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GOVERNING COUNCIL
SPECIAL MEETING ON PREPARATIONS
FOR THE THIRD CYCLE, 1982-1986
11-15 February 1980
Agenda item 1.

PREPARATIONS FOR THE THIRD CYCLE, 1982-1986

Draft Decision

The Governing Council,

1. Requests the Administrator to provide calculations on the basis of CRP.4:
2. Further requests the Administrator to provide calculations on the basis of proposals presented at the Special Meeting of the Governing Council as contained in the annex to this decision; and,
3. Decides to continue negotiations on guidelines for the third cycle at the twenty-seventh session of the Governing Council in June 1980 on the basis of CRP.4 and the calculations referred to above.

Annex

The proposals referred to in paragraph 2 of the decision are the following:

(i) Growth in resources, 14 per cent; relation of country to intercountry IPFs, 82:18 per cent. Regarding country IPFs: (a) 82 per cent to countries with per capita GNP below \$500, with special treatment given by allocating higher increases in IPFs to countries with per capita GNP of \$250 and below; (b) 18 per cent to countries above \$500 per capita GNP, with special treatment given by allocating higher increases in IPFs to countries with per capita GNP between \$500 and \$750; (c) no floor; (d) a "transfer point" at \$1,500 per capita GNP; and, (e) a ceiling at \$750 per capita GNP.

(ii) Growth in resources, 14 per cent; relation of country to intercountry IPFs, 82:18 per cent. Regarding country IPFs: (a) 82 per cent to countries with per capita GNP below \$500, with special treatment given by allocating higher increases in IPFs to countries with per capita GNP of \$250 and below; (b) 18 per cent to countries above \$500 per capita GNP, with special treatment given by allocating higher increases in IPFs to countries with per capita GNP between \$500 and \$750; (c) countries with a per capita GNP above \$1,500 should have a "floor" of approximately 70 per cent, and "released resources" should be redistributed to countries in the \$500-\$750 bracket; (d) countries in the \$1,500-\$2,000 per capita GNP range should pay from 50 per cent and up for their IPFs: countries in the \$2,000-\$3,000 range should pay from 75 per cent and up for their IPFs: and countries with per capita GNP above \$3,000 should pay 100 per cent for their IPFs; and (e) a ceiling for countries with \$750 per capita GNP and above.

(iii) A calculation, as a variant of Conference Room Paper 4, should include the floor concept in a manner that the value of the floor used (relation of 1982-1986 IPF to the 1977-1981 IPF) varies in inverse proportion to the per capita GNP of the "floor country". (This proposal is made as an alternative to such proposals as those including the idea of a "cut-off" or "transfer point".)

(iv) As a variant of Conference Room Paper 4, the calculation should assume: an average annual growth rate of contributions of 12 per cent; 80 per cent of country IPFs to countries with per capita GNP below \$500 and 20 per cent to countries with per capita GNP above \$500; a "transfer point" or "cost-bearing point" at \$1,500 per capita GNP; and no "floor".

(v) Conference Room Paper 4 with the added assumption, in relation to 1 (g) of that paper, that resources mobilization falls short of the 14 per cent target and is assumed equal to 12 per cent.

(vi) Conference Room Paper 4, with the two modifications that (a) there is to be no floor, and (b) there is to be a "transfer point" or "cut-off" at \$3,000 per capita GNP.

(vii) Same as (vi), except that there is to be a "transfer point" at \$1,500 per capita GNP.

(viii) Conference Room Paper 4, with the modification that the floor should be set at 80 per cent of 1977-1981 IPFs.
