries, ECWA plans to hold a meeting to assess progress in the implementation of the Substantial New Programme of Action. Detailed reports on activities of ECWA on behalf of these countries were submitted to the Commission at its tenth and eleventh sessions.

#### United Nations Conference on Trade and Development

73. At its twenty-eighth session the Trade and Development Board decided to convene in May 1985, as part of the preparatory process for the mid-term global review of progress towards the implementation of the Substantial New Programme of Action, a meeting that would bring together representatives of the least developed countries with governmental experts on development co-operation from donor countries and representatives of multilateral and bilateral financial and technical assistance institutions. At the same session the Board also decided to convene, from 23 September to 4 October 1985, the high-level meeting of the Intergovernmental Group on the Least Developed Countries, which, pursuant to paragraph 9 of General Assembly resolution 36/194, and paragraph 119 of the Substantial New Programme of Action, is to undertake the mid-term global review. 15/ As part of the preparations for this meeting the Secretary-General of UNCTAD has sent to Governments of States members of UNCTAD other than the least developed countries, and to institutions concerned, a detailed questionnaire on progress in the implementation of the Substantial New Programme of Action. 16/ The Board further decided to carry out at its thirtieth session, in March 1985, a comprehensive review of debt and development problems of poorer developing countries and, in particular, of the least developed countries, in the light of the Substantial New Programme of Action, Board resolution 165 (S-IX) and UNCTAD resolution 142 (VI). The results of this review are to be taken into account during the preparatory process for the mid-term review.

74. Commodities is another area in which least developed countries benefit from UNCTAD activities. The International Agreement on Jute and Jute Products, 1982, negotiated and concluded in the framework of UNCTAD's Integrated Programme for Commodities, entered into force provisionally in January 1984. Two least developed countries are major producers of jute. The Agreement Establishing the Common Fund for Commodities provides that emphasis for the use of its Second Account will be given to commodities of interest to the least developed countries. Thirty-three least developed countries have signed this Agreement, and 28 have ratified it.

75. A number of technical assistance activities in favour of least developed countries are carried out under UNCTAD's Special Programme for the Least Developed, Land-locked and Island Developing Countries, notably in the field of trade policy and planning of the external sector. Assistance provided in transit transport for land-locked developing countries is also of special interest to many least developed countries. The Special Programme accounted for 25 per cent of UNCTAD's technical assistance expenditure in 1983. Least developed countries also benefit from ongoing UNCTAD programmes and projects in other areas including shipping, economic co-operation among developing countries, trade facilitation, technology and trade with socialist countries. Virtually all least developed countries received assistance from UNCTAD under these various programmes in 1982 and 1983.

#### United Nations offices and departments

76. The Department of International Economic and Social Affairs reviews the implementation of the Substantial New Programme of Action as part of the process of the review and appraisal of the International Development Strategy for the Third United Nations Development Decade, and the special problems of the least developed countries are also brought out in the Department's regular policy analysis and surveys of the world economic and social situation.

77. In providing technical support to the efforts of the developing countries for accelerated economic and social progress, the Department of Technical Co-operation for Development (DTCD) carries out a large number of its field programmes in the least developed countries. In 1983, DTCD further pursued its efforts to assist the least developed countries in implementing the recommendations of the Substantial New Programme of Action. At the country level it continued to provide substantive support to the round-tables organized by UNDP, through ongoing projects in development planning and special missions. In the field of natural resources and energy, financed from DTCD's regular programme, resources are provided on a priority basis to meet the requests of least developed countries for advisory services and other specific activities. Nine least developed countries were included in the first two phases of a programme of mini-hydropower surveys and seven others have been designated for surveys in 1984 and 1985. Some of the surveys have resulted in follow-up financing. Missions were undertaken by DTCD advisers to a number of least developed countries to formulate project proposals for the development and utilization of new and renewable sources of energy. DTCD executes 36 technical co-operation projects, relating to development planning and policies in 25 least developed countries. These accounted for over 35 per cent of the total 1983 budget for country projects in this area. Three fifths of the projects were in support of national planning efforts; assistance was also extended for sectoral, subnational (regional planning or integrated rural development) and project planning in least developed countries.

78. Two interregional workshops were organized in 1983 for national planning officials mainly of least developed countries and additional workshops are under preparation. In recent years increasing attention has been paid to developing national capabilities in least developed countries in development administration and finance through management-development training and institution-building. In the population field, DTCDD responds to requests for demographic training, analysis of demographic data, and population and development planning. One third of current population projects are executed in the least developed countries. Technical co-operation has been provided to 22 least developed countries in the area of population censuses, statistics and data processing.

79. Under its technical co-operation programme, the United Nations Centre on Transnational Corporations (UNCTC) has since 1980 been actively involved in many least developed countries in all regions. Up to the beginning of 1984, it had carried out a total of 71 advisory projects and 20 training workshops in least developed countries. With a view to further expansion of the programme for these countries, UNCTC has earmarked the funds recently allocated by UNDP's Sectoral Support Programme for programming missions to identify specific needs of the least developed countries for advisory and training services.

80. The Centre for Science and Technology for Development functioning under the Operational Plan for the implementation of the Vienna Programme of Action on Science and Technology for Development, promoting a number of proposals for specific action in favour of, and of particular relevance to, least developed countries. One of them is a proposed pioneer project on reinforcement of linkages between research and development activities and the production system.

81. The Office of the United Nations Disaster Relief Co-ordinator (UNDRO) has continued its efforts to respond fully and effectively to requests for Governments of least developed countries for assistance in disaster relief, preparedness and prevention. From April 1983 to March 1984 assistance was mobilized for nine least developed countries for disasters ranging from earthquakes and floods to civil strife and drought. The major situation affecting the group of least developed countries in this period was the continuing drought in sub-Saharan Africa, for which UNDRO established a task force in early 1984.

#### Other United Nations programmes and organs

82. The Industrial Development Board of the United Nations Industrial Development Organization (UNIDO), at its eighteenth session held in May 1984, examined the progress of industrialization of the least developed countries as a separate agenda item and adopted a number of conclusions relating to the implementation of the Substantial New Programme of Action and UNIDO technical assistance to these countries. The Board, *inter alia*, expressed serious concern about the continued limitation of resources for this programme. There was a decline of new project approvals in 1983 owing to the financial constraints of UNDP, despite the more favourable attention given to the least developed countries in financing projects from available resources, including special-purpose contributions. Within the UNIDO system consultations, financial support was provided for the participation of representatives of least developed countries. Work on the potential for resource-based industrial development continued, with two new such studies completed and studies on five other least developed countries in progress. In the

overall programme of technical co-operation activities, increased emphasis was placed on training programmes designed to meet the special needs of the least developed countries, through the organization of several seminars and a variety of group training programmes.

83. A range of activities under the United Nations Environment Programme (UNEP) are addressed to serving the needs of the least developed countries, in most of which problems of natural resource and environmental degradation are becoming increasingly serious. UNEP's Governing Council, in May 1984, adopted two decisions of special interest to the least developed countries, one on the clearing-house mechanism established for requests for assistance in the environmental field, and one on desertification control.

84. In the World Food Programme (WFP) assistance priority is given to low-income food-deficit countries. The least developed countries receive special attention, and the concentration of increased assistance for these countries has been further accelerated with the deteriorating food situation in Africa. The least developed countries' share in total WFP commitments was 44 per cent in 1983, compared to 37 per cent in 1982. In the case of least developed countries, WFP pays in cash, or exceptionally through an additional provision of grains, up to 50 per cent of internal transport, storage and handling costs that normally are borne by the recipients.

85. In 1983 assistance to the least developed countries from the United Nations Fund for Population Activities (UNFPA) continued to increase, reaching \$22 million (19 per cent of the Fund's programmable resources for 1983). Of this sum, family-planning activities absorbed a major share: support aimed at reducing infant mortality, maternal morbidity and high fertility was provided to 29 least developed countries under ongoing projects, while new activities were initiated in two additional countries. Operations in population data collection were assisted in 22 least developed countries, and population research training and policy development in 16 countries. Increasing resources were allocated to population information, education and communication. The number of least developed countries assisted in this field increased from 12 in 1982 to 18 in 1983.

86. A significant proportion of the refugees and returnees in the world are to be found in the least developed countries. The Office of the United Nations High Commissioner for Refugees (UNHCR) is deeply concerned at the consequent economic and social burden on least developed countries, which suffer from a shortfall of resources for sustaining their own national economies. UNHCR's assistance amounted to nearly \$100 million in 1983, which is roughly one third of its general programme budget. While emergency care and maintenance assistance is of a palliative nature, UNHCR has made persistent efforts to promote self-reliance for refugees and returnees in the overall context of national development in those least developed countries with large groups of refugees and returnees, and to facilitate their integration in new productive societies. The Second International Conference on Assistance to Refugees in Africa, which was held in Geneva in July 1984, emphasized durable solutions to refugee situations and had considerable success in promoting development-oriented assistance to refugees in African countries, including those in the least developed countries.

C. Specialized agencies and other organizations

International Labour Organisation

87. Following the broad mandate for action in support of the least developed countries given to the Director-General of the ILO by the Governing Body in 1982, special emphasis has been laid on the needs of least developed countries in mobilizing resources and developing projects and programmes in the context of the Substantial New Programme of Action. In the case of the African region, a special study has been undertaken with a view to identifying specific areas for increased assistance in collaboration with the ILO's partners in development. There has been a relative increase in the share of expenditure on ILO technical co-operation activities in the least developed countries, which cover such areas as policy advice on labour and social questions, and co-operation in the fields of employment promotion and labour-intensive public works, human-resources development and manpower planning. From May 1983 to April 1984 approvals of new projects for least developed countries from all sources of funds amounted to \$25 million.

88. A resolution on further strengthening of action for the least developed countries was discussed and adopted at the International Labour Conference in June 1984. As far as ILO's own mandate is concerned, the resolution, inter alia, calls for giving a high priority to technical co-operation activities in favour of the least developed countries, allocating more significant regular budget resources to such activities, and encouraging technical co-operation between developing countries and popular participation in development efforts.

Food and Agriculture Organization of the United Nations

89. The FAO Council, at its 1983 sessions, as well as the FAO Conference in November of the same year, discussed the follow-up to the United Nations Conference on the Least Developed Countries. The organization's programme of work and budget for 1984-1985 places special emphasis on the poorest countries, particularly in Africa, where most least developed countries are situated. The FAO Conference also adopted a resolution on the critical situation of food and agriculture in Africa, aiming at mobilizing resources for the development of these sectors in the affected countries. In 1983, 252 country projects in least developed countries, totalling \$142 million, were approved for FAO execution under funding by UNDP, trust funds and the FAO Technical Co-operation Programme. These projects represented 47 per cent of the total cost of all the projects approved in that year. In the same year, the share of the least developed countries in total expenditure rose slightly, to 39 per cent, as compared to 37 per cent in 1982. In addition, 38 per cent of total FAO Investment Centre-assisted projects approved in 1983 were for least developed countries. A review of the food and agriculture situations, plans and policies of least developed countries is being conducted with a view to highlighting issues and options for the second half of the 1980s in connection with the fourth UNDP country programming cycle and the Substantial New Programme of Action. Activities under FAO special action programmes have also been carried out in the least developed countries. These include activities relating to the Food Security Assistance Scheme, Fertilizer Programme, Action Programme for the Prevention of Food Losses, the Seed Improvement and Development Programme, the Office for Special Relief Operations, the Desert Locust Control Programme, and the World Conference on Agrarian Reform and Rural Development Follow-up Programme.

United Nations Educational, Scientific and Cultural Organization

90. The fourth special session of the UNESCO General Conference, held in November-December 1982, which discussed and approved the organization's second medium-term plan (1984-1989), also adopted a resolution on action in favour of the least developed countries. In the programme and budget for 1984-1985, the first phase of implementation of the medium-term plan, special attention has accordingly been paid to the priority needs of these countries. In the field of education, the programme draws on the results of the September 1982 meeting of senior officials from ministries of education in the least developed countries. In 1981-1983 UNESCO had already increased and reinforced its operational activities in favour of and in least developed countries. Notable efforts were made, *inter alia*, in the areas of literacy research and training and planning literacy strategies and campaigns, as well as in environment education and science and technology. At present UNESCO is involved in field projects in education in 28 least developed countries. The total budget for these projects amounts to \$60 million. Least developed countries also benefit from UNESCO activities in other areas, among which should be mentioned marine science, for the development of manpower and infrastructure in coastal least developed countries; social sciences, for planning cultural action programmes and developing cultural institutions; and the establishment and strengthening of communication infrastructures. Thirty least developed countries currently have at least one ongoing communication project. Most of these projects are financed by extrabudgetary resources, totalling some \$13 million.

International Civil Aviation Organization

91. In its Technical Assistance Programme ICAO has given highest priority to assisting least developed countries. In the three UNDP-defined regions of Africa, Asia-Pacific and the Middle East, in which all but one of the least developed countries are situated, more than half of all assistance is being provided to least developed countries, although they make up only 37.5 per cent of the total number of countries ICAO is currently assisting. The total programme for the least developed countries amounted to \$37.6 million.

92. ICAO has no funds under the regular programme for technical assistance activities and depends entirely on extrabudgetary resources in its co-operation with developing countries. The critical UNDP funding situation has impeded the provision of half of the assistance to civil aviation required by least developed countries, as identified by ICAO. To remedy this situation, at least in part, ICAO has approached other funding sources, which have already responded by assisting civil aviation development in Chad, Mali, Niger and Yemen, and may soon do so in Equatorial Guinea.

93. ICAO has attended all least developed country round-tables to which it has been invited, and has provided the Governments concerned with documentation specifying their requirements for assistance to civil aviation, much of which was developed by ICAO planning missions carried out entirely at ICAO's expense.

World Health Organization

94. The co-ordinating mechanism established by the Director-General of WHO to advise on rationalizing and mobilizing the flow of resources to health development,

the Health Resources Group for Primary Health Care, by the end of 1984 will have supported 16 least developed countries in a full-scale country health resource utilization review. The resulting document is used by Governments to present their needs for external resources, inter alia, as a basis for the health sector presentation to donors' round-table meetings. In the African region, particular attention was paid to the needs of the least developed countries, especially those affected by the crisis situation and suffering from health problems relating to refugees. These matters were discussed by the thirty-seventh World Health Assembly in May 1984 and a resolution on strengthening the present support mechanisms was adopted. In the Eastern Mediterranean region, joint WHO/Government programme reviews were undertaken to identify health priority problems. Allocations from the WHO regular budget were increased by 20 per cent for six least developed countries in this region, as a special measure to strengthen the health development programme in these countries. Further country health resource utilization reviews are planned for 1985.

#### World Bank

95. The World Bank is making active efforts to meet the needs of the least developed countries, particularly in Africa, which is an area of highest priority for the Bank. It has responded in a number of ways to the initiative of the Secretary-General in favour of African countries facing immediate economic crisis. Thus the Bank has donated \$2 million to WFP to expedite delivery of foods donated by the international community to countries facing a severe food shortfall, and is reviewing its work in various sectors in the light of the current drought. Issues such as food pricing and other policy alternatives are actively discussed with member Governments. A Senior Adviser for African Affairs has been appointed to co-ordinate Bank concerns about sub-Saharan Africa, and an action-oriented programme for assistance to this region has been prepared for the September 1984 meeting of the Development Committee.

96. Aid co-ordination is central to the Bank's work in some of the least developed countries. Of 15 consultative groups called by the Bank in 1983-1984, five involved least developed countries (Bangladesh, Nepal, Somalia, Sudan and Uganda). In addition, the Bank is actively planning for a donors' meeting for Guinea. Resident missions are also felt to be instrumental in the effective administration of aid. In 1982/1983, the Bank established new resident missions in two least developed countries, in addition to those already existing in 13 others. Further, since 1982 the Bank has had a programme to place and fund technical assistance staff in advisory positions in IDA-eligible countries. Two such advisers took up positions in least developed countries in 1982-1983, and subsequently this type of assistance has been authorized for seven others. Some 508 officials from least developed countries have participated in courses given by the Bank's Economic Development Institute.

#### International Monetary Fund

97. The International Monetary Fund provides its members, which include all the least developed countries, with financial assistance for balance-of-payments needs. Such assistance is made available under: (a) the basic credit facility;

(b) the extended facility, in cases where structural adjustment requires longer periods and larger resources; (c) the compensatory financing facility, to meet temporary shortfalls in export proceeds and excesses in the cost of cereal imports; (d) the buffer-stock financing facility, to finance members' contributions to international buffer stocks of primary products. In 1983, overall purchases by least developed countries under the various facilities totalled special drawing rights (SDR) of about 600 million. In addition, a number of the least developed countries drew SDR 10.4 million on the interest subsidy account for repayments of the supplementary financing facility in 1983. Since May 1981, a policy for enlarged access to Fund resources has been in effect to meet members' serious payment imbalances that are large in relation to quota.

98. At its April 1984 meeting in Washington, DC, the Interim Committee, while noting successful adjustment efforts by developing countries in 1982-1983, and the need to maintain and strengthen these efforts, emphasized that, for these efforts not to result in a further compression of imports in the developing countries, adjustment programmes would "require more open trade and capital markets, as well as continued co-operation from Governments and the international banking community". In the case of low-income developing countries, particularly those in sub-Saharan Africa, the Committee recognized a larger role for grants and concessional loans. The increase in quotas of member countries in 1983 has resulted in a 30 per cent increase in the combined quotas of the least developed countries, to about SDR 1.7 billion.

99. The Fund will continue its efforts to follow economic developments in the least developed countries and to provide financial and technical assistance.

#### Universal Postal Union

100. A report on UPU action on behalf of the least developed countries was approved by the Executive Council at its session in February-March 1984 and was submitted to the UPU Congress meeting in June-July 1984, together with a draft resolution setting out guidelines for further action. In its technical assistance programme, UPU gives priority to requests for least developed countries and these countries' share in total assistance granted had by 1982 risen to 38 per cent.

#### International Maritime Organization

101. IMO has in recent years carried out country projects and provided fellowships to eight least developed countries. In addition, advisory and consultant services have been provided to a total of 13 least developed countries, and a number of regional and interregional projects benefiting this group of countries have been undertaken.

#### International Fund for Agricultural Development

102. IFAD's mandate and activities correspond to the key objectives set out in the Substantial New Programme of Action of increasing food production in the least developed countries and improving the nutritional level of their populations. IFAD has been providing financing primarily for projects and programmes designed to



introduce, expand and improve food production systems and for the implementation of related policies and institutions. The focus has been mainly on the poorest food deficit countries. From 1978 to April 1984, IFAD committed some \$530 million to 57 investment projects in least developed countries, representing one third of the Fund's total commitments during this period. Most least developed countries (32 out of 36) have received at least one loan from IFAD so far. In response to the deteriorating food situation in Africa, IFAD has shifted its emphasis to this region, and more than half of loans extended to Africa in recent years were for least developed countries. In accordance with Substantial New Programme of Action recommendations, IFAD provides technical assistance grants to the least developed countries for project preparation, and for assistance for institutional development and training, and supports the approach of technical co-operation among developing countries.

#### General Agreement on Tariffs and Trade

103. The GATT Sub-Committee on Trade of Least Developed Countries held its 5th meeting in November 1983 at which, inter alia, the first ad hoc consultation between an individual least developed country and its developed trading partners was organized. In view of the useful nature of these consultations, it was later decided that a calendar for similar consultations should be established for other interested least developed countries. At that meeting the Sub-Committee also reviewed developments in international trade of relevance to the least developed countries and trade measures in favour of them, and considered the identification of continuing barriers to the exports of least developed countries. Apart from the commercial policy courses organized annually in Geneva, in which least developed country officials are regularly represented, the Technical Co-operation Division of the secretariat in 1983 organized separate trade policy seminars in three least developed countries, as well as other technical assistance activities from which least developed countries have benefited. Among activities in other bodies of GATT of relevance to the least developed countries can be mentioned the consultations held within the Committee on Trade and Development, during which special attention was given to the trade of the least developed countries, and the work undertaken under the Committee on Customs Valuation, the Committee on Government Procurement and the Committee on Technical Barriers to Trade. Following the GATT Ministerial Conference of November 1982, a Group on Quantitative Restrictions and other Non-Tariff Measures was set up. In accordance with another ministerial decision with respect to problems of trade in certain natural resource products, the GATT Council has instructed the secretariat to undertake a background study on problems of trade in forestry, fishery products and in non-ferrous metals and minerals: a number of least developed countries have export interest in some of the products under study.

#### International Trade Centre UNCTAD/GATT

104. ITC continued to provide substantial assistance to the least developed countries during 1983, with special emphasis on programming, basic institutional infrastructure, manpower development, product adaptation and export promotion services. In addition to the assistance through ITC national projects in 17 least developed countries in Asia and Africa, least developed countries benefited from a number of regional and interregional projects and from the ITC Special Programme

for Least Developed Countries, which had four projects under implementation. In all, ITC in 1983 was active in 26 least developed countries in all regions. Assistance to the least developed countries was estimated at \$3.3 million, or about 22 per cent of the total ITC programme in 1983.

V. MEASURES TAKEN TO FACILITATE THE FOLLOW-UP  
AND MONITORING OF THE PROGRAMME

A. Follow-up at the national level

105. Paragraph 114 of the Substantial New Programme of Action states that the first round of country reviews should take place as soon as possible and preferably by 1983. However, a special time allowance was made for the African least developed countries by the General Assembly, in paragraph 15 of its resolution 38/195, which recommended that "the first round of review meetings at the national level ... should be completed by 1983 or soon thereafter, without prejudice to the timing of the global review in 1985".

106. With respect to individual country meetings, the World Bank and UNDP have continued to be the lead agencies for such efforts. Since the adoption of the Substantial New Programme of Action, 23 such meetings have been held. The timetable of meetings held or scheduled is presented in the annex to the present report. Since the thirty-eighth session of the General Assembly, World Bank consultative groups have been sponsored for Somalia (October 1983) Nepal (December 1983), Uganda (January 1984), Sudan (February 1984) and Bangladesh (April 1984). Individual round-tables have taken place for Djibouti (November 1983), Burundi (February 1984), Malawi (February 1984), Guinea-Bissau (May 1984), Lesotho (May 1984) and Comoros (July 1984), for which UNDP acted as the lead agency and provided assistance to these Governments in the preparation and organization of the meetings. A session of the Joint Commission for External Co-operation Programmes in Haiti has also been held (February 1984).

107. The round-table conferences undertaken with UNDP assistance generally concentrated on the issues referred to in paragraph 113 of the Substantial New Programme of Action, covering all important sectors and aid modalities, in addition to overall financial and technical assistance requirements. Most Governments of the least developed countries that organized round-table conferences tried to secure the broadest possible participation of donors including, in addition to the traditional aid partners, donor Governments that had not previously contributed to the country's development, other developing countries from within and without the region, most major organizations and bodies of the United Nations system, other international organizations and non-governmental organizations. Several donor Governments have observed that such broad participation tends to detract from a serious review of development issues and aid requirements of the countries concerned.

108. Nevertheless, country review meetings have provided an important first opportunity for a more systematic and better co-ordinated review by least developed countries and their development partners of each least developed country's overall economic situation and policies, as well as sectoral priorities and opportunities

for external assistance. Within the context of this dialogue between least developed countries and the donors, important decisions can be taken on both sides regarding internal measures towards economic reform, and external assistance in support of the priority actions and plans of Governments of least developed countries.

109. The round-table meetings of the least developed countries in the Asia and Pacific region, which were held in Geneva May 1983, were followed by a joint review in May 1984, by the Governments concerned and UNDP, of the progress that had been made with the implementation of the Substantial New Programme of Action and of further action to be undertaken. While it was recognized that the round-tables had not yet achieved a significant increase in aid flows to the least developed countries concerned, nor improvements in terms of aid, it was also noted that the least developed countries had received financing for many of their project proposals presented to the round-table meetings. In addition, the country reviews for these countries have contributed to the strengthening of their own planning processes and the strengthening of contacts with the traditional donors, while new contacts have been opened. Follow-up action, in accordance with the individual needs of each of the least developed countries, is being undertaken with the assistance of UNDP.

110. The Regional Bureau for Africa of UNDP embarked in February 1984, in close collaboration with UNCTAD and ECA, on an in-depth evaluation of the round-table experience in the African region. The purpose of this exercise, which will not be fully completed until the end of 1984, is to draw lessons from that experience and to decide on future courses of action intended to enhance the effectiveness of the round-table process in mobilizing the required assistance for economic recovery and for development. Major recommendations that have already emerged from this study include, inter alia:

(a) The round-table process should be conceived as a continuing cycle that is not focused on a single conference;

(b) The round-table process should be used as a means of building the Government's general capacity for economic planning and management;

(c) Effective linkages should be established between the round-table process and national planning. The most recent African round-table conferences have already shown an increased emphasis on in-depth macro-economic and sectoral analyses and on measures to be taken by the Government concerned towards economic recovery, as well as on ways in which the donor community could assist that process. The response from the donor community has been most encouraging.

111. With respect to the follow-up to round-table meetings for Afghanistan, Bhutan, Lao People's Democratic Republic, Maldives and Samoa, held in Geneva in May 1983, individual Governments of least developed countries together with UNDP focused during 1983 and early 1984 on obtaining donor approval for assistance for the specific project needs presented at their round-tables. In May 1984, a full review was carried out jointly by these Governments and UNDP with respect to follow-up action they wished UNDP to undertake in continuing pursuance of the Substantial New

Programme of Action and of the May 1983 round-table meetings in particular. Follow-up actions by UNDP tailored to the individual needs of the five least developed countries concerned are now under consideration. The African Bureau of UNDP is presently conducting, in close collaboration with UNCTAD and ECA, an in-depth evaluation of the round-table process, the purpose of which is to improve the future country review meetings.

#### B. Follow-up at the regional level

112. In Africa, the Substantial New Programme of Action was the main subject of consideration by the Economic Commission for Africa's Intergovernmental Committee of Experts of African Least Developed Countries, as well as by the Fourth Meeting of the Conference of Ministers of African Least Developed Countries (May 1984). These meetings resulted in resolutions that drew attention to the difficult situation of the African least developed countries and reviewed progress in the implementation of the Programme in these countries.

113. The Economic and Social Commission for Asia and the Pacific (ESCAP), at its fortieth session in April 1984, considered the review and appraisal of the implementation of the Substantial New Programme of Action in the ESCAP region and decided to prepare an in-depth analysis of the economic situation of the least developed countries in its region, including a review of the implementation of the support measures contained in the Programme, and to organize a meeting at a very high level to consider the problems and prospects of the least developed countries and recommend measures for effective implementation of the Programme in the region.

114. The eleventh session of the Economic and Social Commission for Western Asia (ECWA), held in April 1984, considered a report on the secretariat's activities for the two least developed countries of the region as well as a special report on the implementation and follow-up of the Substantial New Programme of Action in the region.

#### C. Follow-up at the global level

115. On the recommendation of the United Nations Conference on the Least Developed Countries, the General Assembly, in resolution 36/194 of 17 December 1981 decided to entrust the Intergovernmental Group on the Least Developed Countries of UNCTAD, at its high-level meeting in 1985, with the task of carrying out the mid-term review of progress in implementation of the Substantial New Programme of Action and readjust the Programme, as appropriate, for the second half of the decade in order to ensure its full implementation. General Assembly resolution 38/195 and UNCTAD resolution 142 (VI) reaffirmed this decision and urged that all necessary steps be taken to ensure appropriate preparation for an in-depth review on that occasion, including specific recommendations for the full and expeditious implementation of the Programme. These resolutions also stressed the importance of the timely preparation of the necessary documentation. The UNCTAD secretariat, in close collaboration with the organizations of the United Nations system, is making detailed arrangements at the global level for implementation, co-ordination and monitoring of the Programme and for the preparation of the mid-term review in 1985.

116. The result of this review will be available to the General Assembly so that they may be taken fully into account in the review and appraisal of the implementation of the International Development Strategy for the Third United Nations Development Decade. As called for in General Assembly resolution 36/194, the UNCTAD Intergovernmental Group on Least Developed Countries will also consider the possibility of holding a global review at the end of the decade, which might, inter alia, take the form of a United Nations conference on the least developed countries.

117. As noted in paragraph 73 above, a meeting is being convened in May 1985 by UNCTAD of governmental experts of donor countries, representatives of multilateral and bilateral financial and technical assistance institutions and of the least developed countries, as part of the preparatory process for the mid-term global review of the implementation of the Substantial New Programme of Action. The Meeting is to consider the following aspects:

(a) Areas for possible improvement of aid practices and management with respect to the least developed countries, taking into account the experience to be drawn from the national review meetings, and in particular:

- (i) Measures to improve the co-ordination of assistance programmes;
- (ii) Measures that the least developed countries are already taking with the support of the international community, as well as possible additional measures that could be undertaken for accelerated progress of the least developed countries and full and expeditious implementation of the Substantial New Programme of Action, taking into account the economic situation of the least developed countries;
- (iii) Ways of better adapting the implementation of development assistance programmes to the specific needs of least developed countries, taking into account the agreed conclusions of the Second Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries;

(b) Organizational issues related to the 1985 mid-term global review of the implementation of the Substantial New Programme of Action, including the state of preparation of documentation for that review, especially documents concerning the economic situation of the least developed countries.

118. As a basis for global monitoring, the UNCTAD secretariat, in collaboration with the organizations of the United Nations system, is preparing up-to-date information on the least developed countries, individually and as a group. The UNCTAD "Basic Data" series continues to appear at regular intervals. The UNCTAD secretariat has prepared a report on least developed countries that includes an assessment of the economic situation of the least developed countries and review of progress in the implementation of the Substantial New Programme of Action. The report (to be issued as a United Nations publication) contains a special study on the role of exports in the development of least developed countries. A similar report is planned for 1985. The UNCTAD secretariat will also prepare reports containing, inter alia: recommendations to improve aid practices and management; evaluation of the results of the individual country meetings; recommendations for

improving the co-ordination of assistance programmes; recommendations for additional measures for ensuring full implementation of the Substantial New Programme of Action over the decade of the 1980s; and elaboration of special measures aimed at assisting the least developed countries to overcome the critical obstacles facing their trade and development. Other organizations of the system will also prepare reports containing a review of the implementation of the Substantial New Programme of Action within their fields of competence and proposals for further action.

#### D. Inter-agency co-ordination

119. Both the General Assembly, in resolution 38/195, and the Substantial New Programme of Action emphasized that the follow-up to the United Nations Conference on the Least Developed Countries should be a system-wide effort of the United Nations throughout the 1980s. Consequently, the Director-General for Development and International Economic Co-operation is ensuring the full mobilization and co-ordination of the United Nations system in support of the implementation of the Substantial New Programme of Action. In this connection, he has continued to carry out a series of consultations with the executive heads of regional commissions, UNCTAD, UNDP, the World Bank and other relevant organizations of the United Nations system. He has also continued to utilize the mechanism of inter-agency consultations. A third inter-agency consultation on the follow-up of the Programme was held in April 1984, at which the experience gained from the country review meetings held so far was reviewed. Information on action taken by individual organizations since the previous inter-agency consultation in the implementation of the Programme, within their fields of competence was exchanged. Finally, UNCTAD's arrangements for the preparation of the mid-term review were discussed. A fourth inter-agency consultation is planned for late in 1984 or early in 1985 in order to review preparations for the mid-term review by the organizations of the United Nations system.

### VI. CONCLUSIONS AND RECOMMENDATIONS

120. The unanimous adoption of the Substantial New Programme of Action was a milestone in the efforts and initiatives of the international community on behalf of the least developed countries. Having recognized these countries as the weakest and economically most vulnerable and those with the most formidable structural problems, the Programme aims at transforming their economies towards self-sustained development and enabling them to provide at least internationally accepted minimum levels of living as well as job opportunities for all their citizens. \*

121. The Substantial New Programme of Action provided for action to be taken by the least developed countries at the national level with respect to strategy, priorities, overall and sectoral targets, as well as other measures necessary for accelerated development. The Programme further recognized that the achievement of its objectives could not be realized without effective measures of support by the international community to complement action at the national level through increased financial resource transfers, and policies and programmes affecting the modalities of assistance, technical assistance, transfer of technology, commercial policy measures and economic and technical co-operation among developing

countries. However, despite the unanimous adoption of the Programme and strong political commitment to it by all concerned, progress in its implementation has been slow and the economic situation of the least developed countries has deteriorated in the recent past, as is indicated in this report.

122. The economic and social conditions prevailing in Africa have reached crisis proportions, which have further affected the 26 least developed countries on that continent. The crisis has been further accentuated by the impact of severe and prolonged drought and other natural calamities. Of the 34 drought-affected and food-aid-dependent countries, 20 are among the least developed.

123. The implementation of the immediate action component of the Substantial New Programme of Action assumes a higher priority at this time of crisis when the least developed countries of Africa require expanded and immediate external assistance. These countries should receive urgent and prompt relief from acute shortages of food and related emergency assistance.

124. In the face of the present unfavourable external environment, many least developed countries have themselves been making efforts to implement the SNPA and redress the situation. Several of them have readjusted their plans and have prepared detailed annual and mid-term plans elaborating development objectives, priorities and strategies and discussed them with their development partners, as provided for in the Substantial New Programme of Action. Some have had to adopt structural adjustment or stabilization programmes. The success of the initiatives of least developed countries towards economic reform can be enhanced considerably if donors are prepared to facilitate such reform. Measures such as increased grant elements in costs, further untying of bilateral assistance, support in local-cost and recurrent-cost financing would already help significantly.

125. All donors should consider responding positively to least developed countries' requests for alleviation of their debt-service burden in respect of ODA loans. All developed donor countries should in particular fulfil their commitments in pursuance of Trade and Development Board resolution 165 (S-IX). In the present circumstances it is essential also to consider additional specific measures to alleviate least developed countries' debt-service obligations to both public and private lenders.

126. It is disappointing to note that in 1981 and 1982 the levels of concessional flows to the least developed countries remained more or less at the level reached during 1976-1980. This is far from ensuring the doubling of ODA flows to the least developed countries, as called for in the Substantial New Programme of Action and reaffirmed in UNCTAD resolution 142 (VI). In order to enable these countries to overcome their structural problems and achieve the objectives of their country programmes, it is of the greatest importance that all donor countries and institutions fulfil by 1985 the targets of attaining 0.15 per cent of their GNP as ODA or of doubling their ODA to the least developed countries. At the same time, it is essential that the international community implement its commitment fully under the Substantial New Programme of Action and respond expeditiously to the urgent needs and requirements of the least developed countries, as called for in the Substantial New Programme of Action and UNCTAD resolution 142 (VI).

127. The serious resource situation of most organs, organizations and bodies of the United Nations system - which have accorded high priority to the least developed countries in their work programmes as well as in their resource allocation - has adversely affected the ability of a number of these organizations to provide adequate assistance to the least developed countries. There is an urgent need for donor countries to provide substantially greater resources for assistance to the least developed countries through IDA, UNDP and its Special Measures Fund for the Least Developed Countries, the United Nations Capital Development Fund and IFAD.

128. Contrary to the recommendations of the Substantial New Programme of Action to improve the quality and effectiveness of ODA, little progress seems to have taken place with regard to overall concessionality and conditions of aid to least developed countries. Consequently, and in view of the serious problems of debt servicing facing these countries, the implementation of the recommendations of the Programme with regard to aid modalities becomes very important.

129. The Substantial New Programme of Action acknowledges the important and central role of country review meetings in the implementation of the Programme. These meetings provide the necessary forum for a fruitful dialogue between the least developed countries and their development partners concerning their plans and programmes and support from their partners. These meetings in particular enable better programming by the Governments of the least developed countries of resources likely to be obtained for development from external sources. Therefore, the least developed countries that have not yet held their first review meetings should consider doing so as soon as possible and preferably before the mid-term review.

130. The mid-term review of the implementation of the Substantial New Programme of Action is scheduled from 23 September to 4 October 1985. This meeting will provide an opportunity for the international community to consider ways and means of enhancing the implementation of the Substantial New Programme of Action during the rest of the decade and adjusting the Programme, as appropriate, for the second half of the decade. Political will on the part of all concerned is required to meet pressing development needs of the least developed countries and thereby to achieve the objectives of the Substantial New Programme of Action. However in view of the especially difficult circumstances currently facing the least developed countries, and in order to enable these countries to redress this situation, there is great need to implement the commitments already made by the international community in 1981 and to lend support to the efforts of the least developed countries to pursue structural adjustment and economic growth.

#### Notes

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

2/ See Trade and Development Report 1984, Part I. "The continuing world economic crisis" (UNCTAD/TDR/4/(vol. I)), annex table A.1. (The complete report will be issued as a United Nations publication (UNCTAD/TDR/4/Rev.1).)



Notes (continued)

- 3/ The growth objective of doubling income in a decade in appropriate cases, was established in the Substantial New Programme of Action (see para. 5 of the Programme).
- 4/ See the report of the Expert Group Meeting on the Climatic Situation and Drought in Africa, Geneva, 6-7 October 1983, World Meteorological Organization, Geneva (WCP-61).
- 5/ See the annex to the Special Memorandum on Africa's Economic and Social Crisis, adopted at the tenth meeting of the Conference of Ministers of the Economic Commission for Africa and the nineteenth session of the Commission (E/1984/110, annex).
- 6/ FAO, Monthly Bulletin of Statistics, vol. 7, April 1984.
- 7/ See also "Financial resources for developing countries 1983 and recent trends". Organisation for Economic Co-operation and Development (OECD) press release (PRESS/A(84)40) of 20 June 1984.
- 8/ See note to table 6.
- 9/ See TD/276; for the printed text see Proceedings of the United Nations Conference on Trade and Development, Sixth Session (United Nations publication, Sales No. E.83.II.D.8, vol. III, paras. 104-105).
- 10/ This represents a decline from 1979 and 1980, when the share of general non-project aid ranged from 26 to 38 per cent (ibid., para. 100 and table 17).
- 11/ The overall "grant element" reflects the grant share as well as the financial terms of loans, i.e. their interest rate, maturity (interval to final repayment) and grace period (interval to first repayment of capital). See OECD, Development Co-operation, 1982 Review, Paris, 1982, p. 171.
- 12/ See table 8 and OECD, Development Co-operation, 1983 Review, Paris, 1983, table V-6, p. 85.
- 13/ OECD, Development Co-operation, 1983 Review, op.cit., pp. 89 and 92.
- 14/ See TD/276, table 13.
- 15/ For arrangements at the global level for the implementation, co-ordination and monitoring of the Substantial New Programme of Action, including preparations for the mid-term review, see section V of this report.
- 16/ In paragraph 18 of its resolution 38/195 the General Assembly urged "all countries, particularly donor countries, and institutions to respond expeditiously to the questionnaires of the secretariat of the United Nations Conference on Trade and Development on the steps they are taking to implement the Substantial New Programme of Action ...".

ANNEX

Tentative schedule of country review meetings as follow-up to the  
 Substantial New Programme of Action (as at July 1984)

Least developed country	Government focal point	Consultative mechanism/lead agency	Date of country review meeting
<b>Africa</b>			
Benin	Ministry of Planning, Statistics and Economic Analysis	Round-table/UNDP	Held from 28 February 1984 to 4 March 1983
Botswana	Ministry of Planning	Continuation of ongoing bilateral exercises; round-table/UNDP	(Postponed indefinitely)
Burkina Faso	Ministry of Planning	Round-table/UNDP	1984 (Dates to be established)
Burundi	Ministry of Planning	Round-table/UNDP	Held 8-11 February 1984
Cape Verde	Secretary of State for Co-operation and Planning	Round-table/UNDP	Held 21-23 June 1982
Central African Republic	Haut Commissariat au Plan, aux Statistiques et Coopération Internationale, Présidence de la République	Round-table/UNDP	1984 (Date to be established)
Chad	Ministry of Planning (Commissaire au Plan)	United Nations/OAU meeting on the reconstruction of Chad, UNDP helped prepare documentation; round-table/UNDP	Held 29-30 November 1984  (Date to be established)
Comoros	Ministry of Planning	Round-table/UNDP	Held 2-4 July 1984
Djibouti	Ministry of Planning	Round-table/UNDP	Held 21-23 November 1983

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Least developed country	Government focal point	Consultative mechanism/lead agency	Date of country review meeting
Ethiopia	Ministry of Planning	Round-table/UNDP	(Dates to be established)
Equatorial Guinea	Presidency	Round-table/UNDP	Held 19-21 April 1982 <u>a/</u>
Gambia	Ministry of Planning	Round-table/UNDP	(October 1984)
Guinea	Prime Minister's Office	Round-table/UNDP	(Dates to be established)
Guinea-Bissau	Prime Minister's Office	Round-table/UNDP	Held 21-23 May 1984
Lesotho	Ministry of Planning	Round-table/UNDP	Held 14-17 May 1984
Malawi	Ministry of Planning	Round-table/UNDP	Held 27-29 February 1984
Mali	Ministry of Planning	Round-table/UNDP	Held 13-16 December 1982
Niger	Ministry of Planning	Round-table/UNDP	(Second half 1984)
Rwanda	Ministère des Affaires Etrangères et de la Coopération	Round-table/UNDP	Held 1-4 December 1982
Sao Tome and Principe	Ministry of Planning	Round-table/UNDP	1984 (Dates to be established)
Sierre Leone	Ministry of Development and Economic Planning	Round-table/UNDP	1984 (Dates to be established)
Somalia	Ministry of National Planning	World Bank Consultative Group	Held 26-28 October 1983 (next session 1985)
Sudan	Ministry of Finance and Economic Planning	World Bank Consultative Group	Held 12-14 January 1983 and 14-16 February 1984 (next session late in 1984 and again in 1985)

Least developed country	Government focal point	Consultative mechanism/lead agency	Date of country review meeting
Togo	Ministry of Planning	Round-table/UNDP	(Second half 1984)
Uganda	-	World Bank Consultative Group	Held in May 1982 and 24-26 January 1984
United Republic of Tanzania	Ministry of Planning and Economic Affairs	World Bank Consultative Group	Last met 1977
<u>Latin America</u>			
Haiti	Secretariat of State for Planning	Joint Commission for External Co-operation Programmes in Haiti	Held in May 1982 and 1-2 February 1984
<u>Asia</u>			
Afghanistan	Department of Foreign Economic Relations of the State Planning Committee	Asian Pacific Round-Table Meeting for each country, at a common site with UNDP as lead agency	Held 9-18 May 1983
Bangladesh b/	Ministry of Finance, External Resources Division	World Bank Consultative Group	Held in April 1982 and 9-10 April 1984
Bhutan	Economic Division, Ministry of Foreign Affairs	Asian Pacific Round-Table Meeting for each country, at a common site with UNDP as lead agency	Held 9-18 May 1983
Lao People's Democratic Republic	Ministry of Foreign Affairs	Asian Pacific Round-Table Meeting for each country, at a common site with UNDP as lead agency	Held 9-18 May 1983

Least developed country	Government focal point	Consultative mechanism/lead agency	Date of country review meeting
Maldives	External Resources Section of the Ministry of Foreign Affairs	Asian Pacific Round-Table Meeting for each country, at a common site with UNDP as lead agency	Held 9-18 May 1983
Nepal <u>b/</u>	Ministry of Finance	World Bank Consultative Group	Held in December 1981 and 5-6 December 1983 (next session in 1985)
Samoa	Prime Minister's Office	Asian Pacific Round-Table meeting for each country, at a common site with UNDP as lead agency	Held 9-18 May 1983
<u>Western Asia</u>			
Democratic Yemen	Ministry of Planning	UNDP round-table	(Early 1985)
Yemen Arab Republic	Central Planning Organization	Second Yemen International Development Conference (Considering UNDP round-table)	Held in April 1982 (early 1985)

Notes

a/ A UNDP round-table was held in April 1982 for Equatorial Guinea, but as the country was not added to the list of least developed countries until the thirty-seventh session of the General Assembly, at the end of 1982, this meeting did not take place in the framework of paragraph 113 of the Substantial New Programme of Action.

b/ Also attended the joint session of the Asia/Pacific Round-Table Meeting.

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