The Governing Council,

Endorses 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,

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

2. 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;

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

4. Agrees that in respect of country IPFs the distribution should take into consideration and compensate for the loss of purchasing power of IPFs due to exchange rate fluctuations;
5. 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 paragraph 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 paragraph 5 (iv) and 5 (v) of decision 85/16;

6. 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;

7. 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;

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

   (a) $30 million for activities previously agreed by the Council and included in paragraph 35 (i) to 35 (iv) of document DP/1988/26. This amount to be allocated at the discretion of the Administrator within the broad categories enumerated, and subject to review by the Council at its special session in February 1989;

   (b) $20 million for the Programme of Special Assistance to Central American countries, pursuant to General Assembly resolution ___ and Governing Council decision 88/___;

   (c) $60 million for a Management Development Programme, the provisions of which are enumerated in paragraph 13 below;

9. Decides that the Management Development Programme (initially proposed as Management Facility in document DP/1988/76) will operate under the following principles, due account being given to document DP/1988/76 as modified by the Administrator's introductory statement and the further clarification made by him:

   (a) The Programme will be available to all countries wishing to participate;

   (b) The Programme will only operate in response to requests from developing countries for management development of a sectoral or global nature;

   (c) No conditionality will be applied in the use of these funds;

10. Requests the Administrator to provide, to the special session of the Governing Council, details of the guidelines for the use of the Programme, as well as a report on the preliminary experience gained in the operation of this Management Development Programme;
11. **Recognizes** the concerns expressed that existing criteria for IPF calculations may not fully take into account the existence of huge pockets of poverty in Asia and other regions and that this issue will be reviewed in the development of criteria for the fifth programming cycle;

12. **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;

13. **Considering** that the forecasts of likely additional resources dealt with in the document 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 contribution, exchange rates and other relevant factors and report to the Council each year at the June sessions.**

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 calculated IPF 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.