

9. *Also requests* the Secretary-General to utilize the input provided by the Commission on the Status of Women at its thirty-second session and by the Economic and Social Council in 1988 for the preparation of the first update of the survey.

*119th plenary meeting
17 December 1985*

40/205. Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries

The General Assembly,

Recalling its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation.

Recalling also its resolution 39/174 of 17 December 1984,

Reaffirming the provisions of the International Development Strategy for the Third United Nations Development Decade relating to the least developed countries,¹⁰² and the agreed conclusions concerning those countries of the Committee on the Review and Appraisal of the Implementation of the International Development Strategy for the Third United Nations Development Decade,¹⁰³

Reaffirming the Substantial New Programme of Action for the 1980s for the Least Developed Countries,⁴² whose objective is to transform the economies of the least developed countries so that they may achieve self-sustained development, and to enable them to provide at least internationally accepted minimum standards of nutrition, health, transport and communications, housing, education, and job opportunities to all their citizens, particularly the rural and urban poor,

Reaffirming the need to respect the socio-political and economic system of each least developed country in the implementation of the Substantial New Programme of Action,

Deeply concerned at the continued deterioration of the socio-economic conditions of the least developed countries despite national and international efforts to achieve the goals and objectives of the Substantial New Programme of Action,

Seriously concerned at the critical economic situation faced particularly by the least developed countries in Africa,

Recognizing the specific problems of the land-locked and island countries among the least developed countries, as reflected in United Nations Conference on Trade and Development resolutions 137 (VI) and 138 (VI) of 2 July 1983³⁸ and Trade and Development Board resolution 319 (XXXI) of 27 September 1985,³⁹

Recalling paragraph 119 of the Substantial New Programme of Action in which it was recommended that the Intergovernmental Group on the Least Developed Countries of the United Nations Conference on Trade and Development, while carrying out the mid-term review, should consider the possibility of holding at the end of the decade a global review on the implementation of the Substantial New Programme of Action which might, *inter alia*,

take the form of a United Nations conference on the least developed countries,

Taking note of the report of the Secretary-General on the mid-term global review of progress towards the implementation of the Substantial New Programme of Action,¹⁰⁴ carried out by the Intergovernmental Group at its sixth session,

1. *Emphasizes* that the least developed countries, in view of their deteriorating socio-economic situation, need the urgent and special attention of the international community and its large-scale support on a continuous basis to enable them to progress towards self-reliant development, consistent with the plans and programmes of each least developed country;

2. *Reaffirms* the Substantial New Programme of Action for the 1980s for the Least Developed Countries as the basis for continuing co-operation between the least developed countries and their development partners, as well as the commitment to the full and effective implementation of the Programme;

3. *Endorses* the conclusions and recommendations contained in the report of the Intergovernmental Group on the Least Developed Countries¹⁰⁵ on the mid-term global review of the Substantial New Programme of Action, as annexed hereto, which are designed to ensure the full implementation of the Substantial New Programme of Action over the second half of the decade;

4. *Calls upon* all Governments, intergovernmental and multilateral institutions, the organs, organizations and bodies of the United Nations system, non-governmental organizations and all others concerned to take immediate, concrete and adequate steps to implement the Substantial New Programme of Action for the Least Developed Countries, taking full account of the conclusions and recommendations of the mid-term global review so as to enable each least developed country to achieve a minimum standard of performance in socio-economic development;

5. *Reaffirms* that the least developed countries have primary responsibility for their overall development and that, although international support measures are vitally important, the domestic policies those countries pursue will be of importance for the success of their development efforts, and urges the least developed countries to continue their efforts to implement the provisions of the Substantial New Programme of Action at the national level;

6. *Calls upon* donor countries to continue to make every effort to increase their contributions in view of the important role that official development assistance plays in helping the least developed countries to achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action, and urges those donor countries that have not yet attained 0.15 per cent of their gross national product, or have not yet doubled their official development assistance to least developed countries, to make every effort necessary to attain those targets as set out in United Nations Conference on Trade and Development resolution 142 (VI) of 2 July 1983,³⁸ as adopted;

7. *Urges* the least developed countries to create an appropriate policy framework (pricing policies, institutional reform, rationalization of public expenditures and public sector management, and measures to mobilize domestic savings through taxation, domestic financial institutions and the rural sector), in order to increase the mobilization of domestic resources and then ensure their

¹⁰² Resolution 35/56, annex, sect. III.K.

¹⁰³ See *Official Records of the General Assembly, Fortieth Session, Supplement No. 48 (A/40/48)*, para. 22.

¹⁰⁴ A/40/826 and Corr.1.

¹⁰⁵ See A/40/827.

effective use, and to strengthen their national financial and planning institutions and, in this regard, urges all concerned to support the least developed countries with appropriate technical and financial assistance;

8. *Stresses* the critical importance of multilateral assistance to the least developed countries through channels such as the International Development Association, the International Fund for Agricultural Development, regional development banks and their funds, the United Nations Development Programme, including its Special Measures Fund for the Least Developed Countries, the United Nations Capital Development Fund and the United Nations Volunteers programme;

9. *Calls upon* donor countries and institutions urgently to improve further the quality and effectiveness of official development assistance to increase its responsiveness to the requirements of the least developed countries, as called for in paragraph 70 of the Substantial New Programme of Action⁴² and in section XIII of part two of the annex to the present resolution;

10. *Reaffirms* the importance of co-ordination, follow-up and monitoring at the national, regional and global levels, as outlined in section XVII of part two of the annex to the present resolution, as crucial to the implementation of the Substantial New Programme of Action and requests the international community and the multilateral agencies to ensure that the country review meetings for the least developed countries facilitate understanding and dialogue between those countries and their development partners aimed at effective and expeditious implementation of the plans and programmes of the least developed countries with a view to achieving an accelerated growth rate and structural transformation of their economies, and invites the least developed countries to convene such meetings on a regular basis;

11. *Renews the invitation* to the governing bodies of appropriate organs, organizations and bodies of the United Nations system, including the United Nations Development Programme, to take the necessary and appropriate measures for effective implementation, monitoring and follow-up of the Substantial New Programme of Action and the conclusions and recommendations adopted by the Intergovernmental Group on the Least Developed Countries at its sixth session within their respective spheres of competence and mandates, and requests the Secretary-General of the United Nations Conference on Trade and Development and the Director-General for Development and International Economic Co-operation to continue to undertake their responsibilities as specified in paragraphs 121 and 123, respectively, of the Substantial New Programme of Action;⁴²

12. *Decides* to carry out a global review and appraisal of the implementation of the Substantial New Programme of Action at a high level in 1990;

13. *Decides further* that the precise level, mandate, date and venue for such a review, as well as the preparatory process, should be determined by the General Assembly at its forty-second session, in the light of the consultations that will take place under the auspices of the United Nations Conference on Trade and Development, including those of the seventh session of the Conference;

14. *Requests* the Secretary-General to submit to the General Assembly at its forty-second session a report on the implementation of the present resolution.

*119th plenary meeting
17 December 1985*

ANNEX

Mid-term global review of progress towards the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries: conclusions and recommendations submitted by the Intergovernmental Group on the Least Developed Countries of the United Nations Conference on Trade and Development

Part One

*Review of progress in implementation of the Substantial New Programme of Action at the country level and of progress in international support measures*¹⁰⁶

INTRODUCTION

1. It was noted with serious concern that since the adoption in 1981 of the Substantial New Programme of Action for the 1980s for the Least Developed Countries there has been a significant deterioration in the overall socio-economic situation of the least developed countries, the causes of which were both external and domestic. The economic crisis had a depressing effect on the three major sources of foreign exchange of the least developed countries: export earnings, concessional capital flows and private transfers. The exceptionally high real interest rates prevailing during the past years have increased the interest obligations on their external debt. This situation was worsened by very adverse climatic conditions in many least developed countries, particularly in Africa, which have caused declines in agricultural and food production. There has also been uneven implementation of domestic policy changes that were required for social and economic development.

2. Thus, as a result of all these factors, after growing at a low average annual rate of close to 4 per cent in the 1970s and by 3 per cent in the first year of the present decade, the least developed countries as a group recorded a growth rate in gross domestic product (GDP) in 1982 and 1983 of only 2 per cent. Since population increased at the high rate of 2.6 per cent, in 1982 and 1983 their GDP per capita declined. Provisional indicators show a poor picture for 1984 when the African crisis came to a climax, affecting almost all the least developed countries in Africa. Preliminary estimates for 1985 point towards a virtual stagnation or decline of GDP for the group of least developed countries as a whole, which would mean a considerable reduction per capita. However, it is encouraging to note that, despite this very poor development for the group as a whole, a few individual least developed countries did perform particularly well, some of them exceeding an annual GDP growth of 7.2 per cent, the rate required to double national income in a decade. This is evidence of the fact that the target of the Substantial New Programme of Action is not entirely beyond reach, although its attainment has become more difficult during the first half of the decade owing to the convulsions that have affected the world economic scene and to the vagaries of weather. Such an achievement requires an intelligent combination of measures undertaken by the least developed countries, on the one hand, and of the volume, conditions and structure of international assistance on the other.

3. Unless urgent measures are taken to implement fully and adequately the Substantial New Programme of Action, this declining trend in the socio-economic situation of the least developed countries will be even more acute in future, with serious and stark repercussions for their populations.

I. GENERAL SITUATION AND NATIONAL MEASURES

A. FOOD AND AGRICULTURE

4. Among the essential social and economic priorities for the development of the least developed countries, both as a means of satisfying the most fundamental human needs and as a basis for economic growth, agriculture and food production were given the highest priority in the Substantial New Programme of Action. Specific recommendations were made in paragraphs 9-19 of the Programme and more especially in paragraph 13. Indeed, the weight of the agricultural sector within the overall economies of the least developed countries, supporting the overwhelming majority of the population and providing raw materials for industry and export revenues, establishes a clear and close link between progress in this sector and overall economic growth. These recommendations called for giving a high priority in the national development plans, programmes and policies of the least developed countries to the agricultural sector, with particular attention to food production and distribution. Agricultural and food strategies were to include among their objectives:

(a) The attainment of greater food self-sufficiency as soon as possible and at the latest by 1990;

¹⁰⁶ The arrangement of the text in part one generally follows that of the Substantial New Programme of Action (see footnote 42).

(b) The attainment or surpassing of the 4 per cent growth rate in agricultural production;

(c) Achievement of food security through food supplies readily accessible at affordable prices.

5. During the first four years of the 1980s agricultural production in the least developed countries continued to be a source of continuing concern in terms both of growth rates and of the ability of the least developed countries to meet the food and nutritional needs of their growing populations. During this period the average rate of growth of agricultural output not only fell far short of the target of 4 per cent but also was lower than that recorded in the 1960s and 1970s. This implied a serious deterioration in per capita terms, given that population increased at the rate of 2.6 per cent per annum.

6. The goal of food self-sufficiency was even further from fulfilment, inasmuch as food production per capita fell even more than overall agricultural production. Food insecurity has worsened further, particularly at the household level. The decline of per capita food production worsened, dropping from -0.5 per cent per annum in the 1970s to -1.4 per cent in 1980-1984. However, 7 among the 36 least developed countries did record positive growth rates in food output per capita, proving the realism of the targets set by the Substantial New Programme of Action.

7. Non-food agricultural production, destined largely for export, performed relatively better for the least developed countries as a group during the early 1980s.

8. The causes of the disappointing performance in agriculture and in food production in the least developed countries during the period under review are complex and vary from country to country. But in general, among them are the disastrous climatic conditions in most of those countries during the 1980s, which not only reduced agricultural production and negated the effects of the very substantial efforts made by many of them to increase production in this sector, but also caused severe ecological damage to the environment.

9. The importance accorded to food strategies has proven to be correctly placed. Such strategies enable donors and the least developed countries to deal with the problems of production, marketing and consumption in an integrated and comprehensive manner. Courageous and important steps have been taken by several least developed countries, with the support of the international community, to define and introduce food strategies. Success in these cases was the result of the political will of Governments to introduce changes. These measures have yet to produce full and tangible benefits but represent the principal achievement in this sector.

10. Failure in some cases to adopt appropriate food sector strategies and to implement appropriate reforms has contributed to the lack of progress in agricultural development. Difficulties have been encountered in such key areas as: full participation of the rural population in rural development programmes; appropriate pricing policies for both agricultural products and inputs to serve as incentives for increased production; institutional and agrarian reforms; the development of the required infrastructure; meeting the basic needs of rural societies; and overcoming the inequalities between men and women in participation in and benefiting from rural development programmes.

11. During recent years the particular dynamism of the rural sector has increased and shown itself in various forms, particularly in that of village groupings. It often developed in collaboration with non-governmental organizations. Several least developed countries have taken steps to support this dynamism using donor assistance, both bilateral and multilateral.

12. It was noted that there is a need to bring about an appropriate balance between food production for domestic consumption and cash crops for export. There are some positive examples for overcoming this potential dilemma, providing that the two objectives need not conflict with each other. For example, the development of agricultural export products may facilitate the introduction of new techniques and facilities that can also be used by traditional farmers to improve their production. Appropriate policies and development of infrastructures supporting export production may also benefit food production for local consumption.

13. Insufficient infrastructure in rural areas not only is a serious constraint to agricultural production, manufacturing and processing, but also serves to discourage linkages with other economic sectors.

14. While food aid has been useful in the short term, it has sometimes served to discourage moves towards increasing food self-sufficiency in the least developed countries by depressing prices and delaying urgent investments in the rural sector. However, ways have been found to use food aid as a tool for financing development projects in general and in the agricultural sector in particular.

15. Co-ordination in the agricultural sector at both the local and the international levels has been insufficient, priorities sometimes conflict, and the dialogue has not always been as comprehensive as might have been desired.

16. Severe price fluctuations on the international markets and uncertainties caused by natural factors have compounded problems facing the agricultural sector. The difficult economic conditions that faced many developed and developing countries in the early 1980s depressed demand for the major agricultural exports of the least developed countries, upon which they depend for a major part of their foreign exchange earnings, and further complicated their efforts to use agriculture as a means of improving their overall economic performance.

17. Support measures to help offset the shortfalls in export earnings arising from declining primary commodity prices were noted with satisfaction. However, many countries felt that the insufficient availability of such support, coupled with delays in bringing into operation the Common Fund for Commodities and the limited number of functioning commodity agreements, contributed to the difficulties of the least developed countries in overcoming the adverse consequences on their agricultural production.

B. HUMAN RESOURCES AND SOCIAL DEVELOPMENT

18. On the issues of human resources and social development in the least developed countries there was general agreement that the recommendations of the Substantial New Programme of Action in this area remain valid. The development of human resources is an essential prerequisite for the development of the least developed countries, and therefore remains a priority. The scarcity of skilled manpower, particularly in an administrative and managerial capacity, hinders the development process in the least developed countries.

19. The progress achieved by some of the least developed countries in several areas, particularly declining infant mortality rates and increased literacy rates, was noted with satisfaction, while concern was expressed at the continued large discrepancy between male and female literacy rates. However, it was noted with concern that several other indicators reveal a declining trend in the education, health and nutrition status of the population of the least developed countries as a whole.

20. The scarcity of means available to accelerate the development of human resources in the least developed countries and efforts to overcome the situation were discussed. The need to consider public expenditure on education and health as investment from the point of view of the economy as a whole was stressed.

21. The reorientation of the educational system in some of the least developed countries in order to train managers and technicians to better meet the needs of the economy was noted. There had been limited improvement in implementing training programmes meeting the priority needs of the rural populations. An important aspect has been increasing the prestige of manual work, especially in agriculture. The view was expressed that on-the-job training programmes have been more useful when integrated in development projects at an early stage and that they should be expanded and strengthened. Efforts to mobilize more domestic resources for education were highlighted. The necessity was stressed of maintaining and improving the quality of education in the context of the expansion of basic education.

22. It was emphasized that high priority for primary health care was still required. The contrast was noted in a general way between highly sophisticated medical care that was sometimes available only to a section of the urban population and the development of a widely decentralized preventive medicine which required simple methods, was relatively inexpensive and intended for as many people as possible. The efforts made by the least developed countries to achieve the target of "Health for All by the Year 2000"¹⁰⁷ were also noted. The adaptation of the nomenclature of the essential drugs programme prepared by the World Health Organization forms part of these efforts.

23. Significant cuts in social expenditure have adversely affected the maintenance of physical facilities in both education and health in particular. Experience has shown that this difficulty can be overcome by flexibility on the part of both the least developed countries and donors. It was recognized that government funds were very limited in the least developed countries and experiences were reported where active participation of beneficiaries, *inter alia*, through user fees, contributed to covering the costs, to safeguarding the efficient use of existing facilities and to reducing dependency of vital services on external assistance. However, generally low income levels have resulted in some of the cases referred to in difficulties and limitations for such contributions. It was also stressed that universal access to basic education and health services was regarded as one of the

¹⁰⁷ See resolution 36/43.

major social aims of the least developed countries. Local and recurrent cost support in the aid programmes has in several cases been an essential complement of local efforts to keep physical facilities running.

24. The implementation of national population policies as recommended in the Substantial New Programme of Action was seen as an important factor for the success of development efforts by the least developed countries. It was noted that only a few least developed countries had vigorously encouraged population policies and family planning activities. Maternal and child care, including family planning, also bring general health benefits to mothers and children. The representatives of least developed countries explained that, while several least developed countries had adopted population programmes, the determinants of achieving lower fertility were not always favourable in their countries.

25. The significant contribution made by women in the development process of the least developed countries, especially in the agricultural sector, was highlighted.

26. Financial and technical assistance to the least developed countries plays an important part in supporting their efforts in the sphere of human resources development. The linkage between both types of assistance and the right sequence to be followed in providing them was considered to be of crucial significance. The view was expressed by some donors that such assistance should have been provided on more flexible terms and should cover recurrent and local cost expenditures, as these have been identified as major constraints to the development of health and education.

27. It was observed that there is a lack of readily available data about the practical experience in human resources development that would permit analyses of past investment in and development of human resources. In this connection, the important role played by a number of partner countries of least developed countries and by the United Nations Development Programme in helping the least developed countries to develop their human resources and identify priorities was emphasized.

C. NATURAL RESOURCES AND ENERGY

28. In the sphere of natural resources and energy, the targets of the Substantial New Programme of Action remain entirely valid, despite the fact that they have not yet been achieved. The energy deficit experienced by most least developed countries often leads to their balances of payments being heavily mortgaged, as well as to destructive consequences on the environment. Most least developed countries have lacked the financial, human and material means to be able to assess and plan their traditional and other energy resources in a sufficiently comprehensive manner, with the result that the rational exploitation of these resources has so far been impeded.

29. Thus, the intensive use of fuelwood and charcoal has three consequences: a tendency towards the depletion of these resources, the degradation of the ecosystem and the weakening of the agricultural potential. Efforts to substitute the consumption of fuelwood by other resources have not yet yielded the results anticipated.

30. Despite the decline in real terms of the international price of energy, the cost of importing energy products remains heavy for the least developed countries.

31. For lack of financial and technical means, the hydroelectric resources of the least developed countries continue to be underexploited. Investments in this sector often have the twofold characteristic of requiring very considerable financial resources and of not invariably offering profitability sufficient to guarantee the covering of recurrent costs. The advantages afforded by small-scale hydroelectric schemes have not yet been fully exploited.

32. Although international aid has contributed to the efforts made in the energy sector, it has not solved the energy problems of the least developed countries, and modalities have not always been flexible enough to permit the full economic and social development of local potential.

D. MANUFACTURING INDUSTRY

33. The industrialization targets of the Substantial New Programme of Action have not yet been achieved. In the majority of the least developed countries, the share of manufacturing in GDP is currently close to 9 per cent, while in a number of cases it does not even exceed 4 to 5 per cent.

34. The maintenance over a long period of unrealistic price structures and rates of exchange has sometimes exerted a negative impact on industrial development efforts.

35. In a number of least developed countries industrial policies, including the role to be played by the State in the industrial development sphere, have been redefined. In several least developed countries state enterprises continue to play an important role in this process.

36. In some cases industrial promotion mechanisms, mainly credit structures and technical training, as well as international aid, continue to be insufficient, and often entail severe conditions that the promoters are unable to fulfil.

37. In many cases in the past the choice of technologies, both by donors and by beneficiaries, has been inappropriate, leading to difficulties in maintenance and utilization of capacities.

38. The complementarity of the agricultural and industrial sectors has not always been fully taken into consideration, particularly in respect of linkage effects on employment. However, the least developed countries have endeavoured to promote the formulation of integrated strategies. Local capacities for on-the-spot processing of primary commodities have not yet been fully developed, owing to a lack of technical and financial means and of technology transfers to the least developed countries.

39. Although the situation varies considerably from country to country, the formulation of policies for the promotion of small- and medium-sized enterprises, as well as international assistance furnished for that purpose, are still inadequate. Industrial co-operation agreements between some enterprises of least developed countries and those of certain donor countries have been concluded.

40. Regional and subregional economic groupings have taken measures to exploit the opportunities offered by an expanding market in the regions concerned.

E. PHYSICAL AND INSTITUTIONAL INFRASTRUCTURE

41. The insufficiency, fragility and occasional ineffectiveness and inadequacy of the physical and institutional infrastructure continue to be one of the major obstacles to the structural transformation and economic development of the least developed countries.

42. The precarious situation of the physical infrastructure of the least developed countries is often aggravated by the inadequacy of maintenance services.

43. Institutional infrastructures are often insufficiently productive for various reasons, mainly the inadequacy of equipment and skilled staff and insufficient operating budgets.

44. In the case of land-locked least developed countries the inadequacy and the precarious situation of transport networks in adjoining countries, as well as occasional institutional instability in some of those countries, have formed an obstacle to the transportation of products coming from, or intended for, foreign countries.

F. ENVIRONMENT

45. The close interrelationship of poverty and environmental deterioration has become increasingly obvious in recent years. The lack of means and alternative energy resources compels the populations of the least developed countries to utilize resources that are becoming depleted, such as fuelwood, thus producing environmental deterioration and an aggravation of the effects of drought and the desertification process. The deterioration of the ecosystem is thus the outcome of the joint impact of climatic conditions and human activity in a context of poverty and rapid population growth, which leads to the over-exploitation of the soil, water resources and vegetation. Consequently, climatic deterioration leading to drought and desertification may well become irreversible phenomena.

46. In some least developed countries, rural development policies have not yet always included specific measures designed to combat drought and desertification. Bearing in mind that fuelwood will continue to be the main source of energy for rural households in the least developed countries in the future, reforestation efforts have been inadequate. As they have been undertaken, activities, including international aid in this sphere, have frequently been geared to the short term and have neglected the need for long-term measures. Contemporary famines are the consequence of decades of unfavourable climatic factors but also of mistakes, inaction and a lack of foresight, both by the countries concerned and at the level of international aid.

47. In some cases political instability has made the efforts to combat desertification and drought hazardous. Similarly, population movements have sometimes constituted an aggravating factor.

48. Confronted with the seriousness of the situation, some least developed countries are beginning to implement policies associating local populations with measures to protect the environment.

G. TRANSFORMATIONAL INVESTMENTS

49. The number of major investment projects under preparation or under implementation in many least developed countries has decreased considerably since the adoption of the Substantial New Programme of Action, as a result of, *inter alia*, resource constraints, both internal and external, experienced by these countries, as mentioned in paragraphs 53

and 54 of the Programme. In the light of experience gained in design and implementation of projects, besides the capital needs, the following elements were considered important:

- (a) A comprehensive approach for selecting major investment projects in accordance with national priorities;
- (b) Carefully prepared pre-investment studies, including cost-benefit analysis;
- (c) Pre-investment activities, with the necessary technical assistance;
- (d) Human resources aspects, such as training of personnel, management capacity and participation of the local work force;
- (e) Maintenance and rehabilitation, including preparedness to meet recurrent costs;
- (f) A conducive atmosphere for investment.

H. LAND-LOCKED AND ISLAND LEAST DEVELOPED COUNTRIES

50. Paragraph 55 of the Substantial New Programme of Action, relating to the problems of land-locked and island least developed countries, was considered to retain its full pertinence. It was furthermore noted that the problems of those countries had been aggravated in the recent period of recession. Attention was called to United Nations Conference on Trade and Development resolutions 137 (VI) and 138 (VI) of 2 July 1983³⁸ and Trade and Development Board resolution 319 (XXXI) of 27 September 1985.³⁹

I. FOREIGN TRADE

51. The Intergovernmental Group reaffirmed the importance of paragraphs 56 to 58 of the Substantial New Programme of Action, which retain their full validity. The following factors were considered to be of special importance:

- (a) Horizontal and vertical diversification of production and exports;
- (b) The effects of the expansion of the network of intergovernmental long-term agreements on trade and economic co-operation, as well as the institutional framework, between the least developed countries and other countries;
- (c) Development of trade at the domestic and regional, as well as at the global level;
- (d) Trade promotion activities;
- (e) Adjustment efforts with regard to import programmes and policies of the least developed countries;
- (f) Development of institutional capabilities, including the training of personnel.

52. It was recognized that, in carrying out their tasks in these fields, the least developed countries had benefited from, *inter alia*, the activities of the International Trade Centre UNCTAD/GATT and of the United Nations Conference on Trade and Development.

J. DISASTER ASSISTANCE FOR THE LEAST DEVELOPED COUNTRIES

53. The implementation of the Substantial New Programme of Action during the first four years has been impeded by natural disasters such as the drought in Africa and floods and cyclones in other countries, and man-made disasters such as internal and external conflicts that have affected a large number of the least developed countries and have considerably increased the number of refugees and displaced persons. The least developed countries, the industrialized countries and the international community, in particular the relevant specialized agencies of the United Nations system, are today in a position to draw some lessons from these dramatic experiences, which point to:

- (a) The need for creating conditions for improving the efficiency of emergency assistance, with the aim of reaching the target groups of the population;
- (b) The shortcomings relating to administrative structures for preventive purposes in the field regarding, *inter alia*, statistics, technology and various information networks and systems of monitoring the environment;
- (c) The relevance of using emergency assistance for measures improving the efficiency of the assistance, such as support for logistics and transport capacities;
- (d) The need for better co-ordination of efforts at both the national and the international level;
- (e) The value of the participation of non-governmental organizations;
- (f) The need for consideration of longer-term development objectives when providing emergency assistance, in particular with regard to production and distribution of food;

(g) The special vulnerability of the least developed countries hosting refugees and persons affected by natural disasters.

54. The Intergovernmental Group endorsed the conclusions relating to emergency assistance adopted by the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries as Part of Preparation for the Mid-term Global Review of the Implementation of the Substantial New Programme of Action, which was held at Geneva from 1 to 10 May 1985.¹⁰⁸

II. INTERNATIONAL SUPPORT MEASURES

A. TRANSFER OF FINANCIAL RESOURCES

55. The United Nations Conference on the Least Developed Countries recognized that action by the least developed countries at the national level, including vigorous measures for the mobilization of domestic resources, should be complemented by international measures of support through both a substantial increase in financial resource transfers and policies and programmes affecting the modalities of assistance so that those countries might achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action.

1. Volume of aid

56. The Substantial New Programme of Action envisaged that if all donors were to provide levels of net official development assistance consistent with one or other of the targets set out in paragraph 63 of the Programme, the level of such assistance to least developed countries would double by 1985 compared with the annual level of transfers to them during the period 1976-1980. On the basis of the data available up to 1984, it is anticipated that the actual level of assistance will fall substantially short of this amount in 1985. Nevertheless, a significant number of the donors who accepted one of the targets in 1981, either to provide official development assistance equivalent to 0.15 per cent of their gross national product (GNP) or to double the level of their assistance, have met or come close to reaching the target.

2. Multilateral programmes

57. The amount of multilateral aid, including flows from multilateral agencies financed by members of the Organization of the Petroleum Exporting Countries, provided to least developed countries annually was 47 per cent higher in the period 1981-1983 than in 1976-1980. However, many countries expressed serious concern about the reduced level of funding for several important multilateral development agencies, in particular the International Development Association.

58. It was noted, however, that several multilateral development agencies, mainly financed by countries members of the Development Assistance Committee, have adopted policies that emphasize the needs of the least developed countries. Although the share of flows from these agencies to the least developed countries has increased since 1981, the policy emphasis is yet to be fully reflected in aid disbursement patterns.

59. Although the Special Facility for sub-Saharan Africa of the World Bank, established in 1985, is not specifically addressed to the least developed countries, it will increase financial flows to many least developed countries in Africa.

3. New mechanisms

60. No new initiatives have been taken since 1981 in respect of possible new mechanisms for increasing financial transfers to the least developed countries. It was noted that the use by those countries of resources of the International Monetary Fund, designed to alleviate short-term balance-of-payments problems, which reached \$2.2 billion in 1983, was now on the decline and that their net purchases from the Fund had been negative in 1984, despite their continuing serious balance-of-payments difficulties. It was further noted that the Task Force on Concessional Flows of the Development Committee of the World Bank had recently completed its work, which was considered at the 27th meeting of the Development Committee, held on 7 October 1985 at Seoul.

4. Aid modalities

61. The Substantial New Programme of Action urged donors and recipients to improve the quality and effectiveness of official development assistance by making improvements in aid practices and management. In this regard the following points were noted:

- (a) Most donors have increasingly provided aid to the least developed countries on grant terms;
- (b) The debt situation of many least developed countries remains serious and the amount of debt outstanding, including short-term debt and credits of the International Monetary Fund, had increased since 1981 to \$35 billion by the end of 1983. Most donors members of the Development

¹⁰⁸ TD/B/1055 and Corr.1, part two, paras. 44-46.

Assistance Committee had taken measures under Trade and Development Board resolution 165 (S-IX) of 11 March 1978.¹⁰⁹ the value of such measures in respect of least developed countries amounts to \$4.0 billion, of which \$2.9 billion is in the form of cancellation of official development assistance debt. Some donors have also rescheduled the official development assistance debt of least developed countries in several appropriate cases;

(c) Since 1981 there has been no general initiative by donors to increase the proportion of untied bilateral aid. Most bilateral aid, apart from local cost financing, has continued to be tied to procurement in the donor country. Representatives of least developed countries indicated that in their experience the tying of bilateral aid to their countries had increased since 1981;

(d) In the context of improved dialogue and understanding about domestic programmes and policies of the least developed countries, most donors have shown a greater willingness to provide aid in more flexible forms, in particular for balance-of-payments support, and at a sectoral level for rehabilitation and improved maintenance, as well as for longer-term development objectives. Representatives of some least developed countries pointed out that donors had continued, and in some cases increased, their preference for project aid, as compared to other forms of aid, which created difficulties in aid utilization in many least developed countries. The need was recognized for greater predictability in the provision of such assistance and for measures to be taken to reduce delays between commitments and disbursements;

(e) While most donors have been more willing to provide local cost financing, there remains a cautious attitude towards the funding of recurrent costs. It was noted that the provision of aid for the local costs of investments could facilitate the financing of recurrent costs from domestic resources, particularly in the social sectors. Nevertheless, the importance of aid for recurrent costs in appropriate cases was recognized, provided there was an understanding on the time-scale over which such costs could be increasingly financed from domestic resources;

(f) The donor Governments, and the public through voluntary contributions to non-governmental organizations in various countries, have responded to disasters, and in particular to the appalling famine in sub-Saharan Africa, with substantial emergency assistance.

B. IMMEDIATE ACTION COMPONENT OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION

62. The main issues concerning the immediate action component of the Substantial New Programme of Action were discussed in the context of aid modalities.

C. TECHNICAL ASSISTANCE

63. Although the level of technical assistance to the least developed countries was substantially higher in the period 1981-1983 than in 1976-1980, it has remained at about \$1.5 billion annually. The increased focus on technical assistance aimed at institution-building and training of manpower given by a number of donors, including the United Nations Development Programme, was noted.

64. Experience indicates that there is further scope for improving the effectiveness of technical co-operation, by establishing a closer link between technical co-operation and financial assistance and a further integration of different technical co-operation inputs, including the provision of equipment and highly qualified experts able to operate effectively in the environment of the least developed countries in association with appropriate counterpart staff.

D. OTHER ECONOMIC POLICY MEASURES AT THE INTERNATIONAL LEVEL

1. Commercial policy measures

65. The decline in dollar terms of the export earnings of the least developed countries, due particularly to the drop in the prices of primary commodities since 1979, is a source of serious concern. This, coupled with the deterioration in the terms of trade, has led to a reduction in essential imports and an increase in the external debt of the least developed countries, thus impeding their plans for trade expansion and diversification. In these circumstances, the efforts made by the industrialized countries in trade policy matters have not produced the desired effect.

(a) Access to markets

66. Some progress towards improved access for the products of the least developed countries to the markets of the industrialized countries has

been noted. The persistence in certain cases of quantitative restrictions or of unduly severe rules of origin applied by certain countries was also noted.

67. Considerable improvements have been made by certain industrialized countries to their tariff preference schemes, although in many cases these schemes do not include all the export products that are of special relevance for the least developed countries. Moreover, the least developed countries do not or often could not take full advantage of the existing preference schemes for various reasons.

(b) Export promotion

68. A number of industrialized countries have set up offices to promote imports from developing countries, and more particularly imports from the least developed countries.

69. The technical assistance of the International Trade Centre UNCTAD/GATT and of the United Nations Conference on Trade and Development in formulating export strategies and trade promotion was considered to be constructive.

(c) Primary commodities

70. Little progress has been recorded in concluding commodity agreements. The successful conclusion of two new agreements for development purposes, the international agreements on jute and jute products and on tropical timber, was welcomed. The Agreement Establishing the Common Fund for Commodities,²⁹ which would be advantageous for the least developed countries, has still not been implemented.

71. As far as compensation for shortfalls in export earnings is concerned, the extension of STABEX¹¹⁰ to new products and the announcement of the implementation of a similar system for least developed countries that are not parties to the Lomé Convention were considered to be positive developments. However, there is still room for improvement in compensatory financing facilities. Reference was made to a plan for improving compensatory financing facilities that would provide for special treatment for the least developed countries and that is under discussion in the United Nations Conference on Trade and Development.

2. Transport and communications

72. Considerable difficulties continue to beset the least developed countries in respect of the upkeep and operation of transport and communications networks. These difficulties contribute to heavy losses in the event of natural disasters. The problems of land-locked and island least developed countries are particularly acute and require substantial investments in transport-transit infrastructure.

3. Transfer and development of technology

73. There has been a growing awareness of the importance of the transfer of technology for the social and economic transformation of the least developed countries. They continue to face difficulties in the acquisition and adaptation of appropriate technologies. A number of important measures taken by the least developed countries in effecting technological transformation were noted. Concern was expressed that the negotiations on an international code of conduct on the transfer of technology, the revision of the Paris Convention for the Protection of Industrial Property and the problem of the brain drain had not been concluded. The negative impact of reverse transfer of technology was mentioned.

III. ARRANGEMENTS FOR IMPLEMENTATION, FOLLOW-UP AND MONITORING

74. The Substantial New Programme of Action recognized the importance of follow-up, implementation and monitoring at the national, regional and global levels.

A. NATIONAL LEVEL

75. Co-ordination to ensure effectiveness of all development activities at the country level is a key responsibility of the least developed countries themselves and a crucial aspect of implementation, monitoring and follow-up of the Substantial New Programme of Action. Co-ordination needs differ from country to country, and mechanisms selected respond to the requirements of the individual country situation. The growing burden on the administrations of the least developed countries created by an increasing number of development activities, including measures to offset the consequences of natural disasters, has led to a stronger recognition by the least developed countries and the international community of the importance of co-ordination. In response, many least developed countries have established national focal points to co-ordinate external assistance. The United Nations Development Programme and other donors have contributed to strengthening the least developed countries' capabilities in this regard.

¹⁰⁹ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), vol. I, part two, annex I.

¹¹⁰ System of stabilization of export earnings established by the first Lomé Convention, concluded between EEC and 46 ACP (African, Caribbean and

Pacific) States on 28 February 1975, and reinforced by the second ACP-EFC Convention, concluded between EEC and 58 ACP States on 31 October 1979 (see *Official Journal of the European Communities*, vol. 23, No. L 347 (22 December 1980)).

76. Since 1981 most of the least developed countries have established mechanisms in accordance with paragraph 111 of the Substantial New Programme of Action in the form of United Nations Development Programme round-table conferences and World Bank consultative groups or other arrangements. In response to the request from the least developed countries, the United Nations Development Programme has expanded its round-table conferences and the World Bank has increased the number of consultative groups, at the meetings of which the secretariat of the United Nations Conference on Trade and Development has played an active role. The initial results of the round-table conferences in terms of encouraging increased resource flows and a candid discussion of specific development issues were unsatisfactory. The meetings did not cover all the aspects suggested in paragraph 113 of the Programme but they provided a good basis for future development co-operation.

77. The United Nations Development Programme subsequently evaluated the round-table process and implemented a series of improvements, including co-operation with the World Bank and the European Economic Community on key aspects of macro-economic situations in conducting economic analyses. This is leading to a convergence of the types of issues dealt with at both forms of co-ordination meetings. Some donors have provided special assistance to the United Nations Development Programme for the purpose of conducting round-table conferences.

78. Although there is a general recognition that the United Nations Development Programme round-table conferences and World Bank consultative groups should be complemented by co-ordination at the local and sectoral levels, experience has shown that this has not been achieved in all cases.

79. Co-ordination of the activities of the United Nations system at the country level, as envisaged in paragraph 124 of the Substantial New Programme of Action, and under the aegis of the United Nations system resident co-ordinator has been insufficient and has scope for improvement as regards some reluctance to co-operate. In some least developed countries, at the specific request of the country concerned, the role of the system resident co-ordinator has assumed a broader focus. The activities undertaken by the regional commissions of the United Nations pursuant to paragraph 125 of the Programme were noted.

B. GLOBAL LEVEL

80. It was noted that the United Nations Conference on Trade and Development, in fulfilling the role of global monitoring of the Programme, had made a regular analysis of some aspects of the economic performance of the least developed countries and the actions taken by the international community in implementing the Programme. The secretariat of the United Nations Conference on Trade and Development had also reported on a regular basis to the General Assembly on the implementation of the Substantial New Programme of Action. Furthermore, within the United Nations system the Director-General for Development and International Economic Co-operation, in close co-operation with the Secretary-General of the United Nations Conference on Trade and Development, has been convening inter-agency consultations on the least developed countries on a regular basis in order to ensure at the secretariat level the full mobilization and co-ordination of all regional commissions, organs, organizations and bodies of the United Nations system for the purpose of implementation and follow-up of the Programme.

Part Two

*Measures for ensuring the implementation of the Substantial New Programme of Action over the second half of the Decade*¹¹¹

The Intergovernmental Group on the Least Developed Countries.

I

FOOD AND AGRICULTURE AND RURAL DEVELOPMENT

Expressing concern that, although the Substantial New Programme of Action for the 1980s for the Least Developed Countries rightly attaches high priority to the agricultural sector, in particular to food production, progress in achievement of targets has been very slow, in many cases because of factors beyond the control of the least developed countries,

Recognizing that there is need to make further progress in developing and implementing food strategies in a co-ordinated and concentrated way.

1. *Concludes* that, while recognizing the individual situation of each least developed country, for an integrated policy in this area the following elements are of critical importance:

- (a) Overall strategies, defining not only the goals of agricultural development and food security, but also the ways and means to reach those goals;
- (b) Agricultural exports as a means to finance essential imports, notably for the agricultural sector, and to facilitate reinvestment in the sector;
- (c) Improvement of research and development activities, adoption of appropriate technologies and study of possibilities for further processing of the main agricultural products;
- (d) Promotion of co-operative development;
- (e) Efficient structures and procedures to support the farmer in terms of, first, services (marketing and payment facilities, adequate agricultural extension, basic social services, such as primary health facilities and basic education, and ancillary services, such as repair shops and small-scale manufacturing); second, direct production inputs (for instance, an extended system of rural credit and seeds, fertilizers, pesticides, tools); and, third, infrastructures (for instance, storage and transport facilities, water supply);
- (f) Appropriate pricing policies for agricultural inputs and products;
- (g) Appropriate institutional and agrarian reforms, including more efficient and fairer distribution of the means of production;
- (h) Measures to ensure the full participation of the rural population with particular attention to women as regards the role they play and their share in the benefits received;
- (i) Efficient management and utilization of forest resources based on the productive, protective and social potential of forests;
- (j) Improved fisheries management and fisheries development strategy;
- (k) Improvements in livestock breeding, disease control, including vaccine production, and provision of animal feed;

2. *Urges* that the least developed countries continue to take all necessary steps to allocate an appropriate share of domestic resources to rural development, as recommended, for example, by the Assembly of the Heads of State and Government of the Organization of African Unity at its twenty-first ordinary session, held at Addis Ababa from 18 to 20 July 1985;¹¹²

3. *Urges* donors to support increasingly the least developed countries in devising and implementing the above-mentioned policies and programmes with technical and financial aid in order directly to improve agricultural production and living conditions in rural areas;

4. *Requests* donors to make clearer commitments for assistance, including food aid, which is to be integrated into longer-term agricultural and food strategies, so as to ensure that sufficient food is available to the least developed countries during the period in which the least developed countries concerned have not reached their objectives of self-reliance in food;

5. *Requests* the least developed countries and donors to recognize that their policies should be complementary in order to achieve the goals of sound agricultural development and complete food security;

II

HUMAN RESOURCES AND SOCIAL DEVELOPMENT

Recognizing that for the least developed countries human resources and social development are of critical importance, noting that public expenditures on development of education, improvement of health services and population measures are investments for the future of the least developed countries, that rehabilitation and maintenance of existing facilities are essential and that involvement of local initiatives, support, motivation and participation of the people are crucial and noting further that many least developed countries have taken important initiatives in this regard,

1. *Urges* the least developed countries to devise and to implement, with the assistance of donors, concrete plans in the following areas:

- (a) *Education and training*
 - (i) Universal primary education and universal adult literacy, bearing in mind the second Medium-Term Plan of the United Nations Educational, Scientific and Cultural Organization (1984-1989), emphasizing the need to narrow the disparities between men and women and to improve the quality of education;
 - (ii) Vocational training, including on-the-job training, for development projects;
 - (iii) Educational programmes geared to meet the priority needs of the rural population;
 - (iv) Special training of rural youth, also to limit further migration to urban areas;

¹¹¹ See also "Statements made in connection with the adoption of the conclusions and recommendations of the Intergovernmental Group" (A/40/827, p. 39).

¹¹² See A/40/666, annex I.

- (v) Labour-intensive and other appropriate technologies;
 - (vi) Increasing the availability of skilled manpower, particularly with administrative, managerial and development planning ability;
 - (vii) Raising the importance ascribed to productive activities and manual work, particularly in farming, at primary and higher levels of education;
- (b) *Health and nutrition*
- (i) Improved access to health services for the entire population, emphasizing primary health care, preventive medicine, supply of essential drugs and simple and less expensive techniques;
 - (ii) Strengthening the health infrastructure, including management, and establishing planning cycles for this purpose within the national development process of each least developed country;
 - (iii) Development of national health manpower;
 - (iv) Promotion and management of supply and storage of drugs, appropriate health technologies and basic health education;
 - (v) Integration of nutritional considerations into agricultural and health plans and policies;
 - (vi) Improved co-ordination in rural development programmes such as water supply and sanitation;
- (c) *Population*
- Integration of population policies into national development planning, emphasizing mother and child health care and family planning services as recommended by the International Conference on Population, 1984;¹¹³

2. *Requests* increased support from donors and multilateral agencies for these highly important areas not only in terms of financial and technical aid but also in terms of a predictable and comprehensive package of aid measures including, as far as possible, local and recurrent costs in order to maintain existing facilities.

III

POSITION OF WOMEN

1. *Urges* all countries to implement the conclusions and recommendations of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace;¹¹⁴
2. *Emphasizes* the need to ensure the full integration of women in all aspects of the development process in the least developed countries;
3. *Requests* the Governments of the least developed countries to show continuous awareness of the position of women as a critical factor for their development by strengthening their efforts to take the necessary steps to overcome cultural, legal and economic barriers that hamper the full participation of women in development and in the equitable sharing of the benefits of economic and social development;
4. *Urges* donors, in their support of development programmes and projects in the least developed countries, to give particular attention to their effect on the situation of women, including attention to ensuring that they do not inadvertently have negative consequences for women;

IV

ENERGY

1. *Calls upon* the least developed countries to include in their energy development plans measures for energy conservation and to assess the pattern of consumption of energy sources, including fuelwood, and its impact on the environment;
2. *Requests* developed donor countries and other countries in a position to do so to assist the least developed countries in the planning and implementation of these measures and to support as fully as possible measures to ensure energy supply and conservation, particularly through the development of renewable sources of energy as well as through reforestation;

V

INDUSTRIAL DEVELOPMENT

Recognizing that industrial development is an important objective in overcoming under-development, in terms of employment and of the need for economic diversification,

Recognizing also that in many least developed countries the priority of agro-industry is reflected in policies for industrial development,

Noting resolution 6 adopted on 19 August 1984 by the Fourth General Conference of the United Nations Industrial Development Organization.¹¹⁵

1. *Stresses* that the least developed countries should:

- (a) Continue to give priority in their industrial development to agro-industry, industries producing agricultural inputs and industries based on local raw materials;
- (b) Favour the development of national productive enterprises, in particular small- and medium-scale, labour-intensive enterprises;
- (c) Improve further the economic, legal and financial framework for industrial development and for all forms of international co-operation, including joint ventures between enterprises of least developed countries and those of other countries, within the context of national policies and priorities;
- (d) Give priority to the maintenance and full use of existing industrial capacity;
- (e) Seek appropriate technologies adapted to local needs and capacities for maintenance and repair;
- (f) Use the full potential of the State, but also improve the incentives for entrepreneurship and support for local initiatives according to national policies;

2. *Calls upon* donor countries:

- (a) To increase their effective support to the least developed countries in carrying out these measures in the light of the agreed priority noted above;
- (b) To base their contributions firmly on local initiatives and involvement;
- (c) To combine technical and management training with financial assistance;
- (d) To provide assistance where possible on a multi-year basis;
- (e) To assist in developing local sources of raw materials where necessary to make local industry less vulnerable to balance-of-payments problems.

VI

PHYSICAL AND INSTITUTIONAL INFRASTRUCTURES

Recognizing the primary importance for the least developed countries of overcoming bottle-necks in institutional and physical infrastructures,

Recognizing also that for the implementation of the Substantial New Programme of Action increased attention should be paid, in particular, to the strengthening of institutional capacity, which has an important bearing on, *inter alia*, effectiveness of development aid programmes, disaster relief and aid co-ordination,

1. *Requests* the least developed countries further to strengthen their planning, monitoring, evaluation and executing capacity, in particular so that it is geared to creating a policy framework that enables efficient and effective use of the possibilities for development in each country;
2. *Also requests* the least developed countries, with regard to physical infrastructure, to take steps to ensure that the existing capacity is fully used and that recurrent costs for maintenance and investments for balancing, modernization and replacement are covered, taking into account that foreign assistance will be needed in the short term in many least developed countries since in many cases it will not be possible to cover those costs fully from domestic resources;
3. *Calls upon* donors to support the least developed countries with technical and long-term financial assistance to improve their physical and institutional infrastructures;
4. *Further calls upon* donors to pay special attention to transport facilities and transit links of the least developed countries, in particular of the land-locked and island countries among them;
5. *Underlines* the special importance of feeder roads and tracks for opening up remote rural areas so as to increase accessibility to markets of their agricultural products and to facilitate delivery of emergency assistance;

¹¹³ See Report of the International Conference on Population, 1984, Mexico City, 6-14 August 1984 (United Nations publication, Sales No. E.84.XIII.8 and corrigenda).

¹¹⁴ See Report of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Develop-

ment and Peace, Nairobi, 15-26 July 1985 (United Nations publication, Sales No. E.85.IV.10), chap. I.

¹¹⁵ See ID/CONF.5/46 and Corr.1, chap. II, sect. B.

VII

ENVIRONMENT

Recognizing the close interrelationship between poverty and the environment,

Further recognizing that conflict may exist between the immediate needs of people in the least developed countries and the need for environmental protection,

1. *Urges* all least developed countries and donors to take into account increasingly the environmental implications of development actions, notably the problem of desertification;
2. *Requests* donors to support actions by the least developed countries in terms of environmental protection, including, in particular, soil conservation, afforestation, reforestation and identification and conservation of water resources;
3. *Requests* the least developed countries to give increasing attention to the integration of environmental issues into development planning and to the active participation of the local population in all measures taken;

VIII

LAND-LOCKED AND ISLAND COUNTRIES AMONG THE LEAST DEVELOPED COUNTRIES

Recognizing the specific problems of land-locked and island countries among the least developed countries, as reflected in United Nations Conference on Trade and Development resolutions 137 (VI) and 138 (VI) of 2 July 1983³⁸ and Trade and Development Board resolution 319 (XXXI) of 27 September 1985,³⁹

1. *Calls upon* transit countries to intensify co-operation with the land-locked countries among the least developed countries in order to alleviate their transit-transport problems;
2. *Requests* donors to give attention to land-locked and island countries among the least developed countries in their technical and financial assistance, with particular focus on capital input in infrastructural development;
3. *Requests* the United Nations system, in particular the United Nations Development Programme, to continue to support those least developed countries in the solution of their specific transit-transport and communications problems;

IX

DISASTER RELIEF

Recognizing that natural and man-made disasters have seriously aggravated the already difficult situation of the least developed countries,

1. *Requests* the Governments of the least developed countries, within the context of their national policies and priorities, to increase their capacity to respond to disasters and to allow the free flow of relief materials to all those affected;
2. *Stresses* the need for better co-ordination of efforts at both the national and the international levels;
3. *Requests* donors to help the least developed countries, while fully respecting their sovereignty, to bring relief to the people affected by disaster by including in their assistance, *inter alia*, support for logistics and transport capacity;
4. *Urges* donors to assist the least developed countries not only in a situation when a disaster occurs, but also in strengthening the capacity of those countries to face disasters, including an extended early warning system for natural disasters as well as food storage facilities;
5. *Calls upon* all countries to ensure that food-aid and other supplies to relieve the suffering can reach the country in need in the fastest and most effective way;
6. *Calls upon* donors and the least developed countries to take into consideration longer-term development objectives when implementing emergency assistance measures, in particular with regard to production and distribution of food;
7. *Encourages* all countries to continue to promote the participation of non-governmental organizations and the general public in relief efforts;

X

MOBILIZATION OF DOMESTIC RESOURCES

1. *Urges* the least developed countries to create an appropriate policy framework (pricing policies, institutional reform, rationalization of public expenditures and public sector management, and measures to mobilize domestic savings through taxation, domestic financial institutions and the rural sector) in order to increase the mobilization of domestic resources

and then ensure their effective use, and to strengthen their national financial and planning institutions;

2. *Urges* developed donor countries and multilateral institutions to support the least developed countries with technical assistance to strengthen their planning and financial institutions and to assist by providing financial assistance for the purpose of stimulating the mobilization of domestic resources;

XI

TRANSFER OF FINANCIAL RESOURCES

Recognizing that action by the least developed countries at the national level, including vigorous measures for the mobilization of domestic resources, should be complemented by international measures of support both through a substantial increase in financial resource transfers and through policies and programmes affecting the modalities of assistance,

1. *Calls upon* the international community to continue to make special efforts to increase its contributions in view of the fact that only a substantial increase in official development assistance 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;
2. *Reaffirms* United Nations Conference on Trade and Development resolution 142 (VI) of 2 July 1983³⁸ as adopted, in which the Conference urged donor countries within the overall context of the Programme as adopted and of progress towards the 0.7 per cent target, to attain 0.15 per cent of their gross national product as official development assistance or to double their official development assistance to the least developed countries by 1985 or as soon as possible thereafter;
3. *Expresses its appreciation* that since 1981 several donor countries have reached 0.15 per cent of GNP as official development assistance or have doubled that assistance to least developed countries;
4. *Appeals* to those donor countries that have not yet contributed 0.15 per cent of their GNP, or have not yet doubled their official development assistance to least developed countries, to make every effort necessary to attain these targets as contained in resolution 142 (VI);
5. *Stresses* the critical importance of multilateral assistance to the least developed countries through channels such as the International Development Association, the International Fund for Agricultural Development, regional development banks and their funds, the United Nations Development Programme, including its Special Measures Fund for the Least Developed Countries, the United Nations Capital Development Fund and the United Nations Volunteers programme;
6. *Calls upon* donor countries to channel a substantial part of their aid through multilateral development institutions and agencies, particularly those addressing the needs of the least developed countries, within the overall substantial increases of official development assistance to least developed countries;
7. *Stresses* the important role that the International Development Association plays in structural adjustment programmes of the least developed countries within the framework of the Substantial New Programme of Action, while noting with regret that the Seventh Replenishment of the Association was lower than the Sixth Replenishment and welcoming the fact that the Development Committee at its twenty-seventh meeting, held at Seoul on 7 October 1985, urged that a successful and adequate Eighth Replenishment be achieved by September 1986;

XII

DEBT

Recognizing that the burden of debt and debt service has increased substantially for the least developed countries since the adoption of the Substantial New Programme of Action,

Recognizing also that it is in the interest of both creditors and debtors that the debt commitments of the least developed countries are met,

1. *Notes with satisfaction* that a number of donor countries have responded favourably to section A of Trade and Development Board resolution 165 (S-IX) of 11 March 1978¹⁰⁹ by cancellation of official development assistance debt or other equivalent measures and firmly invites other donors that have not yet done so to implement fully commitments undertaken in pursuance of the resolution, keeping in mind paragraph 71 of the Substantial New Programme of Action;
2. *Further notes* that the repayment of debt to multilateral assistance institutions is one of the elements in the overall debt service burden of the least developed countries and invites those institutions to take this into account in their lending programmes for the least developed countries;

3. *Invites* creditors for official and officially guaranteed loans to the least developed countries when concluding a debt rescheduling arrangement for a least developed country, to give due consideration to, *inter alia*, the debtor country's adjustment measures for restoration of its debt-servicing capacity and long-term growth;

4. *Invites* donors and relevant international organizations to assist the least developed countries in strengthening their administrative structures in order to permit continuous monitoring and effective management of the debt of the least developed countries, its structures and service payment schedules;

5. *Recommends* that in the context of a review of the economic and financial situation of a least developed country, country review meetings may also take into account its debt situation;

XIII

AID MODALITIES

1. *Recognizes* that, in terms of aid modalities:

(a) Clear medium-term perspectives and greater predictability of the volume and forms of the resources available are important to the least developed countries and to the donor community to enable the latter to adapt assistance flexibly and effectively to the changing needs, objectives and priority of the least developed countries;

(b) In order to minimize delays in disbursement, advance payments should be made whenever appropriate and solutions to problems of disbursement should be sought by all parties;

2. *Urges* donors to take the necessary steps to ensure that:

(a) Bilateral official development assistance to the least developed countries is provided essentially in the form of grants, acknowledging, however, that increased flows may require a mixture of types of aid, such as grants, concessional loans and other forms of assistance;

(b) Multilateral development assistance agencies and institutions addressing the needs of the least developed countries provide credits to them on highly concessional terms, to the extent that their lending procedures permit;

(c) Aid to the least developed countries is untied to the maximum extent possible; when not possible, necessary steps should be taken to help offset the disadvantages of tying;

(d) Transactions financed by any type of associated financing are generally avoided for the least developed countries because of their relatively hard terms; if contracted, it should be ensured that such transactions with the least developed countries contain a high component of official development assistance;

3. *Recommends* with regard to different forms and types of aid, that:

(a) Particularly in support of domestic adjustment measures of the least developed countries, donors should provide aid in more flexible forms, in particular balance-of-payments support, and at a sectoral level, for rehabilitation and improved maintenance, as well as for longer-term development objectives;

(b) Donors should further increase, where appropriate, their participation in local and recurrent cost financing; adequate provisions should also be made for allowing a progressive take-over of recurrent costs by the least developed countries;

(c) Aid programmes should provide, as much as possible, for the use of local consultants and expertise;

4. *Concludes*, with regard to technical assistance, that:

(a) Because of the need for the development of human resources, technical assistance by donors is of primary importance and should accompany financial aid to the maximum extent possible;

(b) It is important further to integrate different technical co-operation inputs, including the provision of equipment;

(c) Appropriate co-ordination by the least developed countries of technical assistance is of primary importance; donors are requested to support the strengthening of aid administration and planning agencies in the least developed countries with a view to improving co-ordination capabilities at a national level;

(d) Increased attention should be paid by donors and the least developed countries to the appointment of suitable expatriate experts for the training of counterparts, to maintaining stability in their assignments, and to strengthening training institutions in the least developed countries;

XIV

FOREIGN TRADE AND COMMERCIAL POLICY MEASURES

Noting with concern the problems facing the foreign trade sector of the least developed countries as referred to in paragraph 65 of the review, in part one above,

1. *Recognizes* the progress achieved in providing access for products of the least developed countries to the markets of industrialized countries, particularly under the Generalized System of Preferences;

2. *Notes* as a positive development the initiative of the European Economic Community in establishing a system similar to STABEX¹¹⁰ for those least developed countries not parties to the Lomé Convention;

3. *Recommends* that the least developed countries give special attention to implementing the measures set out in paragraphs 56 to 58 of the Substantial New Programme of Action, giving particular emphasis to the factors identified in paragraph 51 of the review, in part one above;

4. *Invites* the least developed countries to utilize fully the opportunities that are already available in the field of market access, in particular under the Generalized System of Preferences;

5. *Calls upon* the international community to intensify efforts to strengthen and improve the open multilateral trading system aimed at benefiting all countries, keeping in view the specific needs of the least developed countries;

6. *Invites* all countries concerned to pursue action towards facilitating the trade of the least developed countries by reducing or eliminating tariff and non-tariff obstacles to their exports, in pursuance of paragraph 77 of the Substantial New Programme of Action and the Ministerial Declaration adopted on 29 November 1982 by the Contracting Parties of the General Agreement on Tariffs and Trade at their thirty-eighth session;⁴⁵

7. *Requests* the preference-giving countries that have not yet done so to make further improvements for the least developed countries on a non-discriminatory basis in their schemes under the Generalized System of Preferences through, *inter alia*, more flexible requirements for rules of origin, extension of the list of products that receive preferential treatment, and extension of the duration of these schemes for a reasonable period, in order to facilitate the fullest possible duty-free access to products of interest to the least developed countries;

8. *Calls upon* developed countries to provide the necessary resources to strengthen technical assistance facilities so that the least developed countries can fully benefit from the Generalized System of Preferences;

9. *Also calls upon* developed countries in a position to do so to explore the possibilities of promoting long-term arrangements for the sale of export products of the least developed countries, pursuant to paragraph 79 (c) of the Substantial New Programme of Action;

10. *Invites* developed countries and multilateral agencies, including the International Trade Centre UNCTAD/GATT and the United Nations Conference on Trade and Development, to provide appropriate technical and financial assistance to support export strategies and trade promotion efforts of the least developed countries;

11. *Calls upon* the developing countries in a position to do so to provide preferential treatment to imports of goods produced by the least developed countries, pursuant to United Nations Conference on Trade and Development resolution 142 (VI),³⁸ paragraph 13 (a);

12. *Invites* all countries to intensify their efforts for a broader utilization, where appropriate and feasible, of international commodity agreements for the stabilization of the export prices of the least developed countries;

13. *Requests* the international community to take appropriate steps to bring the Common Fund for Commodities into operation at an early date, which, once operational, should give due emphasis to commodities of interest to the least developed countries in determining its priorities for the use of resources of the Second Account;

14. *Invites* importing developed countries that have not yet done so to consider steps in the field of export earnings stabilization, in accordance with paragraph 83 of the Substantial New Programme of Action, and notes the establishment of an intergovernmental group of experts, as decided by Trade and Development Board decision 317 (S-XIV) of 27 June 1985,¹¹⁶ to consider, *inter alia*, this matter;

15. *Invites* the International Monetary Fund to explore, within its existing rules, ways and means of improving the use of its compensatory financing facility by least developed countries;

¹¹⁶ Official Records of the General Assembly, Fortieth Session, Supplement No. 15 (A/40/15), vol. 1, part two, sect. II.A.

XV

ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

1. *Calls upon* all developing countries to implement the recommendations on economic co-operation among developing countries, as contained in United Nations Conference on Trade and Development resolution 142 (VI);
2. *Requests* all donor countries and multilateral organizations to support and strengthen economic co-operation among developing countries, in particular concerning the projects of special interest to the least developed countries, in order to ensure that the countries concerned will fully benefit from the results of such co-operation;

XVI

ROLE OF NON-GOVERNMENTAL ORGANIZATIONS

Recognizing that non-governmental organizations can contribute positively to the development of the least developed countries as well as provide valuable disaster relief,

1. *Calls upon* the Governments of the least developed countries and donors to encourage active participation of the local population, both women and men, through non-governmental entities;
2. *Calls upon* non-governmental organizations to comply with the national policies and legislation of the host countries and, while preserving their character, to contribute to the development priorities of the least developed countries, co-operating with appropriate authorities and organizations in order to implement effective development programmes;
3. *Invites* the non-governmental organizations of the donor countries to reinforce their role in consciousness-raising in their countries of origin and in mobilizing increased private and public resources for the benefit of the least developed countries;

XVII

CO-ORDINATION AND MONITORING

1. *Reaffirms* the importance of co-ordination, follow-up and monitoring at the national, regional and global levels as crucial to the implementation of the Substantial New Programme of Action;
2. *Reaffirms also* the monitoring role of the United Nations Conference on Trade and Development at the global level and requests the Secretary-General of the United Nations Conference on Trade and Development to continue and intensify his work, as specified in paragraph 121 of the Substantial New Programme of Action;
3. *Welcomes* the growing attention to co-ordination at the national level;
4. *Recognizes* that effective co-ordination, monitoring and follow-up at the national level must be a continuous process;
5. *Endorses* the results concerning the co-ordination of assistance programmes of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries as part of Preparation for the Mid-term Global Review of the Substantial New Programme of Action, held at Geneva in May 1985;¹¹⁷
6. *Welcomes* the steps taken by the World Bank and the United Nations Development Programme to improve the consultative groups and round-table meetings by, *inter alia*, enhancing co-operation among multilateral institutions and agencies, as well as efforts made with the help of the Special Measures Fund of the United Nations Development Programme and voluntary contributions and specific contributions of donor countries for the least developed countries;
7. *Emphasizes* the primary role of each least developed country in the co-ordination of aid activities;
8. *Further emphasizes* the importance of co-ordination in each least developed country at the sectoral level in order to ensure the greatest possible effectiveness of development activities;
9. *Requests* the Governments of the least developed countries to continue to strengthen their planning machinery and administrative capacity so as to improve the planning, negotiation and utilization of external assistance;
10. *Requests* the least developed countries, with the assistance of the lead agencies, to attend to the quality and early availability of preparatory

¹¹⁷ See TD/B/1055 and Corr.1, part two.

¹¹⁸ See *Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 3 (A/38/3)*, chap. II, paras. 61-64.

¹¹⁹ A/40/591.

documents for round-table conferences and meetings of consultative groups, which are essential for their success;

11. *Requests* the multilateral agencies to improve further the quality, coherence and timeliness of the background documentation they present at round-table conferences and meetings of consultative groups;
12. *Requests* donor countries and multilateral institutions to pay more attention to appropriate local representation and sectoral co-ordination;
13. *Urges* donors in a position to do so to support development plans or programmes of the least developed countries with multi-year, predictable and monitorable commitments and timely disbursements;
14. *Calls upon* the organizations of the United Nations system to co-operate closely in each least developed country under the aegis of the resident co-ordinator, as provided for in paragraph 124 of the Substantial New Programme of Action;
15. *Reiterates* paragraph 123 of the Substantial New Programme of Action, in which the Director-General for Development and International Economic Co-operation is called upon, in close collaboration with the Secretary-General of the United Nations Conference on Trade and Development, the executive secretaries of the regional commissions and the lead agencies for the aid groups, to ensure at the secretariat level the full mobilization and co-ordination of all organs, organizations and bodies of the United Nations system for the purpose of implementation and follow-up of the Programme;
16. *Urges* the resident co-ordinators of the United Nations system to respond constructively to requests by the Governments of the host countries to play a broader co-ordinating role in appropriate cases;
17. *Requests* the international community and the multilateral agencies:
 - (a) To ensure that review meetings result in facilitating an increased flow of external assistance through, *inter alia*, a better understanding and a candid dialogue between the least developed countries and their development partners;
 - (b) To harmonize terms and procedures of donors to the extent possible in order to achieve a co-ordinated approach conducive to the implementation of the development programmes of the least developed countries.

40/206. New international human order: moral aspects of development

The General Assembly,

Recalling its resolutions 37/225 of 20 December 1982 and 38/170 of 19 December 1983 entitled "New international human order: moral aspects of development", as well as the report of the Economic and Social Council on its consideration of this question¹¹⁸ and Council decision 1983/171 of 25 July 1983,

Having considered the report of the Secretary-General¹¹⁹ containing the responses of Governments concerning the question,

Taking into account the views expressed on the question in the Second Committee,¹²⁰

1. *Requests* Member States to submit to the Secretary-General additional comments and suggestions on the question;
2. *Decides* to consider the question at its forty-second session on the basis of a report of the Secretary-General taking into account suggestions of Member States.

*119th plenary meeting
17 December 1985*

40/207. Long-term trends in economic development

The General Assembly,

Recalling its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and

¹²⁰ See *Official Records of the General Assembly, Fortieth Session, Second Committee, 24th and 30th meetings*; and *ibid.*, *Second Committee, Sessional Fascicle, corrigendum*.