From document DCD/DAC(99)27, p.28

Box III-1. **The one per cent target**

In August 1958, the Central Committee of the World Council of Churches, meeting at Nyborg Strand, Denmark, endorsed a declaration that if contributing countries could allocate at least 1% of their national income to grants and concessional loans, the international picture "would become much more hopeful".[1] The proposal was circulated to all United Nations delegations, and in 1960, the UN General Assembly: expressed the hope "that the flow of international assistance and capital should be increased substantially so as to reach as soon as possible approximately 1% of the combined national incomes of the economically advanced countries".[2]

In the following years, the target was gradually tightened up. In 1964, the first UNCTAD recommended that, instead of being global, it should apply to individual donors, having regard, however, to the "special position of certain countries which are net importers of capital".[3] It also agreed to count only long-term flows. Then the denominator (national income) was made larger. In principle, it could be measured net, by subtracting depreciation, and leaving out indirect taxes which are not part of anyone's income. But a group of experts found "intractable theoretical and statistical difficulties" in coming up with an internationally comparable measure of net national income.[4] So they proposed measuring the flow of resources as a percentage of gross national product instead. On average, GNP was 25% higher than net national income, so the target was effectively raised by this amount.

The second UNCTAD in 1968 endorsed the newly strengthened target, and the DAC High Level Meeting that year "reaffirmed the intention of its Member countries to make their best possible efforts to comply with [UNCTAD's] Recommendation".[5] The one per cent target remains the only target to have been endorsed by all DAC Members.

The Pearson Commission cautioned that "[s]ome countries find it very difficult to act on a commitment that a fixed amount or share of national product should be provided for any particular purpose". Nevertheless, it "strongly believe[d] that effective development support requires the continuity which can only be provided by a long-term commitment of external resources".[6]

More trenchant criticism came from the DAC Chairman in 1972. He pointed out that, since the 1% target included private capital flows -- 45% of the total at the time -- "it is a little irrational for those governments who have subscribed to it to have done so, since they have little influence on the annual volume of disbursements of this 45% and since few of them are disposed to adjust ODA volumes to compensate for fluctuations in private flows, often quite wide".[7]

An experts' report to UNCTAD in 1975 went still further, stating that as the magnitude of private flows was outside the control of governments, they could not be expected to ensure that a target for these flows was met. It added that the target "cannot perform the function of indicating, even broadly, the degree of 'burden sharing' among developed countries. No notion of 'burden' attaches to private flows that occur between developed countries, and it would appear inappropriate to attach such a notion to these flows when they occur between developed and developing countries".[8]

The Pearson Commission's observation that "so far, this target has had little operational significance" remains true today. The 1% target is largely forgotten. But it was an important first stage in developing the 0.7% target, which remains well known, and which has been a vital reference point and advocacy tool, even in countries which have never attained it.

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1. "Christian Concerns in Economic and Social Development", Minutes and Reports of the Eleventh Meeting of the Central Committee of the World Council of Churches, August 21-29, 1958, Appendix XIV, p. 125.
2. Resolution 1522 (XV), 15 December 1960.
3. UNCTAD Recommendation A/IV.2.
4. "Measurement of the Flow of Resources to Developing Countries - A Report on Methodological Problems by a Group of Experts Appointed by the Secretary-General", United Nations, 1967, p. 22.
5. OECD Press Release PRESS/A(68)57, paragraph 8.
6. "Partners in Development", p. 144.
7. Development Co-operation Report, 1972, p. 13.
8. "The Concepts of the Present Aid and Flow Targets", UNCTAD document TD/B/493/Rev.1, paragraph 39.