

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Subject Files: Liaison Files - U.S House of Representatives - Correspondence 01

Folder ID: 1328855

Series: Liaison files - U.S. Government

Dates: 07/29/1991 - 03/26/1993

Subfonds: Records of President Lewis T. Preston

Fonds: Records of the Office of the President

ISAD Reference Code: WB IBRD/IDA EXC-12-5780S

Digitized: 05/04/2023

To cite materials from this archival folder, please follow the following format:
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK

Washington, D.C.

© International Bank for Reconstruction and Development / International Development Association or

The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

U.S. House of Representatives
1991-93
Office of the President



659

 
1328855
A2003-018 Other #: 1 210674B
Subject Files: Liaison Files - U.S House of Representatives - Correspondence 01

DECLASSIFIED
WBG Archives

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

Ms. C. Perera

LEWIS T. PRESTON
President

March 26, 1993

The Honorable Patricia Schroeder, Co-Chair
The Honorable Olympia Snowe, Co-Chair
Congressional Caucus for Women's Issue
Congress of the United States
Washington, D.C. 20515

Dear Congresswomen Schroeder and Snowe:

Thank you for your letter of March 10, expressing your deep concern about the treatment of the Women in Development program at the Bank. Let me assure you that our strong commitment to the program remains unchanged. Recent organizational changes are designed to strengthen the Bank's capacity to deal with this issue, and to see that these activities are fully integrated in the Bank's operational work.

As you know, Barbara Herz recently accepted a new position in the South Asia Region. Her transfer was effective on March 1, 1993. Once we became aware that her position would be vacant, we launched a careful search for the best possible candidate to replace her. The position will remain at the level of Division Chief; her successor will have the same status and seniority, and will be given the support necessary to ensure that the Women in Development program is accorded the priority it deserves. We hope to be able to make this appointment very soon.

Thank you again for letting me know of your concern.

With all best wishes.

Sincerely,

Lewis T. Preston

The Honorable Patricia Schroeder
The Honorable Olympia Snowe

- 2 -

March 26, 1993

cc: Congressional Caucus for Women's Issues
Congress of the United States
Washington, D.C. 20515

The Honorable Nancy Pelosi
The Honorable Patsy Mink
The Honorable Carrie Meek
The Honorable Jolene Unsoeld
The Honorable Cynthia McKinney
The Honorable Marjorie Margolies-Mezvinsky
The Honorable Lynn Woolsey
The Honorable Barbara Kennelly
The Honorable Marcy Kaptur
The Honorable Jan Meyers
The Honorable Eleanor Holmes Norton
The Honorable Constance Morella
The Honorable Carolyn Maloney
The Honorable Maxine Waters

Mr. Larry Summers, Under Secretary-Designate for International Affairs

The Honorable Patricia Schroeder
The Honorable Olympia Snowe

- 3 -

March 26, 1993

Cleared with and cc: Ms. J. Maguire, Adviser, EXTDR

cc: Mr. Armeane M. Choksi, Vice President, HRO
Mr. K. Y. Amoako, Director, ESP
Mr. A. Shakow, Director, EXT
Ms. C. Perera, EXC
Mr. D. Peters, EXTDR

KYA:jc

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

C. Perera

LEWIS T. PRESTON
President

March 26, 1993

The Honorable Lee H. Hamilton
Chairman
Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

Dear Congressman Hamilton:

Thank you for your letter of March 10, expressing your deep concern about the treatment of the Women in Development program at the Bank. Let me assure you that our strong commitment to the program remains unchanged. Recent organizational changes are designed to strengthen the Bank's capacity to deal with this issue, and to see that these activities are fully integrated in the Bank's operational work.

As you know, Barbara Herz recently accepted a new position in the South Asia Region. Her transfer was effective on March 1, 1993. Once we became aware that her position would be vacant, we launched a careful search for the best possible candidate to replace her. The position will remain at the level of Division Chief; her successor will have the same status and seniority, and will be given the support necessary to ensure that the Women in Development program is accorded the priority it deserves. We hope to be able to make this appointment very soon.

Thank you again for letting me know of your concern.

With all best wishes.

Sincerely,



cc: Mr. E. Patrick Coady
U.S. Executive Director

Cleared with and cc: Ms. J. Maguire, Adviser, EXTDR

cc: Mr. A. Shakow, Director, EXT
Mr. D. Peters, EXTDR
Ms. C. Perera, EXC

KYA:jc

THE WORLD BANK/IFC/M.I.G.A.

House of Rep.

ROUTING SLIP		DATE: July 13, 1992	
NAME		ROOM NO.	
Mr. S. Sandstrom, EXC		E 1227	
Mr. E. Stern, EXC		E 1227	
Mr. V. Rajagopalan, OSPVP		S 13-131	
Mr. B. Alisbah, PAAVP		D 1252	
Mr. J. Linn, FPRVP		D 7067	
Mrs. A. Hamilton, PHRDR		S 6055	
Mr. B. Kavalsky, FRMDR		D 7007	
Mr. E. Jimenez, PHRPA		S13-055	
Ms. G. Mohadjer, EXC		E 1235	
Ms. P. O'Hara, EXC		E 1227	
<input type="checkbox"/>	URGENT	<input type="checkbox"/>	PER YOUR REQUEST
<input type="checkbox"/>	FOR COMMENT	<input type="checkbox"/>	PER OUR CONVERSATION
<input type="checkbox"/>	FOR ACTION	<input type="checkbox"/>	SEE MY EMAIL
<input type="checkbox"/>	FOR APPROVAL/CLEARANCE	<input checked="" type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FOR SIGNATURE	<input type="checkbox"/>	LET'S DISCUSS
<input type="checkbox"/>	NOTE AND CIRCULATE	<input type="checkbox"/>	NOTE AND RETURN
RE: Mr. Preston's reply to the legislators' letter			
REMARKS: Attached is the final version of the reply from Mr. Preston to the letter signed by over 1300 legislators.			
FROM: Alexander Shakow		ROOM NO.: T 8011	EXTENSION: 31828

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

July 10, 1992

LEWIS T. PRESTON
President

The Honorable Tony P. Hall
Chairman, Select Committee on Hunger
U. S. House of Representatives
Washington, D. C. 20515

Dear Congressman Hall:

Thank you for your thoughtful and encouraging letter concerning the World Bank and poverty reduction. I am delighted that you, and so many of your colleagues in legislatures around the world, have such a strong interest in the fight against poverty. Sustainable poverty reduction is the World Bank's fundamental objective. It is the standard by which our performance as a development institution should be judged. It is encouraging that the political momentum generated in recent years by the World Summit for Children and other high-level meetings is being maintained. The Bank is well aware of the importance to this task of the work and commitment of concerned legislators.

The Bank's basic strategy for reducing poverty derives from many years of development experience by a wide array of practitioners from developing countries and from bilateral and multilateral development agencies. Our strategy was set out in detail in the 1990 World Development Report. The two key elements are to promote broadly-based economic growth that generates increased income-earning opportunities for the poor and to ensure the poor have improved access to education, health care, and other social services. It is also particularly important to assure that there are safety nets for those who are most vulnerable.

Over the last two years the Bank has integrated this poverty reduction strategy into our operational activities. In May we issued a Handbook on poverty reduction after extensive consultation with our Board, our member governments, other UN and donor agencies and nongovernmental organizations. An Operational Directive provides practical guidelines to Bank staff. The full implementation of these policies, in all aspects of the Bank's work, is a major priority of my presidency. Your support will help us achieve this goal.

Poverty Assessments

Having appropriate policies in the Bank is, of course, only a first step. The problems to be resolved are on the ground, in the rural areas and urban slums. We are therefore preparing detailed poverty assessments for almost all the Bank's borrowing countries. Twenty have been completed covering countries with over two-thirds of the world's poor. By the summer of 1994 we will have virtually completed the first round of poverty assessments. The typical country poverty assessment analyzes the economic, demographic, and social characteristics of the poor; reviews the major macroeconomic and/or regulatory issues that impede poverty reduction; and examines the effectiveness of public expenditures on poverty reduction. In countries where the Bank is

supporting a structural adjustment program, the poverty assessment will indicate the impact on the poor. The poverty assessments also propose steps to improve the collection of data on the poor and propose improvements in the cost effectiveness to reach target poor and vulnerable groups. The final product will be an action plan to strengthen the government's poverty reduction strategy, including indicative targets for poverty reduction using indicators such as child mortality, malnutrition and unskilled wages.

Completed poverty assessments also become an integral part of the Bank's country assistance strategies designed to support the efforts of our member countries to reduce poverty. Bank lending, economic and sector analysis, aid coordination and policy dialogue will all be tailored to support the specific requirements of each country. In determining the lending component of our strategy, we recognize that stronger government commitment to poverty reduction warrants greater support; conversely, weaker commitment to poverty reduction warrants less support.

The Bank has long been devoted to the reduction of poverty. But the approach now being implemented will more effectively help to reduce the number of people in poverty; to promote reforms in existing policies and institutions which exacerbate poverty; and to improve policy in areas such as taxation and subsidies, levels of military and social expenditures, land and credit for the poor--the goals you set out in your letter.

Where the Bank supports adjustment programs we use our analysis of the impact on the poor to work with governments to maintain, and where possible increase, real spending per person on basic health care and education. A number of adjustment loans include explicit poverty reducing conditions such as supporting a reorientation of public expenditures toward infrastructure and social services for the poor. Although Bank lending is only one of the many ways we can help developing countries to reduce poverty, our lending that particularly benefits the poor will increase substantially in the future.

To assure that we monitor progress, and make adjustments to our programs in light of experience, we will prepare regular progress reports. The first progress report to our Board will be presented in December 1992.

Lending for the Social Sectors

We have significantly increased our lending to the social sectors, especially primary health and basic education, and expect to increase further the share of our lending going to the social sectors. To prepare for the continued expansion of our lending in the years to come, we have increased our economic and sector analysis in these areas. These sectors, as you point out in your letter, are crucial areas in the fight against poverty. Of course, the implementation of our lending plans for Fiscal Years (FY) 93-95 depends on supportive country policies and on satisfactory performance by the borrower.

Bank and IDA lending to Population, Health and Nutrition (PHN) nearly quadrupled from a total of \$909 million during FY87-89 to \$3,464 million in the most recent 3 years, FY90-92. As a proportion of total Bank and IDA lending it rose from 1.6% to 5.3%. For IDA, which concentrates on the poorest countries, the share of PHN lending rose from 3.4% to 10.8% in the

same period. In the next 3 years, FY93-95, we are planning a further substantial increase both in dollar volume and as a share of Bank and IDA lending. Calculating the precise share going for primary health care is difficult, but we estimate that it accounts for over three-quarters of the total PHN program. Over the next three years, Bank and IDA lending for primary health should be above the 5% level you mentioned.

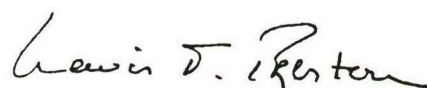
As to education, we are proud that the World Bank is the largest single source of external funding for education in developing countries. Bank and IDA lending for education more than doubled from \$2,268 million during FY87-89 to \$5,623 million in FY90-92. Its share of total lending rose from 3.9% to 8.6%. In the same period the share of IDA lending for education rose from 7.2% to 12.4%. In the next 3 years (FY93-95) we also intend to continue to increase our education lending. Because primary education is so basic to the ability to break out of poverty, we have steadily increased our emphasis on it. In the fiscal year just completed basic education was over 40% of total education lending. This will increase in future years. One other important aspect of the Bank's lending for education is that we have been expanding the proportion of our lending that includes specific steps to expand female education. As of FY94 these will be included in the vast majority of our education lending.

There is an urgent need to bring adequate sanitation to one-third of the world's population, and safe water to more than 1 billion people who now lack these services. Our aim is to bring good quality water and sanitation services to the poor at the lowest possible cost. For several years we have been working closely with UNDP and other donors on a program to develop, test and disseminate low-cost methods to provide water and sanitation to the poor in developing countries; these are now increasingly reflected in country investment programs and in our lending. The pressing need of the poor for safe water and adequate sanitation was highlighted in the 1992 World Development Report on development and the environment. In the follow-up to UNCED we will strongly encourage the positive links between reducing poverty and protecting the environment.

Ultimately the success of poverty reduction efforts depends on developing countries themselves. But there is much that we in the Bank, and the rest of the world, can do to create an environment where the benefits of the strategy described above may succeed. One significant area is resource flows. IDA's credits go to the countries where over 80% of the world's poor live and IDA's central goal is poverty reduction. If IDA is to do the job we all want it to do, the current negotiations ought to result in a replenishment of \$18 billion for the 1993-95 period, which would only maintain IDA's funding in real terms. I hope we may count on your strong support.

Thank you again for taking the time to write to me. I look forward to working with you to achieve the substantial reduction in poverty we all seek.

Sincerely yours,



Lewis T. Preston
President

DANIEL K. INOUE
HAWAII

APPROPRIATIONS
Chairman, Subcommittee on Defense

COMMERCE, SCIENCE AND TRANSPORTATION
Chairman, Subcommittee on Communications

Chairman, SELECT COMMITTEE ON INDIAN
AFFAIRS

Chairman, DEMOCRATIC STEERING COMMITTEE

Member, COMMITTEE ON RULES AND
ADMINISTRATION

United States Senate

SUITE 722, HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1102
(202) 224-3934
FAX (202) 224-6747

PRINCE KUHIO FEDERAL BUILDING
ROOM 7325, 300 ALA MOANA BOULEVARD
HONOLULU, HI 96850-4975
(808) 541-2542
FAX (808) 541-2549

101 AUPUNI STREET, NO. 205
HILO, HI 96720
(808) 935-0844
FAX (808) 961-5163

June 9, 1992

Mr. Lewis T. Preston
President
The World Bank
1818 H Street, N.W.
Room E - 1227
Washington, D.C. 20433

Dear Mr. Preston:

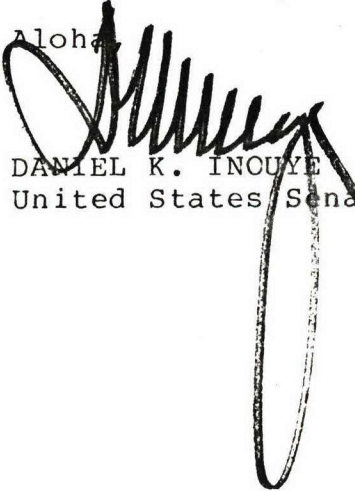
I am writing regarding the April 30, 1992 letter my Senate colleagues and I sent to you concerning actions by the World Bank to reduce poverty.

I wish to underscore the concern that led me to sign this letter. The end of the Cold War offers the world an excellent chance to address the critical issues of poverty and health care in an atmosphere free from superpower rivalries. If the 21st century is to be one in which peace, prosperity and stability exist, then many of the world's citizens must be able to escape the ravages of poverty and illness.

For these reasons, I believe the concerns outlined in the letter deserve the World Bank's concerted attention in the years to come.

Thank you for your attention to this most important matter.

Aloha


DANIEL K. INOUE
United States Senator

DKI:eso

JM
a. Inouye

3/27/12

COMMITTEES
FINANCE
ENERGY AND
NATURAL RESOURCES
SELECT COMMITTEE
ON INTELLIGENCE
SPECIAL COMMITTEE ON
AGING

United States Senate

WASHINGTON, DC 20510-3001

April 30, 1992

The World Bank
Lewis T. Preston
President
1818 H Street, NW
Room E - 1227
Washington, DC 20433

Dear Mr. Preston:

As legislators concerned with and supportive of the World Bank's recent emphasis on poverty reduction, we congratulate you on your emphatic statements on poverty in Bangkok. We have enjoyed a very positive and fruitful relationship with your predecessor, Barber Conable, and we look forward to continuing that relationship and dialogue with you. With the negotiations for the replenishment of IDA now underway, we thought it would be useful to set out some of our interests and concerns regarding the World Bank.

We have been pleased to note the growing concurrence of international opinion on the importance of giving higher priority to poverty reduction in the context of sustainable development. The poverty focus of last year's World Development Report was a constructive contribution to the growing dialogue on poverty reduction strategies. This was carried through in the World Summit for Children, and is likely to be central to the upcoming UN Conference on Environment and Development.

We have been interested for some time in ensuring that the Bank accords high priority to the reduction of extreme poverty. A key question in our minds arising in the consideration of the IDA replenishment is how much of these funds will actually reach poor people in developing countries.

The World Bank has taken some encouraging first steps in responding to poverty concerns. For example, at the time of the World Summit for Children, the Bank stated the intention to increase lending for primary health to approximately 5 percent of total lending by 1993-4, and to substantially increase lending for primary education. Primary health care and primary education are crucial areas in the fight against poverty. We therefore urge you to ensure that the 5 percent level is maintained as a floor both for primary health and primary education. By primary health we mean basic health services delivered at the health post or clinic level.

April 30, 1992
Page 2

In the related field of water and sanitation, UNICEF estimates that 80 percent of worldwide expenditures are directed toward relatively expensive schemes costing more than \$500 per person, rather than basic low cost technologies requiring less than \$30 per person. We believe the Bank should consider increasing the percentage of lending going to the low-cost approaches.

In water and sanitation, as in other areas, the links between poverty and environmental degradation are becoming increasingly clear. We commend the Bank for strengthening its environment department, and we see the strategy of involving environment staff in Bank projects from the outset as a very useful measure in regard to poverty.

More generally, it will be increasingly important to condition Bank lending on borrowing countries' commitment to effective poverty alleviation strategies. To help countries develop and implement such strategies, we would like to see a significant number of policy-based anti-poverty loans. Such loans should include specific targets for reducing the number of people in poverty, and should promote reforms in existing policies and institutions which exacerbate poverty. The loans could deal with policy areas such as taxation and subsidies, levels of military and social spending, land tenure and credit for the poor. Comprehensive anti-poverty loans would be particularly useful in the large South Asian countries where about half the world's poor live, as well as in large African countries.

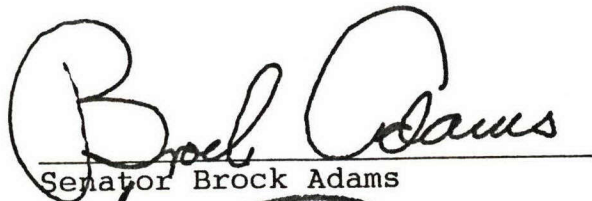
Finally, we would like to see substantial increases in the proportion of Bank lending going to the program of targeted interventions against poverty. Because we attach considerable importance to knowing that funds are reaching poor people, we will continue to observe carefully the proportion of Bank lending which is truly oriented toward the poor, especially low-income women and the very poorest.

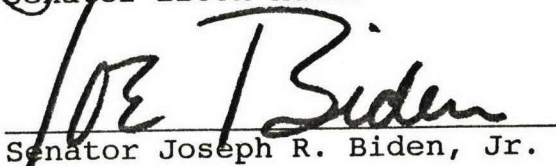
We look forward to working with you on these issues.

Sincerely,

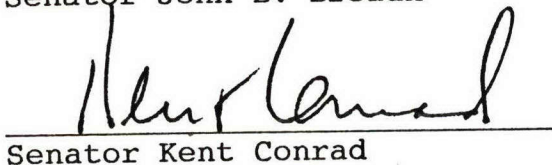

Senator Mark Hatfield

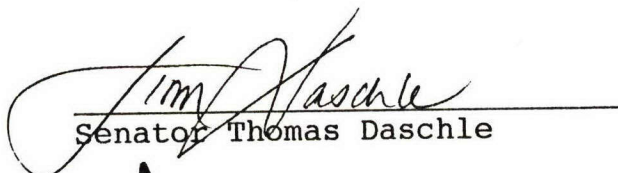

Senator Bill Bradley


Senator Brock Adams

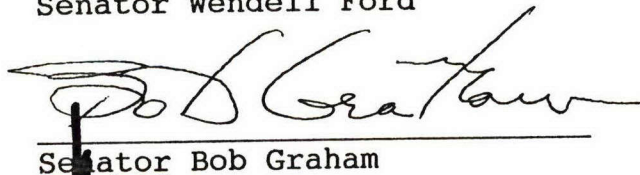

Senator Joseph R. Biden, Jr.

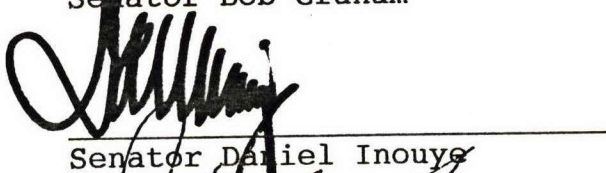

Senator John B. Breaux

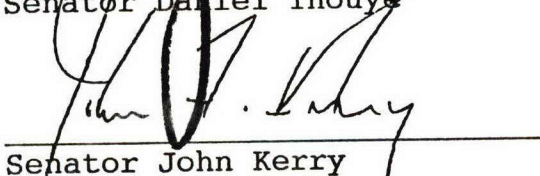

Senator Kent Conrad

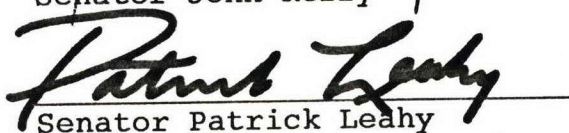

Senator Thomas Daschle



Senator Wendell Ford

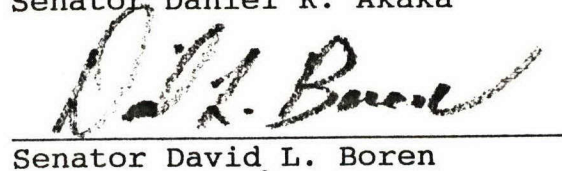

Senator Bob Graham

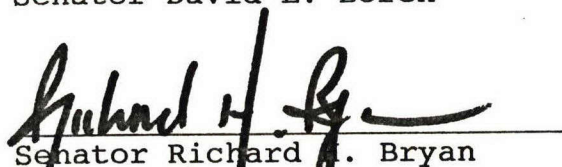

Senator Daniel Inouye

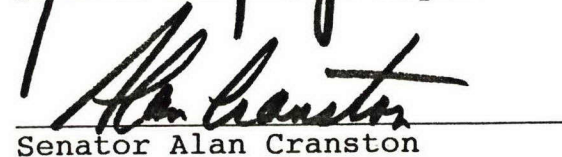

Senator John Kerry


Senator Patrick Leahy


Senator Daniel K. Akaka


Senator David L. Boren

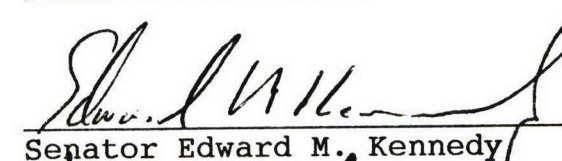

Senator Richard L. Bryan


Senator Alan Cranston


Senator Dennis DeConcini

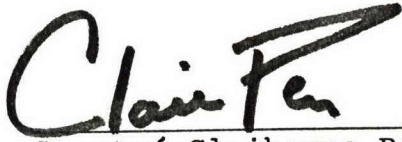

Senator Al Gore


Senator Tom Harkin

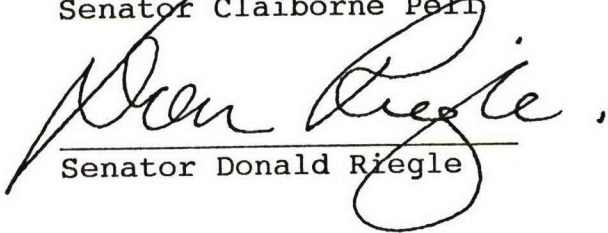

Senator Edward M. Kennedy


Senator Herb Kohl


Senator Barbara Mikulski



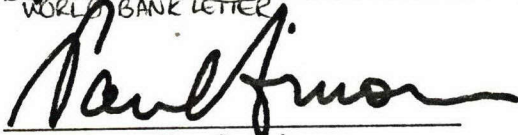
Senator Claiborne Pell



Senator Donald Riegle



Senator John D. Rockefeller, IV
WORLD BANK LETTER



Senator Paul Simon



Senator Harris Wofford



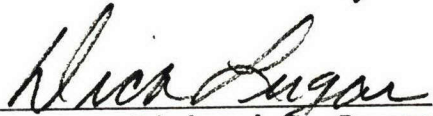
Senator Conrad Burns



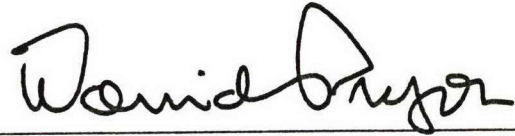
Senator Dave Borenburger



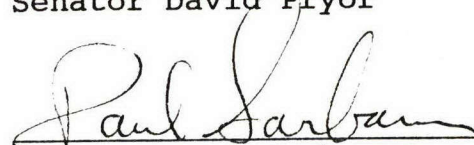
Senator Charles Grassley



Senator Richard G. Lugar



Senator David Pryor



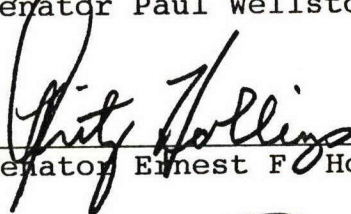
Senator Paul Sarbanes



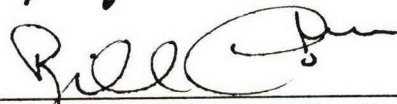
Senator Terry Sanford



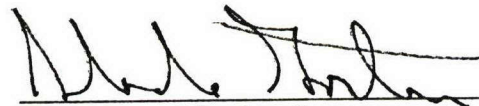
Senator Paul Wellstone



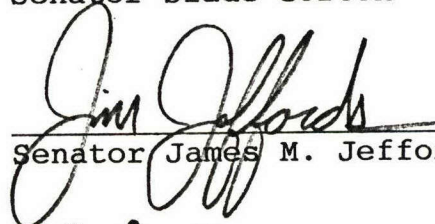
Senator Ernest F. Hollings



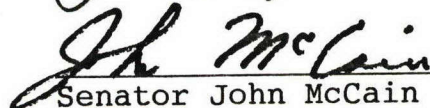
Senator William S. Cohen



Senator Slade Gorton

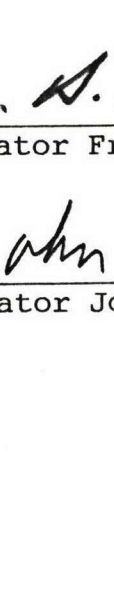


Senator James M. Jeffords




Senator John McCain

April 30, 1992
Page 5




Senator Frank Murkowski




Senator John W. Warner



Senator Arlen Specter



Senator Howard M. Metzenbaum



Senator Timothy E. Wirth

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

LEWIS T. PRESTON
President

October 3, 1991

The Honorable Patricia Schroeder
Co-Chair, Congressional Caucus
for Women's Issues
2471 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Schroeder:

Thank you for your letter of support for the World Bank's women in development (WID) programs.

I know that, under the leadership of Barber Conable, substantial efforts have been made to more fully integrate WID activities in the Bank's operational and policy work. I assure you these efforts will continue, as they remain a central element of the Bank's poverty reduction strategy.

I would be happy to meet with Caucus members to discuss the Bank's work in this area, and have asked Judith Maguire to make the necessary arrangements with your staff.

Thanks again for your interest in the Bank. I look forward to our discussions.

Sincerely,
(Signed) Lewis T. Preston

bcc: Mmes: J. Maguire, EXTDR; C. Perera, EXC; D. Peters, EXTDR
J. Maguire:leb

EXECUTIVE COMMITTEE

Patricia Schroeder, *Co-chair*
Olympia Snowe, *Co-chair*
Carjiss Collins, *Secretary*
Marcy Kaptur, *Treasurer*
Barbara Boxer
Barbara-Rose Collins
Rosa DeLauro
Joan Kelly Horn
Nancy Johnson
Nancy Kassebaum
Barbara Kennelly
Marilyn Lloyd
Jill Long
Nita Lowey
Jan Meyers
Barbara Mikulski
Patsy Mink
Susan Molinari
Constance Morella
Eleanor Holmes Norton
Mary Rose Oaker
Elizabeth Patterson
Nancy Pelosi
Louise Slaughter
Jolene Unsoeld
Maxine Waters

2471 Rayburn Building
(202) 225-6740

Lesley Primmer
Executive Director

Congressional Caucus for Women's Issues

Congress of the United States
Washington, D.C. 20515

September 20, 1991

Mr. Lewis Preston
President
The World Bank
1818 H Street, NW
Washington, D.C. 20433

Dear Mr. Preston:

We are writing to urge your support for continued and expanded efforts to promote women's participation in international economic development programs sponsored by the World Bank.

Under the strong leadership of Mr. Barber Conable, women in development programs were among the World Bank's top priorities. Announcing his initiative, President Conable said

"Women in developing nations often still lack access to education and training, to health and family planning services, and to information and resources. Often their legal standing is inferior and they are unable to participate in politics and in policy-making. As a result, these women are denied choices in their own lives and also are prevented from contributing all that they might to family well-being and to national progress. There is a direct relationship between expanded opportunities for women and improved health and learning for children, slower population growth, and the easing of environmental pressures."

Since women constitute half of the labor force and produce most of the food in many developing countries, programs to promote sustained development ought to involve both men and women in their design and execution. Most women in the developing world have less education than men, but women's education and income are the main

September 20, 1991
Mr. Lewis Preston

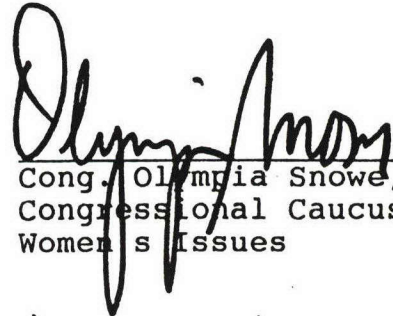
influences on children's survival and well-being. There is a direct relationship between educational and work opportunities for women and improved health and learning for children. Therefore, programs to expand economic growth in developing nations should focus on men and women equally, and take specific steps to ensure women's participation. Simply put, this is not just an equity issue, this is a major economic development issue.

The policies started under the leadership of President Barber Conable to improve women's access to productive resources and the labor market make good economic sense. As the World Bank grapples with expanding demands on its limited resources, we hope you will realize these programs are good investments, and continue to expand them. We would like to meet with you to discuss these issues at your earliest convenience.

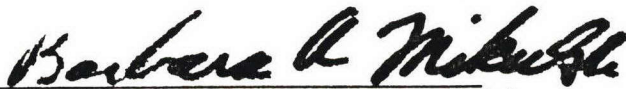
Sincerely,



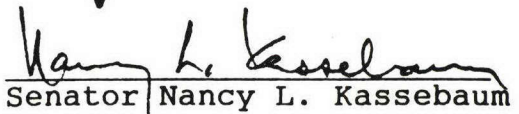
Patricia Schroeder, Co-Chair
Congressional Caucus for
Women's Issues



Cong. Olympia Snowe, Co-Chair
Congressional Caucus for
Women's Issues



Senator Barbara A. Mikulski



Senator Nancy L. Kassebaum



Cong. Barbara B. Kennelly, M.C.



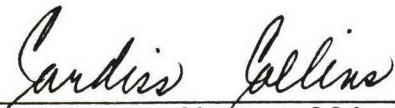
Cong. Rosa E. DeLauro, M.C.



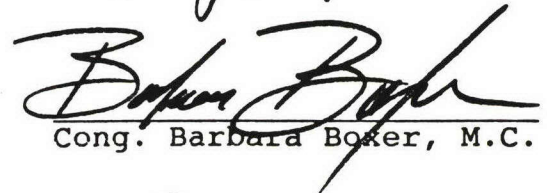
Cong. Nancy V. Johnson, M.C.



Cong. Nancy Kaptur, M.C.



Cong. Cardiss Collins, M.C.



Cong. Barbara Boker, M.C.



Cong. Nita M. Lowey, M.C.



Cong. Jan Meyers, M.C.

September 20, 1991
Mr. Lewis Preston

Patsy T. Mink
Cong. Patsy T. Mink, M.C.

Elizabeth J. Patterson
Cong. Elizabeth J. Patterson, M.C.

Jolene Unsoeld
Cong. Jolene Unsoeld, M.C.

Constance Morella
Cong. Constance Morella, M.C.

Nancy Pelosi
Cong. Nancy Pelosi, M.C.

Maxine Waters
Cong. Maxine Waters, M.C.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

LEWIS T. PRESTON
President

October 3, 1991

The Honorable Olympia Snowe
Co-Chair, Congressional Caucus
for Women's Issues
2471 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Snowe:

Thank you for your letter of support for the World Bank's women in development (WID) programs.

I know that, under the leadership of Barber Conable, substantial efforts have been made to more fully integrate WID activities in the Bank's operational and policy work. I assure you these efforts will continue, as they remain a central element of the Bank's poverty reduction strategy.

I would be happy to meet with Caucus members to discuss the Bank's work in this area, and have asked Judith Maguire to make the necessary arrangements with your staff.

Thanks again for your interest in the Bank. I look forward to our discussions.

Sincerely,
(Signed) Lewis T. Preston

bcc: Mmes: J. Maguire, EXTDR; C. Perera, EXC; D. Peters, EXTDR
J. Maguire:leb

EXECUTIVE COMMITTEE

Patricia Schroeder, *Co-chair*
Olympia Snowe, *Co-chair*
Carissa Collins, *Secretary*
Marcy Kaptur, *Treasurer*
Barbara Boxer
Barbara-Rose Collins
Rosa DeLauro
Joan Kelly Horn
Nancy Johnson
Nancy Kassebaum
Barbara Kennelly
Marilyn Lloyd
Jill Long
Nita Lowey
Jan Meyers
Barbara Mikulski
Patsy Mink
Susan Molinari
Constance Morella
Eleanor Holmes Norton
Mary Rose Oaker
Elizabeth Patterson
Nancy Pelosi
Louise Slaughter
Jolene Unsoeld
Maxine Waters

2471 Rayburn Building
(202) 225-6740

Lesley Primmer
Executive Director

Congressional Caucus for Women's Issues

Congress of the United States
Washington, D.C. 20515

September 20, 1991

Mr. Lewis Preston
President
The World Bank
1818 H Street, NW
Washington, D.C. 20433

Dear Mr. Preston:

We are writing to urge your support for continued and expanded efforts to promote women's participation in international economic development programs sponsored by the World Bank.

Under the strong leadership of Mr. Barber Conable, women in development programs were among the World Bank's top priorities. Announcing his initiative, President Conable said

"Women in developing nations often still lack access to education and training, to health and family planning services, and to information and resources. Often their legal standing is inferior and they are unable to participate in politics and in policy-making. As a result, these women are denied choices in their own lives and also are prevented from contributing all that they might to family well-being and to national progress. There is a direct relationship between expanded opportunities for women and improved health and learning for children, slower population growth, and the easing of environmental pressures."

Since women constitute half of the labor force and produce most of the food in many developing countries, programs to promote sustained development ought to involve both men and women in their design and execution. Most women in the developing world have less education than men, but women's education and income are the main

September 20, 1991
Mr. Lewis Preston

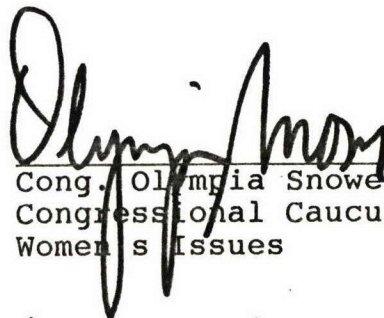
influences on children's survival and well-being. There is a direct relationship between educational and work opportunities for women and improved health and learning for children. Therefore, programs to expand economic growth in developing nations should focus on men and women equally, and take specific steps to ensure women's participation. Simply put, this is not just an equity issue, this is a major economic development issue.

The policies started under the leadership of President Barber Conable to improve women's access to productive resources and the labor market make good economic sense. As the World Bank grapples with expanding demands on its limited resources, we hope you will realize these programs are good investments, and continue to expand them. We would like to meet with you to discuss these issues at your earliest convenience.


Sincerely,



Patricia Schroeder, Co-Chair
Congressional Caucus for
Women's Issues



Olympia Snowe, Co-Chair
Congressional Caucus for
Women's Issues



Senator Barbara A. Mikulski



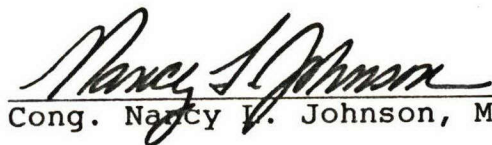
Senator Nancy L. Kassebaum



Cong. Barbara B. Kennelly, M.C.



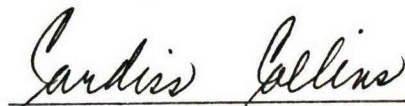
Cong. Rosa E. DeLauro, M.C.



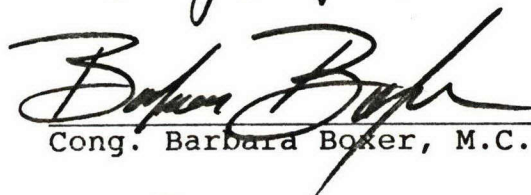
Cong. Nancy L. Johnson, M.C.



Cong. Nancy Kaptur, M.C.



Cong. Cardiss Collins, M.C.



Cong. Barbara Boxer, M.C.



Cong. Nita M. Lowey, M.C.



Cong. Jan Meyers, M.C.

September 20, 1991
Mr. Lewis Preston

Patsy T. Mink
Cong. Patsy T. Mink, M.C.

Elizabeth J. Patterson
Cong. Elizabeth J. Patterson, M.C.

Jolene Unsoeld
Cong. Jolene Unsoeld, M.C.

Constance Morella
Cong. Constance Morella, M.C.

Nancy Pelosi
Cong. Nancy Pelosi, M.C.

Maxine Waters
Cong. Maxine Waters, M.C.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

LEWIS T. PRESTON
President

September 13, 1991

The Honorable Mary Rose Oakar
Chair, Subcommittee on International
Development, Finance, Trade and
Monetary Policy
U. S. House of Representatives
2219 Rayburn House Office Building
Washington, D. C. 20515

Dear Madam Chair:

Thank you for your thoughtful note welcoming me to the World Bank. I am delighted to be here, and look forward to working with you and your colleagues on issues of mutual interest.

I certainly hope we are able to get together in the near future, and have asked Bill Stanton to make the necessary arrangements with your staff.

Thanks again for your interest in the Bank. I look forward to our discussions.

Sincerely,
(Signed) Lewis T. Preston

bcc: Messrs. J.W. Stanton, S. Sandstrom, A. Shakow
Mesdames P. O'Hara/C.Perera
JMaguire:amg
Log EXC910910001

SS

WORLD BANK OFFICE TRACKING SYSTEM
OFFICE OF THE PRESIDENT
Routing and Action Transmittal Sheet

TO: Mr. Shakow (T-8011) DATE: 9/10/91

SUBJECT:

Document From: Mary Rose Oakar
To: ltp
Dated: 9/04/91

Reference No.: EXC910910001

Topic: Welcoming Mr. Preston to the WB. Looking forward to meeting him soon to discuss in particular the US contribution to IFC.

ACTION INSTRUCTIONS: DUE DATE:

- HANDLE
- REVIEW AND RECOMMEND
- FOR YOUR INFORMATION
- DISCUSS WITH _____
- AS WE DISCUSSED
- PREPARE RESPONSE FOR _____ SIGNATURE
- FOR YOUR FILES
- RETURN TO _____
- OTHER: _____

9/13/91

Remarks: cc: Messrs. Stanton, Sandstrom

Please review and recommend to S. Sandstrom by due date.

EXPEDITE

ROSE OAKAR, OHIO, CHAIR
STEPHEN L. NEAL, NORTH CAROLINA
JOHN J. LAFALCE, NEW YORK
ESTEBAN EDWARD TORRES, CALIFORNIA
GERALD D. KLECZKA, WISCONSIN
JOSEPH P. KENNEDY II, MASSACHUSETTS
BARNEY FRANK, MASSACHUSETTS
FLOYD H. FLAKE, NEW YORK
RICHARD E. NEAL, MASSACHUSETTS
MAXINE WATERS, CALIFORNIA
LARRY LAROCCO, IDAHO
BILL ORTON, UTAH
JIM BACCHUS, FLORIDA
JAMES MORAN, JR., VIRGINIA
JOHN COX, JR., ILLINOIS

Sharon
cc: *Sharon*

JIM LEACH, IOWA
DOUG BEREUTER, NEBRASKA
ALFRED A. (AL) MCCANDLESS, CALIFORNIA
CLIFF STEARNS, FLORIDA
BILL McCOLLUM, FLORIDA
MARGE ROUKEMA, NEW JERSEY
PAUL E. GILLMOR, OHIO
JOHN DUNCAN, JR., TENNESSEE
TOM CAMPBELL, CALIFORNIA
MEL HANCOCK, MISSOURI
BERNARD SANDERS, VERMONT

EARL RIEGER
STAFF DIRECTOR AND CHIEF COUNSEL

(202) 226-7515

U.S. HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT,
FINANCE, TRADE AND MONETARY POLICY

OF THE

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

ONE HUNDRED SECOND CONGRESS

2219 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

September 4, 1991

Mr. Lewis T. Preston
President, World Bank Group
1818 H Street, N.W.
Washington, DC 20433

Dear Mr. Preston:

As Chair of the House Banking Subcommittee on International Development, Finance, Trade and Monetary Policy, I want to welcome you to the World Bank. As the new President, I am sure you will encounter many exciting challenges and opportunities.

The Subcommittee which I have the privilege to chair is responsible for authorizing United States contributions to the World Bank, the International Monetary Fund and other multilateral development organizations. We are currently in the process of formulating legislation to authorize, among other things, the U.S. contribution to the International Finance Corporation. As this important measure proceeds toward completion, we look forward to working with you and your staff to ensure the best possible legislation.

In addition, I would like to schedule a time when we can meet to discuss matters of mutual concern. There are many international economic/development issues of great importance unfolding around the world. A personal discussion would be useful to examine these topics. At your convenience, please have your staff contact Earl Rieger at 226-7515 in order to schedule the meeting. ✓

Again, I want to welcome you to the World Bank. I look forward to working with you.

With warm personal regards, I remain

Sincerely,

Mary Rose Oakar

Mary Rose Oakar, Chair
Subcommittee on International
Development, Finance, Trade
and Monetary Policy

MRO:ER:jm

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

September 9, 1991

The Honorable Bill Richardson
204 Cannon House Office Building
U. S. House of Representatives
Washington, D. C. 20515

Dear Congressman Richardson:

Your letter of August 1, 1991 to Mr. Preston concerning the infrastructure needs of the border area between the United States and Mexico has been referred to me for reply.

The border areas of Mexico have been experiencing a very sharp rate of growth, which has put heavy demands on supporting infrastructure services. The North American Free Trade Agreement (NAFTA) is indeed likely to accelerate this growth and these demands. The work of your bipartisan committee is therefore both timely and important.

In cooperation with the World Bank, the Government of Mexico has taken a number of steps to address infrastructure problems in the border area. For example, the Water Supply and Sanitation Loan that the Bank made last year, and the Irrigation and Drainage Sector Loan we anticipate making this year, both finance programs that are national in scope, but which contain projects in the border area. We are working with the Mexican Government on plans for a number of other projects for highways, the railway, the environment, education, housing and urban development which will be similarly structured.

Regrettably, we do not have the type of data you have asked for regarding future infrastructure investment needs on either side of the U.S.-Mexico border. Nor do we have any special views on how to streamline current border practices.

Thank you for your interest in the Bank, and I am sorry that we are not able to be more helpful.

Sincerely yours,

ALEXANDER SHAKOW

Alexander Shakow
Director
External Affairs

bcc: Messrs. Qureshi, Stern, Thalwitz, Shihata, Stanton, Steckhan, Kanchuger
Mesdames J. Maguire, P. O'Hara/C. Perera
Log. EXC910807008; OPNSV081311465060
RKanchuger/JMaguire/amg

WORLD BANK OFFICE TRACKING SYSTEM
OFFICE OF THE PRESIDENT
Routing and Action Transmittal Sheet

Christa
What's the latest on this?
AK
SS
JWS

TO: Mr. ~~Shakow~~ (T-8011) | DATE: 8/09/91

Sven
9-3

MAQ

SUBJECT:

Document From: Members of Congress
To: mr. preston
Dated: 8/01/91

Reference No.: EXC910807008

Topic: Congress now negotiating a free trade agreement linking three countries (US, Mexico, Canada). To conduct 2 field hearings...

ACTION INSTRUCTIONS:

DUE DATE:

9/03/91

- HANDLE
- REVIEW AND RECOMMEND
- FOR YOUR INFORMATION
- DISCUSS WITH _____
- AS WE DISCUSSED
- PREPARE RESPONSE FOR _____ SIGNATURE
- FOR YOUR FILES
- RETURN TO _____
- OTHER: _____

Remarks: cc for info: Messrs. Qureshi, Stern, Thalwitz, Shihata, Stanton, *Shakow* please keep EXC informed of how handled & provide copies of any response.

cc for info: *SS*

LM called the Congl. staff

listed to tell them

- 1) LTP joins Bank 9/1*
- 2) Want to be sure he's aware of this so will bring to his attention*
- 3) In meantime, sending to DPs so they can begin work on it.*

Sven:

Latest on this -- draft with Stern for review as of 9/3. Shakow has decided the response will go under his signature. EXT will provide a copy when finalized.

CP (9/3)

P.S.
Pls. return to me.

L

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 1, 1991

The Honorable Lewis Preston
President
World Bank
1818 H St., NW
Washington, DC 20433

Dear Mr. Preston:

As you know, the United States, Mexico and Canada are now negotiating a free trade agreement linking our three countries. Although it is premature to predict the outcome of these negotiations, every projection shows a dramatic increase in trade between Mexico and the United States over the next several years.

A North American Free Trade Agreement (NAFTA) will add further strains to infrastructure requirements along the border. These requirements are extensive, ranging from adequate roads and bridges to schools, hospitals, housing, and a variety of projects designed to alleviate border environmental problems. To address this vital issues, we have formed a bipartisan, ad hoc committee that represents each of the border states. In addition, we share a common goal of successfully implementing a NAFTA.

We are requesting your input on several key infrastructure components. First, we would like to know if you or your organization has developed any data regarding future infrastructure requirements along the border. We are interested in both identification of specific and general infrastructure needs, and of a prioritization of those needs. We define future border infrastructure requirements as any capital investment in transportation, water and sewer, communication, technology transfer and housing and health care that will result from increased trade between the United States and Mexico. We would also be interested in your advice on how to streamline the various practices currently in place at the border to facilitate trade, immigration, law enforcement, agriculture inspections and other routine procedures.

Second, a key step toward an effective infrastructure plan is the creation of a bi-national authority to develop and implement border infrastructure requirements. Several ideas have been offered, but we would be interested in any suggestions you or your organization may have on an entity comprised of U.S. and Mexican officials to oversee the complete issue of border infrastructure.


The Honorable Lewis Preston
August 1, 1991
Page 2

Third, facilitating increased border development will be expensive. The problems at the border are already extensive, and will become more urgent with the NAFTA. To meet the current demand at the U.S./Mexican border, the U.S. Customs Service and the General Services Administration are in the midst of a \$300 million expansion. Future needs will be even greater and thus, more costly. We would be interested in your thoughts about financing future infrastructure projects. The federal government certainly has a responsibility to finance infrastructure developments along the border. However, given current federal budget constraints, other sources and other resources may be required. We would be particularly interested in suggestions focusing on local and private investment options.


We hope to use the information we gather to introduce legislation on border infrastructure requirements. In addition, we plan to conduct at least two field hearings during which we would like to receive testimony from you or a member of your organization.


Your input will be extremely valuable to us in the coming months. Allow us to thank you in advance for your prompt attention to this request. We look forward to working with you on this issue. Please forward your correspondence or any questions you may have to the contacts listed on the following page.

Sincerely,


Jim Kolbe (AZ-5)
Member of Congress


Ronald D. Coleman (TX-16)
Member of Congress


Jerry Lewis (CA-35)
Member of Congress


Bill Richardson (NM-3)
Member of Congress

BORDER INFRASTRUCTURE CONTACTS

Representative Ronald D. Coleman (TX):

Mary Lou Brunnick
440 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515
(202) 225-4831

Representative Jim Kolbe (AZ):

Barry Moehring
410 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515
(202) 225-2542

Representative Bill Richardson (NM):

Scott Wiener
204 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515
(202) 225-6190

Representative Jerry Lewis (CA):

Darin LaHood
2312 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515
(202) 225-5861

International Finance Corporation

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: CORINTFIN

BARBER B. CONABLE
President

July 29, 1991

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, D.C. 20515

Dear Congresswoman Pelosi:

Thank you for your recent letter, inquiring about the environmental assessment procedures of the IFC. Let me assure you that I place the highest priority on the environmental performance of all member institutions within the World Bank Group.

All IFC projects receive detailed environmental review to ensure that they are consistent with appropriate World Bank guidelines and policies, host country requirements and internationally accepted standards. The details and extent of this environmental review are contained in the current Procedure for the Environmental Review of IFC Projects, a copy of which is enclosed for your information.

As you are aware, IFC operates in partnership with private investors. Private sector sponsors are strongly encouraged by IFC to deal with environmental issues at an early stage in their project preparation activities. Indeed, where projects could have major environmental impacts, the sponsor's ability to satisfactorily address these impacts is an important consideration in the initial decision of whether or not to consider an IFC investment.

For those projects likely to create significant effects on the environment, IFC requires the sponsor to prepare a comprehensive environmental assessment. IFC encourages participation by interested parties as a necessary component to development of a successful environmental assessment. Accordingly, as part of the preparation of such an assessment, IFC reviews with the private sector sponsor their program to release and discuss relevant environmental information with interested parties.

During IFC's project appraisal process, the environmental assessment is usually revised to reflect project changes, to address data deficiencies, and to incorporate suggestions from IFC on the efficacy of proposed mitigation plans and monitoring programs. The final assessment and IFC's agreement on the appropriate environmental safeguards are therefore usually available late in project preparation, often immediately prior to presentation of the project to IFC's Board because the timing of Board presentation also must take account

The Honorable Nancy Pelosi
July 29, 1991
Page 2

of commercial requirements if IFC is to be efficient in carrying out its development mandate. However, IFC does not disburse funds to any project unless all environmental issues have been properly addressed. Further, IFC commits considerable resources to the monitoring of projects after disbursement of funds to ensure, among other things, that private sector sponsors implement agreed mitigation plans.

Our interest, much like yours, is to ensure that IFC remains a positive force for environmentally responsible development. The Procedure for the Environmental Review of IFC Projects has now been in operation for two years and is currently being strengthened by the Corporation's management. The revised Procedure will provide for IFC release of a comprehensive summary of the environmental assessment to all interested parties for those projects with significant potential impacts on the environment. In addition, in order to make IFC's environmental review process even more transparent, the Corporation will prepare an Annual Report on the Environment, which will provide detailed information on IFC's environmental activities.

I believe IFC's revised procedures will ensure environmentally sound investments and thereby help address the development needs of the countries in which it operates. Your interest in the IFC is appreciated.

Sincerely,



Barber B. Conable
President

Procedure for Environmental Review of IFC Projects

Purpose of Review

1. International Finance Corporation (IFC) projects will be subject to an environmental review process to ensure that they are consistent with the spirit and intent of the appropriate Bank guidelines and policies.^{1/} The purpose of this document is to outline the four step procedure to be used in this environmental review process, and to define the responsibilities of those involved in the procedure.
2. The four steps of the environmental review process are project screening, issuance of environmental information requirements, environmental review and project supervision. Information required to complete the environmental review process will vary from project to project depending on complexity and potential impact on the physical, biological and socio-economic environment(s). The length of time required for the environmental review will depend on the completeness of the information provided by the sponsor, and the overall complexity of the problem. The procedures outlined in this document are aimed at ensuring that information necessary for the environmental review is made available in a timely fashion, and that the necessary environmental clearance is given prior to submission of the project to the Board.

Areas of Concern

3. The environmental review process will involve consideration of the following, as appropriate:

- Assessment of baseline environmental situation;
- Sustainable use of natural resources;
- Pollution controls (liquid effluents and air emissions)
and solid and chemical waste management;
- Use of dangerous substances;
- Major hazard analysis;
- Occupational health and safety;
- Fire and life safety;
- Protection of human health, cultural properties,
tribal peoples, endangered species, and sensitive
ecosystems; and
- Resettlement issues.

^{1/} The Bank has recently issued Operational Directive 4.00, Annex A: Environmental Assessment. IFC was excluded from this Directive because of the special circumstances of its work. This procedure will ensure that all IFC projects receive the required environmental review as part of the project cycle.

Responsibility

4. The environmental review of IFC projects is the responsibility of IFC's Environmental Advisor, who reports to the Deputy Director of the Engineering Department. The approval of the project, taking into consideration the findings of the environmental review, remains the responsibility of the Investment Director. During the appraisal process, the Environmental Advisor coordinates his activities through the respective Technical Managers, Engineering Department. It is the responsibility of the Appraisal Team^{2/} to obtain all relevant information from the sponsor and to work closely with the Environmental Advisor during the environmental review process. Communications with the sponsor regarding additional information requirements or conditions associated with the environmental clearance will be the responsibility of the Appraisal Team.

5. The environmental review process will involve consideration of a number of different disciplines. As required the Environmental Advisor will seek necessary technical assistance from specialists within the Environment Department and/or Regional Environment Divisions of IBRD or from outside consultants. It is the Environmental Advisor's responsibility to coordinate with the Bank, to determine if the project conforms with the appropriate Bank guidelines and policies or to make IFC management aware of any issues that are not in conformity with these requirements.

Step 1: Screening

6. At the Initial Project Review (IPR) stage all IFC projects will be screened into one of the following three categories based on their potential environmental impact and thus the required level of environmental analysis:

Category A Projects - may result in diverse and significant environmental impacts thus requiring a detailed environmental assessment.

Category B Projects - may result in specific environmental impacts and require adherence to certain predetermined performance standards, guidelines, or design criteria to mitigate impacts. These projects will not normally require preparation of a detailed environmental assessment. A wide range of environmental guidelines have been developed by local or country authorities, as well as by a number of organizations, including the Bank. Normally the more stringent of the local requirements or Bank guidelines will apply to IFC projects. In addition, specific environmental design criteria can be developed for individual projects.

Category C Projects - normally do not result in any environmental impact and thus do not require any environmental review.

Examples of the types of projects which normally fall within each category are given in Appendix 1.

^{2/} The Appraisal Team normally consists of the Investment Officer, the Engineer and the Economist.

7. It is the responsibility of the Appraisal Team to provide the Environmental Advisor with **necessary** project information for the screening process. The information should be **summarized** by the Engineer in a brief environmental summary memorandum, which should **also propose** the appropriate category for the project. If necessary the Environmental Advisor will then discuss the memorandum with the Appraisal Team prior to approving the category for the project.

8. IFC must have sufficient information on the environmental aspects of a project to allow for proper screening. Early screening and identification of environmental information requirements will ensure that the project sponsor can address these needs in a cost-efficient manner and that these issues can be duly addressed during the project appraisal process, without delaying the project processing cycle.

9. If IFC's normal project appraisal process reveals environmental impacts, which were not considered during the screening process (or vice versa), the Environmental Advisor will re-evaluate the environmental information requirements for the project. The environmental review of a project will be an interactive process requiring communication between the Engineering Department, the Investment Department, the Environmental Advisor and the project sponsor.

Step 2: Environmental Information Requirements

10. Environmental information requirements needed for the project review will be determined by the Environmental Advisor as part of the screening process. Immediately after the IPR and approval by the Investment Review Committee, the Environmental Advisor will document the information requirements and the appropriate Bank guidelines and policies against which the project will be reviewed. The information requirements will be provided to the Appraisal Team, who will then communicate them to the project sponsor. It is primarily the project sponsor's responsibility to prepare and submit the necessary environmental information during the project appraisal process. However, the Environmental Advisor can provide guidance to project sponsors to ensure that this activity is completed in a responsive manner. The environmental information provided to IFC is the sponsor's property, but IFC encourages the sponsor to release relevant information to the appropriate interested parties.

Step 3: Environmental Review

11. Specific activities associated with the environmental review process will depend on the **category** (A, B or C) of the project, as follows:

Category A Projects

- o visit the project site to gain firsthand knowledge of the project and to meet with the project sponsor to discuss environmental information needs and to determine the issues to be addressed in the environmental assessment; and
- o desk review of environmental information provided by the project sponsor and engineer.

Category B Projects

- o desk review of environmental information provided by the project sponsor and engineer.

Category C Projects

- o no environmental review required.

The required site visit will be undertaken by either the Environmental Advisor or the Engineer assigned to the project, as appropriate. However, the review of environmental information will in all cases be completed by the Environmental Advisor. During the Advisor's review, data gaps or other deficiencies may be identified in the documentation. In addition, questions or concerns about the environmental information might arise. In these cases the Appraisal Team will contact the project sponsor to seek necessary clarification or additional information.

12. The purpose of the environmental review process is to determine if the project is in compliance with appropriate Bank guidelines and policies. When the project is deemed by the Environmental Advisor to comply with appropriate Bank requirements, the Advisor will give his opinion to that effect in writing to the Investment Department. Monitoring requirements necessary to determine compliance with appropriate Bank guidelines and policies will also be identified as will recommendations regarding any other obligations of the sponsor. The Appraisal Team will convey these requirements to the sponsor and agreed to requirements will then become part of the Investment Agreement.

Step 4: Supervision

13. During project supervision it will be necessary to monitor the project to ensure compliance with the appropriate Bank guidelines and policies, as well as any other conditions contained in the environmental clearance. While the project clearance will detail the need for periodic monitoring reports, project monitoring will in practice usually occur in one of the following ways:

- (i) periodic reports prepared by the sponsor as a requirement of the Investment Agreement;
- (ii) supervision mission carried out by the Investment Department and assigned Engineer; and/or
- (iii) project site visit by the Environmental Advisor.

The Environmental Advisor will be responsible for this project monitoring activity. In the case of non-compliance with Bank requirements, the Environmental Advisor will discuss an appropriate course of action with the Investment Department and assigned Engineer. The project sponsor will be notified of this action and any necessary followup requirements. The project completion report should evaluate the environmental impacts of the project, noting whether they were anticipated in the environmental assessment, and the effectiveness of mitigating measures adopted by the project sponsor.

Other Issues

Corporate Investment Programs

14. If IFC's investment is aimed at financing a diverse corporate investment program, each major sub-project will be subject to this procedure. For investments in general corporate activities, the overall environmental performance of the sponsor will be assessed and, if necessary, recommendations made to strengthen and improve corporate performance.

Expansions

15. In expansion projects the entire plant (existing and proposed new facilities) will be subject to the environmental review process. The new plant financed by IFC will have to conform to appropriate Bank guidelines and policies. In addition, the sponsor will be made aware of the findings of IFC's environmental review of their existing plant. IFC will issue recommendations and discuss with the sponsor programs to improve the environmental situation. For this purpose, IFC may propose to finance environmental improvements for the existing plant.

Intermediary Lending

16. For loans provided to or administered by financial intermediaries, sub-borrowers projects will be subject to the environmental review outlined in this procedure. In this regard, project implementing institutions will be required to carry out environmental reviews of sub-projects consistent with this procedure. To ensure this, IFC will assess the intermediary's capabilities to carry out environmental reviews. Where necessary IFC will make recommendations to strengthen the intermediary's in-house environmental expertise or to rely regularly on outside consultants satisfactory to IFC. In some cases involving particular environmental issues, IFC may assist implementing institutions directly in their environmental review of sub-projects.

APPENDIX I**CATEGORY A: Projects which result in diverse and significant environmental impacts and require a detailed environmental assessment.**

Projects in this category frequently result in diverse and significant environmental impacts and will be subject to a detailed environmental assessment. Examples of projects in this category are:

- (i) Large Chemical and Petrochemical Plants;
- (ii) Major Oil and Gas Developments;
- (iii) Pulp and Paper Plants;
- (iv) Logging Operations (particularly where the use of tropical rain forests are concerned);
- (v) Large Non-Ferrous Metal Operations;
- (vi) Open Pit Mining and Related Processing Operations;
- (vii) Large Agribusiness and Agricultural Projects;
- (viii) Large Thermal and Hydropower Developments;
- (ix) Domestic and Hazardous Waste Disposal Operations; and
- (x) All Projects which pose Serious Accident or Health Risk.

CATEGORY B: Projects which may result in environmental impacts and require application of performance standards, guidelines or design criteria.

Projects in this category may result in environmental impacts but are susceptible to mitigation through the use of either environmental performance standards or project specific environmental design criteria. These projects will not normally require preparation of a detailed environmental assessment. A wide range of environmental guidelines have been developed by local or country authorities, as well as by a number of organizations, including the Bank, which can be applied to activities in this category. In addition, specific environmental design criteria can be developed for individual projects. Examples of projects in this category are:

- (i) Medium and Small Agribusiness and Agricultural Projects;
- (ii) Electrical Transmission Projects;
- (iii) Oil and Gas Pipelines;
- (iv) Manufacture of Construction Materials and Cement Plants;
- (v) Fertilizer Plants;
- (vi) General Manufacturing;
- (vii) Textile Mills; and
- (viii) Tourism (including hotel projects).

CATEGORY C: Projects which normally do not result in any environmental impact and do not require any environmental review.

Proposed projects in this category normally do not require any environmental analysis. Examples may include advisory assignments, technical assistance or other similar activities.

NANCY PELOSI
5TH DISTRICT, CALIFORNIA

109 CANNON BUILDING
WASHINGTON, DC 20515-0505
(202) 225-4965

DISTRICT OFFICE:
FEDERAL BUILDING
450 GOLDEN GATE AVENUE
SAN FRANCISCO, CA 94102-3460
(415) 556-4862

Congress of the United States
House of Representatives
Washington, DC 20515-0505

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:
COMMERCE, JUSTICE, STATE
AND JUDICIARY

TREASURY, POSTAL SERVICE AND
GENERAL GOVERNMENT

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

NORTHERN CALIFORNIA ZONE WHIP

DEMOCRATIC STUDY GROUP
REGIONAL WHIP

CONGRESSIONAL WORKING GROUP
ON CHINA, CHAIR

June 28, 1991

The Honorable Barber Conable
President
International Bank for Reconstruction and Development
1818 H Street, NW
Washington, D.C. 20433

Dear President Conable:

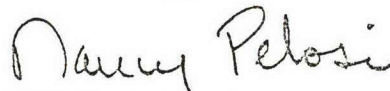
It has come to my attention that there may be some question as to whether the International Finance Corporation (IFC) is required to comply with the environmental assessment mandate of P.L. 101-240. As author of the environmental assessment legislation, I believe that it is the intent of Congress, that all aspects of the World Bank's Program, including the IFC, be affected by the requirement.

Additionally, the IFC is considered by the Congress to be a multilateral development bank and therefore falls under the purview of the environmental assessment requirement of P.L. 101-240, independent of any argument as to whether the IFC chooses to consider itself separate from the World Bank. In either case, the result is the same. The IFC was not considered an exception to this legislation.

I would greatly appreciate receiving an update on the efforts of the IFC to comply with the environmental assessment mandate of P.L. 101-240.

Thank you for your attention to this important issue. I look forward to hearing from you.

Sincerely,



NANCY PELOSI
Member of Congress

NP:cm

cc: Under Secretary David C. Mulford, U.S. Treasury Department
The Honorable Mary Rose Oakar, Chair, House Subcommittee on
International Development, Trade, Finance and Monetary Policy

INTERNATIONAL FINANCE
CORPORATION

ROUTING SLIP		DATE: July 29, 1991	
OFFICE OF THE EXECUTIVE VICE PRESIDENT			
NAME		ROOM NO.	
Mr. B. Conable		E-1227	
① <i>AK/LM 1202 2.60 - ps</i> <i>6 v 2 = 7 3 c 2 - 13 10</i> <i>2012</i>			
<input type="checkbox"/>	APPROPRIATE DISPOSITION	<input type="checkbox"/>	NOTE AND RETURN
<input checked="" type="checkbox"/>	APPROVAL	<input type="checkbox"/>	NOTE AND SEND ON
<input type="checkbox"/>	CLEARANCE	<input type="checkbox"/>	PER OUR CONVERSATION
<input type="checkbox"/>	COMMENT	<input type="checkbox"/>	PER YOUR REQUEST
<input type="checkbox"/>	FOR ACTION	<input type="checkbox"/>	PREPARE REPLY
<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	RECOMMENDATION
<input type="checkbox"/>	INITIAL	<input checked="" type="checkbox"/>	SIGNATURE
<input type="checkbox"/>	NOTE AND FILE	<input type="checkbox"/>	URGENT
REMARKS: <i>A revised . 9 think</i> <i>improved version, less defensive,</i> <i>more positive.</i> <i>W.S.H.</i>			
FROM: Mr. W. Ryrie		ROOM NO.: I-12-015	EXTENSION: 30381