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# THE WASHINGTON OFFICE ON AFRICA

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## *The 0.7 Initiative*

*A work in progress on the origin and evolution of the idea of the 0.7% standard for donor development assistance*

In 1967 the World Bank suggested that a commission be formed to study the previous 20 years of development assistance. L. B. Pearson, former Prime Minister of Canada, accepted an invitation from then World Bank president Robert McNamara to undertake such a study.

In 1968 the Commission of International Development came together with seven of Pearson's colleagues and a staff of fourteen experts in various development fields. The following year its report, *Partners in Development*, found that there was "a special need for official development assistance on concessional terms." They defined official development assistance to be grants or loans on soft terms. It was determined that aid should be raised to 0.7 percent of donor GNP by 1975 and by no later than 1980. In 1968 aid was at an average level of .39%.

McNamara indicated that the World Bank would conduct an analysis of the Commission's recommendations and the changes they saw fit would be reported to the Bank's Board of Governors. He also urged that the government and other agencies take similar actions.

Meanwhile, in 1970, the Economic and Social Council of the United Nations met to discuss a draft International Development Strategy for the Second UN Development Decade. The text of the International Development Strategy called for the same 0.7% of GNP mark by 1975. Members of the Security Council, however, qualified 0.7% through a variety of formal statements, explanations of positions, reservations, observations, and interpretations. The United States saw the setting of such targets as impractical and felt it would be unable to accept the time-limits or the target dates of the official aid, nor would it be able to ensure that the target aid number would be met.

The UN General Assembly adopted without vote the text of the International Development Strategy (resolution 2626). The resolution is not legally binding upon member nations.

The New International Economic Order (NIEO) also drew attention to the 0.7% vision of development assistance. In the 1960s the Global South had become increasingly frustrated with their growth prospects, and they created such movements as the Non-Aligned Movement, and with the success of the oil producing countries of OPEC during the energy crisis of 1973, developing countries found it opportune to call for a New International Economic Order.

In response, in 1974 the General Assembly adopted the "Declaration and Program of Action of the New International Order." Later that year, they also approved the Charter of Economic Rights and Duties of States. Here, again, they called for the "attainment of official development assistance" of the target of 0.7% of donor nations' GNP.

As a result, in 1975, the Seventh Special Session of the UN General Assembly, adopted Resolution 3362, a very similar document to that of the NIEO. It included the 0.7% provision. The United States and other donor nations attached detailed reservations to the resolution.

In general, donor nations have emphasized that the 0.7% strategy is not a legal commitment, while – at least during the formative periods of this vision – developing countries have felt that treating 0.7% as a binding commitment was essential to success.