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GOVERNING COUNCIL
SPECIAL MEETING ON PREPARATIONS FOR THE
THIRD PROGRAMMING CYCLE, 1982-1986
11-15 February 1980
Agenda item 3

MATTERS ARISING FROM ACTION TAKEN BY
THE GENERAL ASSEMBLY AT ITS THIRTY-FOURTH
SESSION : ASSISTANCE TO EQUATORIAL GUINEA

Note by the Administrator

Summary

This note is in response to General Assembly resolution 34/123 concerning assistance to Equatorial Guinea. The Administrator is requesting the Governing Council to decide whether, for the remainder of this cycle, Equatorial Guinea should be extended the same benefits as those accorded to least developed countries and whether limited borrowing from the third cycle IPF should be authorized if the programming of urgent development activities would so require.

I. BACKGROUND

1. In view of the serious situation in Equatorial Guinea, the Government addressed an urgent appeal to the Secretary-General for emergency humanitarian assistance. To assess the country's immediate needs, the Secretary-General in October 1979 dispatched an interagency mission to the country.
2. The mission reported that although the country had a relatively strong economy in the years immediately following its achieving independence in 1968, the economic and social situation had deteriorated to the point where in October 1979 no stocks of any kind were available; the production of cocoa, coffee and wood products, which were the country's major foreign exchange earners, had declined drastically; there were no

significant foreign exchange reserves; and the administrative infrastructure had become inadequate to allow the Government to generate local revenues. The mission concluded that it will not be possible for the country to meet, from its own resources, either the immediate humanitarian needs or to finance urgent power, water and agricultural programmes. In addition to the urgent humanitarian assistance required, the mission identified immediate development assistance needed to reduce human suffering and development assistance required to revitalize the economy. The latter includes projects in the areas of water supply, transportation, housing, industry, agriculture and fishing.

3. At its thirty-fourth session, the General Assembly considered the situation in Equatorial Guinea and adopted resolution 34/123 on assistance for reconstruction, rehabilitation and development of Equatorial Guinea. In this resolution the General Assembly, inter alia:

"Requests Member States and the organizations and programmes of the United Nations system to accord Equatorial Guinea special measures for the rest of the development decade, pending the examination of its situation by the Committee for Development Planning;"

4. Considering the current situation and resolution 34/123, the Administrator requests the Special Meeting of the Governing Council to consider the possibility of extending to Equatorial Guinea, for the remainder of this cycle, the same benefits as those accorded to least developed countries. This would mean:

- (a) An increase in the second cycle IPF (\$4.0 million) by 6.4 per cent, or \$258,000 to be met from funds available under "Future Participants, etc.";
- (b) Allocations from the Special Measures Fund for Least Developed Countries from the resources made available in 1980 and 1981;^{1/}
- (c) Access to assistance from the Capital Development Fund.

5. As at 31 December 1979 only approximately 25 per cent of the current IPF had been committed. The Administrator has taken steps to accelerate programming activities in the country and it is expected that the full IPF will be committed soon. Therefore, if needed to permit further urgent technical co-operation activities in 1980-1981, the Administrator would, if the Council approves, also agree, as an exceptional measure^{2/}, to authorize limited borrowing against Equatorial Guinea's third cycle IPF.

^{1/} On the basis of contributions pledged for 1980 an immediate allocation of \$68,000 could be made.

^{2/} In document DP/424, it is suggested that second cycle borrowing under transitional measures might be applied in general, to countries whose third cycle IPF would be at least 50 per cent greater than in 1977-1981 (assuming over-all contributions growth of only 10 per cent per annum). It is suggested that, as an exceptional measure, Equatorial Guinea be authorized to borrow from its third cycle IPF, even though its intercycle increase may be less than 50 per cent under the 10 per cent assumption.

II. RECOMMENDATION OF THE ADMINISTRATOR

6. Subject to the Council's agreement to extend to Equatorial Guinea, for the remainder of the second cycle, the same benefits as those accorded to least developed countries, the Administrator recommends that:

The Governing Council,

- (a) Agree to the allocation of \$258,000 as an addition to the second cycle IPF for Equatorial Guinea to be met from funds available under "Future Participants, etc.;"
- (b) Authorize the Administrator to extend to Equatorial Guinea for 1980 and 1981, the other benefits accorded to least developed countries; and
- (c) Authorize, as an exceptional measure, limited borrowing from the third cycle IPF, for Equatorial Guinea if required for urgent technical co-operation activities to be undertaken in 1980-1981.

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