The Governing Council,

Having considered the forecasts and assumptions made by the Administrator as stated in document DP/1988/26 on the basis of which additional resources in United States dollars are likely to be $676 million for the remainder of the cycle 1987–1991,

Taking into account that the increase of resources is partly due to the appreciation in the value of some national currencies in relation to the United States dollar,

1. Reaffirms its decision 85/16, in particular paragraph 3, whereby it had decided that for the purposes of forward planning an assumed average annual growth of total voluntary contributions of at least 8 per cent on a basis of the target of $700 million anticipated for 1986, shall apply; and appeals to all contributors to increase their contributions in order to achieve this goal;

* Reissued for technical reasons.
2. Decides that of the $676 million additional resources, $600 million will be available for programming after provision for agency support costs of $76 million;

3. Confirms that Special Programme Resources (SPR) will be allocated at the rate of 1.24 per cent of the total $676 million or $8.38 million; and decides to augment these SPR resources by an amount of $101.62 million, making a total of $110 million for SPR the totality of these SPR resources to be used for purposes indicated in operative paragraphs below;

4. Further decides that the amount of $490 million will be distributed between country and intercountry Indicative Planning Figures (IPFs) in accordance with the criteria established in decision 85/16, paragraph 5 (a) and 5 (b).

5. Agrees that in respect of country IPFs the distribution should take into consideration the loss of purchasing power of IPFs due to exchange rate fluctuations;

6. Decides therefore that the additional country IPFs will be calculated in accordance with the following formula:

   (a) Fifty per cent of the amount will be distributed proportionally to their existing IPFs for the fourth cycle; and 50 per cent to be distributed in accordance with the criteria elaborated in paragraphs 5 (d) (i) to 5 (d) (vi) of decision 85/16;

   (b) The resultant IPFs to constitute floors and ceilings in substitution for those established in paragraphs 5 (d) (iii), (iv) and (v) of decision 85/16;

7. Decides further that the IPF for national liberation movements, the IPF for Namibia and the multi-island IPFs shall be increased by a percentage equal to the average increase for countries belonging to the group of countries with a per capita GNP between $750 and $1,500;

8. Further decides to increase the multi-island IPF by $2.5 million for the cycle, so as to establish a Pacific multi-island IPF to be financed from the unallocated IPFs;

9. Decides that the additional amount of $110 million for SPR will be allocated by three main categories as follows:

   (a) Thirty million dollars for activities previously agreed by the Council and included in paragraphs 35 (i) to 35 (iv) of document DP/1988/26. This amount is to be allocated in as close a proportion as possible to the existing earmarkings by broad categories enumerated. pending review by the
(b) Twenty million dollars for the Programme of Special Assistance to Central American countries, pursuant to paragraph 3 of General Assembly resolution 42/231, to be used for the promotion, co-ordination, implementation and follow-up of the objectives of the Special Plan through existing regional and sub-regional institutions;

(c) Sixty million dollars for a Special Programme for Management Development and Related Institution-building ("Management Development Programme"), the provisions of which are enumerated in paragraph 10 below;

10. **Decides** to establish a Special Programme for Management Development and Related Institution-building ("Management Development Programme"), initially proposed as Management Facility in document DP/1988/76 as supplemented by the Administrator's introductory statement and the further clarification made by him and taking into account views expressed by the delegates in the debate, which will operate under the following principles:

(a) The programme will be available to all countries wishing to participate and in order to ensure a fair regional balance in administering the funds available under this programme, no more than 50 per cent of the resources will be allocated to programmes in one region;

(b) The programme will only operate in response to requests from developing countries to assist them to design and/or implement long-term, sectoral or multi-sectoral programmes of management development and related institution-building;

(c) No conditionality will be applied in the use of these funds or in the activities of the programme other than the normal requirements of UNDP programmes;

(d) The use of this facility will not be related to the implementation of any policy other than that of the Governments concerned;

(e) The activities of the UNDP in this field should not be conditional upon those of any other organization;

11. **Requests** the Administrator to provide, to the special session of the Governing Council in February 1989, details of the guidelines for the use of the Management Development Programme, as well as a report on its operation;

12. **Notes** with respect to paragraph 23 of DP/1988/51, that the Special Measures Fund for Least Developed Countries (SMF/LDC) shall continue to exist as a separate fund and used for purposes as established by the Council;

13. **Agrees** with the Administrator's proposal in paragraph 14 of document DP/1988/26 that notwithstanding decisions 80/50, 85/16 and 87/42,
regarding the level of the operational reserve, to maintain for the time being the reserve at its current level of $200 million; and decides further to review on an annual basis the need to increase the operational reserve in accordance with the above decisions;

14. **Considering** that the forecasts of likely additional resources dealt with in document DP/1988/26 is based on assumptions which may or may not be realized, the Council requests the Administrator to:

   (a) Restrict commitments against categories both for additional IPFs and SPR on the basis provided in paragraph 26 of document DP/1988/26;

   (b) Review the resource situation each year in the light of voluntary contributions, exchange rates and other related factors and report to the Council each year at its June session;

15. **Decides** that if the increase in resources foreseen in the present decision does not materialize, equal proportional amounts will be deducted from SPR and IPF allocations and paragraph 18 of decision 85/16 shall apply with SPR additionally to be taken into account;

16. **Decides** that if the resources to be programmed should in future increase over and above the amounts foreseen in the present decision, any additional resources will be distributed in accordance with the formula set out in decision 85/16;
II

Assistance to Lebanon

The Governing Council,


Bearing in mind, the concern expressed by member States about the aggravated situation in Lebanon and their interest in its returning to normal conditions of life and in its reconstruction and development,

Aware of the deteriorating socio-economic conditions of the Lebanese people and the magnitude of their unmet needs,

Noting with great concern the unprecedented inflation in Lebanon during the last four years and the catastrophic erosion of the value of the Lebanese currency, which has become equal to only one hundredth of its October 1984 value,

Convinced that there is urgent need for assisting the Government of Lebanon in its efforts for reconstruction and development,

1. Requests the Administrator to take urgently the necessary steps in collaboration with the Government of Lebanon and the World Bank, to obtain the necessary statistical data needed to adjust Lebanon's interim illustrative indicative planning figure for the fourth cycle;

2. Requests the Administrator to continue to approve, on a temporary basis, projects submitted by the Government of Lebanon, to be financed by the interim illustrative indicative planning figure for the fourth cycle and the remaining funds brought forward from the third cycle;

3. Further requests the Administrator to take, in co-operation with the Government of Lebanon, all necessary steps to accelerate programme activities in the country, and in this respect authorizes expenditures in the next year up to 60 per cent of the current provisional IPF calculated for the fourth cycle and the carry-over from the third cycle;

4. Decides to examine the situation of Lebanon at its thirty-sixth session, as a matter of priority.