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Washington DC 20433
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PUBLIC DISCLOSURE AUTHORIZED

MR. PRESTON'S TRAVEL

INDIA

November 10-14, 1992

(Book 2 of 3)

Gisu Mohadjer

The World Bank Group
Archives
1483010
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President Lewis T Preston Travel - Gisu Mehadjer - India - November 10 - 14, 1992 - Correspondence - Book 2 of 3

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INDIA

FILE: PRESTON.OTL DRAFT: 10/29/92

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

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FILE: PRESTON.OTL DRAFT: 10/29/92

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INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Biodata of Persons to be Met

Delhi

1. Shankar Dayal Sharma, President of India
2. Manmohan Singh, Finance Minister
3. Balram Jakher, Minister of Agriculture
4. Kalpnath Rai, Minister of State for Power
5. P.V. Narasimha Rao, Prime Minister
6. Kamal Nath, Minister of State for Environment

Press

7. Swaminathan S.A. Aiyer, Editor - Economic Times
8. Aroon Purie, Editor and Publisher, India Today
9. T.N. Ninan, Consulting Editor, Business Standard Group of Publications
10. Prem Shankar Jha, Columnist
11. Suman Dubey, India Correspondent - Asian Wall Street Journal
12. A.M. Khushro, Editor, The Financial Express

Rajasthan

13. Bhairon Singh Shekawat, Chief Minister, Rajasthan
14. Gaj Singh, maharaja of Jodhpur, MP

Bombay

15. C. Subramaniam, Governor of Maharashtra
16. Sudhakar Naik, Chief Minister of Maharashtra
17. Ms. Bakul Patel, Sheriff of Bombay
18. N. Vaghul, Chairman, ICICI
19. S.S. Nadkarni, Chairman, IDBI
20. S. Venkitaramanan, Governor, RBI

Calcutta

21. Jyoti Basu, Chief Minister, West Bengal

II. TRIP OBJECTIVES

INDIA - STATEMENT OF TRIP OBJECTIVES	
COUNTRY POLICY DIALOGUE OBJECTIVES	**APPRECIATION OF DEVELOPMENT ISSUES**
1. Encourage the Government to adopt a bolder pace in putting in place structural reforms over a broad front. In several crucial structural reform areas, the Government has not yet taken decisive action. In spite of the significant stabilization and structural reform measures, the new Government has introduced during its first sixteen months in office, India's macroeconomic situation, particularly the balance of payments and fiscal outlook, remains fragile. Particularly urgent is the need for a comprehensive tax reform to sustain the fiscal adjustment and to compensate for the tax-revenues to be lost by lower tariffs on imports. Without an early start on a major tax reform, trade reform would neither be feasible nor credible. The Government also needs to make rapid progress in further reducing tariffs (still among the highest in the world), reforming the financial system (which is dominated by government banks, many with weak portfolios and inadequate provisions), restructuring public enterprises, and changing labor market regulations to give firms more flexibility in employment decisions.	(i) Gain from the Government a better sense of the political difficulties associated with further stabilization and reform measures and how forcefully the Bank should support the Government's program. (ii) The meetings with the Chief Ministers of Rajasthan, Maharashtra and West Bengal will provide you an opportunity to pursue policy issues at the state level and to obtain a clearer understanding about the impact of the overall adjustment program on the states and how they are managing to carry it through. (iii) Your meetings with entrepreneurs, bankers, academics and other individuals outside the Government will provide a clearer understanding of how the different areas of the society, including the private sector, perceive the reform program.
2. Encourage the Government to translate into decisive action its stated commitment to increase private sector participation in the key areas of oil exploration and production, power and banking.	See (i)-(iii) above
3. Encourage the Government to pursue social sector adjustment in the context of the ongoing fiscal adjustment. Welcome the recent decision of the Government to use external assistance on a larger scale for the improvement of primary education and general literacy and emphasize the importance that we attach to these programs in the use of IDA funds.	3. Obtain from the Government a better sense of its commitment to accelerate the development of India's human resources and to alleviate poverty.
4. Impress on the Government the need to accelerate project implementation and enhance Bank/IDA loan disbursements. Emphasize the increased attention which is now being given by the donor community in general, and the Bank's shareholders in particular, to these issues, including deliberations under the IDA 10 negotiations	4. The visits to the states and field trips to Bank-assisted projects will also provide an opportunity to explore the views of state officials about the appropriateness of the Bank's implementation and supervision arrangements for its projects (in particular, as regards Headquarters versus New Delhi Office based supervision) as well as their perceptions as to the "ownership" of Bank-assisted projects.
5. Emphasize the need for caution in the restart of India's borrowing operations in the international market. Suggest careful preparation of a comprehensive external borrowing strategy.	5. Assess the Government's awareness of the fragility of India's balance of payments and of the international capital markets realities.
6. Confirm the Bank's preparedness to continue strong support of India's adjustment efforts, but point out that the amount of Bank/IDA support will be linked to the Government making progress on the above issues.	

III. MAP OF INDIA

INDIA
SELECTED CITIES AND TOWNS
NATIONAL CAPITAL
STATE OR UNION TERRITORY BOUNDARIES
INTERNATIONAL BOUNDARIES
Approximate Line of Control
Approximate Border as Indicated by India
Approximate Border as Indicated by China
AFGHANISTAN
PAKISTAN
JAMMU AND KASHMIR
HIMACHAL PRADESH
CHANDIGARH
PUNJAB
HARYANA
DELHI
NEW DELHI
UTTAR PRADESH
RAJASTHAN
Jaipur
Agra
Jodhpur
Udaipur
CHINA
NEPAL
SIKKIM
BHUTAN
ASSAM
ARUNACHAL PRADESH
NAGALAND
MEGHALAYA
MANIPUR
TRIPURA
MIZORAM
BIHAR
BANGLADESH
WEST BENGAL
Calcutta
MYANMAR
GUJARAT
MADHYA PRADESH
ORISSA
MAHARASHTRA
Bombay
Bay of Bengal
ANDHRA PRADESH
GOA
KARNATAKA
Arabian Sea
TAMIL NADU
KERALA
SRI LANKA
ANDAMAN
NICOBAR
ISLANDS
0 100 200 300 400 500 MILES AND
0 100 200 300 400 500 600 700 800 KILOMETERS
70°
80°
90°
30°
20°
10°

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Forwarding and address correction requested

I N V I T A T I O N S

AIR MAIL
PAR AVION
CORREO AEREO

Meeting with Finance Minister Singh (1)

Issue Singh is likely to raise:

Continued WB/IDA support for India's adjustment program

WB Position: FY93 operations under preparation:

- $500 m Second Oil & Gas Sector Adjustment;
- $500 m Social Safety Net Adjustment;
- $400 m Financial Sector Adjustment;
- $400-500 m Trade Adjustment.

Issues to be raised by the Bank (cont'd):

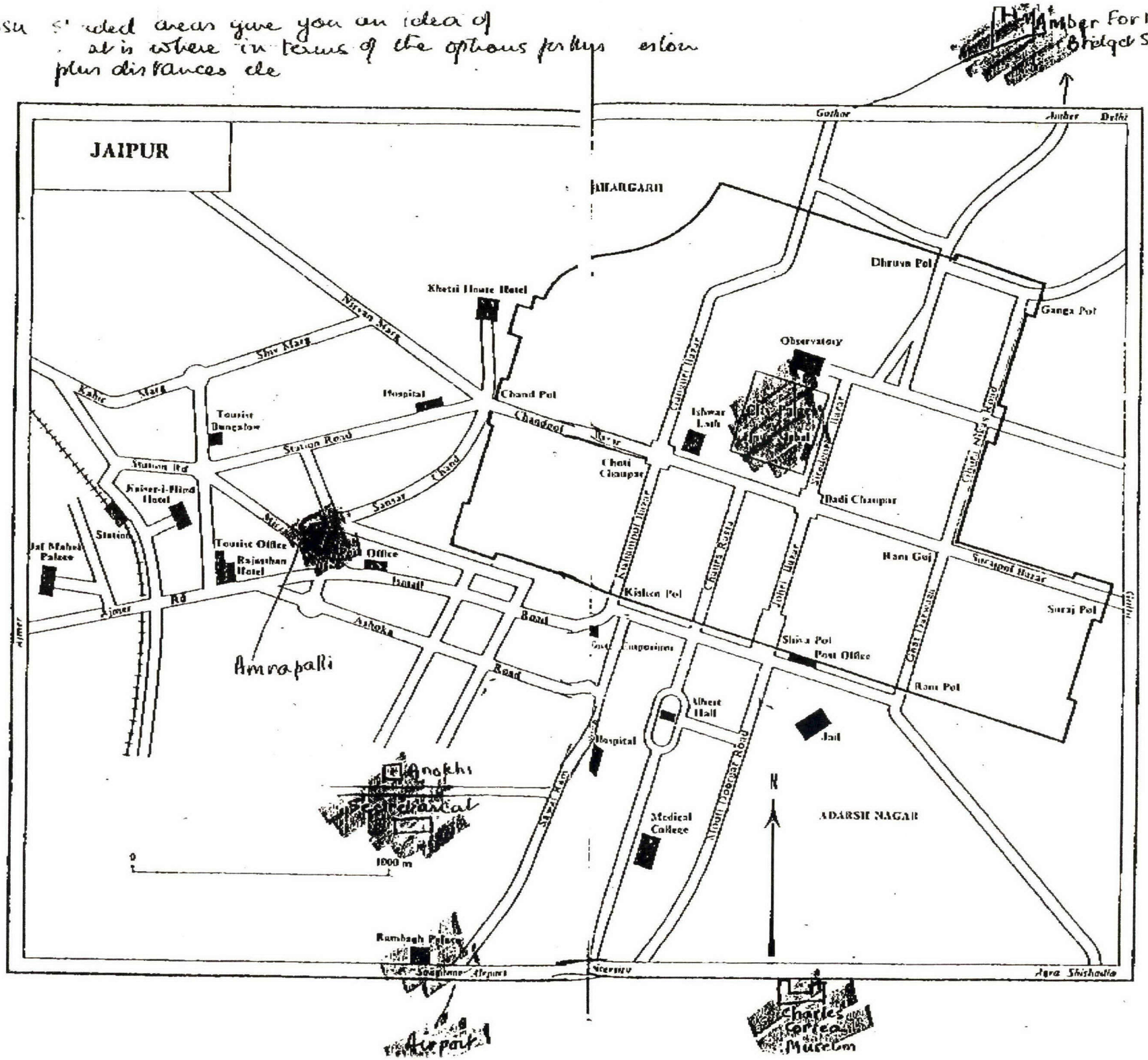
7) Encourage government to give high priority to social sector adjustment and continue using external assistance for the purpose;
8) Stress the need for substantial improvements in Bank/IDA project implementation;
9) Suggest careful consideration of timing for resumption of India's foreign private borrowings;
10) Discuss Narmada Fallout

Issues to be raised by the Bank:

India should accelerate reforms in:

1) Tax System (major reform needed to generate additional revenue);
2) Trade (further tariff reduction needed);
3) Financial Sector (restructure, recapitalize, enable gradual privatization);
4) Public Enterprises (restructure, divest);
5) Labor Market (introduce more flexibility);
6) Increase private sector participation in areas now off limits (hydrocarbon, banking);

Hisu shaded areas give you an idea of
. at is where in terms of the options perhaps eslow
plus distances etc



(Prints)

OCT 22 '92 06:05PM NEW DELHI OFFICE

P.1

10/5/92

Dinner
In Honour of Mr. Lewis T. Preston, President, The World Bank
& Mrs. Preston
by Mr. Hari Shankar Singhania, President, J.K. Organisation
on Thursday, Nov 12, 1992 at 8.15 p.m.
at 19 Prithviraj Road, New Delhi 110 011

Guests

1.	Mrs & Mr Lewis T Preston	President, The World Bank
2.	Mr D Joseph Wood	Vice President, The World Bank
3.	Mr. Heins Vergin	Director - Asia Dept, The World Bank
4.	Ms. Gisu Mohadjer	Asst to President, The World Bank
5.	Mrs & Mr. Oktay Yenal	Chief of Mission, The World Bank, Delhi
6.	Mrs & Mr Erling Dessau	Resident Repv, UNDP, New Delhi
7.	Mr. Warrel D Freeman	Director, Asia Dept, IFC
8.	Mr. Antonio David	Principal Investment Officer, Asia Region, IFC
9.	Mrs & Mr Philippe Petit	French Ambassador
10.	Mr. Hans-George Wieck	German Ambassador
11.	Mrs. & Mr. P.K. Dave,	Lt. Governor, Delhi
12.	Mr. & Mrs. K.C. Pant	Chairman, Finance Commission
13.	Mrs. & Mr. A.N. Varma,	Principal Secretary to Prime Minister
14.	Mrs. & Mr. A.V. Ganesan	Commerce Secretary, Government of India
15.	Mr. S.V. Giri	Secretary, Dept of Education, Ministry of HRD
16.	Mrs. & Mr. R.L. Misra	Secretary (Health), Ministry of Health & Family Welfare
17.	Mr. & Mrs. Montek Singh Ahluwalia	Secretary, Dept of Economic Affairs, Ministry of Finance
18.	Mrs. & Mr. N.K. Singh	Jt Secretary, Dept of Eco. Affairs, Min. of Finance
19.	Ms. Savitri Kunadi	Jt. Secretary (UN), Ministry of External Affairs
20.	Mr. Neeraj Prasad	Director, Min of Finance(Co-ordinating Officer)
21.	Mr. Pradeep Puri	Dy. Secretary, Min of Finance(Co-ordinating Officer)
22.	Mrs. & Mr. Swaminathan Aiyer	Editor, Economic Times
23.	Mrs. & Mr. T.N. Ninan	Consulting Editor, Business World
24.	Dr. Bharat Ram	Chairman-Emiritus, DCM Limited
25.	Dr. N.M. Dhuldhoya,	President, ASSOCHAM
26.	Mr. & Mrs. Kantikumar R. Podar	President, FICCI
27.	Mr. L.M. Thapar	Chairman, Thapar Group of Industries
28.	Mr. & Mrs. C.K. Birla	Chairman, Hindustan Motors Ltd.
29.	Mr. R.P. Goenka,	Chairman, RPG Enterprises
30.	Mr. H.P. Nanda,	Chairman, Escorts Limited
31.	Mr. Rahul Bajaj	Chairman & Mg. Director, Bajaj Auto Ltd.
32.	Mrs. & Mr. Raunaq Singh	Chairman, Raunaq Enterprises
33.	Mr. Ashok K. Jain	Chairman, Times of India Group
34.	Mr. Brij Mohanlall Munjal	Chairman, Hero Honda Ltd.
35.	Mr. R.C. Bhargava	Chairman, Maruti Udyog Ltd.
36.	Mr. Sanjay Dalmia	Chairman, GTC Industries Ltd.
37.	Mr. & Mrs. Govind Hari Singhania	Vice Chairman & Mg. Director, J.K. Synthetics Ltd.
38.	Mr. & Mrs. Bharat Hari Singhania	Director, J.K. Organisation
39.	Mr. & Mrs. Raghupati Singhania	Managing Director, J.K. Industries Ltd.
40.	Mrs. Vinita Singhania	Director, Straw Products Ltd.
41.	Mr Hari Shankar Singhania - Host	President, J.K.Organisation and Vice President, International Chamber of Commerce

Total: 38 + 21 = 59

A L L - I N - 1 N O T E

DATE: 02-Nov-1992 07:36am EST

TO: GREGOR DOLENC (GREGOR DOLENC @A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: Re Preston Visit

Two changes in Mr Preston's Itinerary have been suggested by DEA -

1. In Calcutta:

10.00 am ETA at Calcutta (Mrs Preston proceeds to hotel)

10.30 am - Mr Preston to call on Chief Minister Jyoti Basu at his residence in Salt Lake City, and proceed to Taj Bengal hotel.

.0 am - Mr and Mrs Preston to leave hotel.

11.30 am - Mr and Mrs Preston arrive Nirmal Hriday, to meet Mother Teresa.

Note: Lunch can be private at the Taj Mahal Hotel.

2. There is a request from the Indian Chambers of Commerce of Bengal to call on the President for ten minutes. This can be set up at the Hotel before lunch if desired.

Re Mrs Preston :

1. Please refer to the October 29 itinerary for Mrs Preston, and make the following change in her program. On November 11, the visit to Crafts Museum will be switched with the visit to the National Museum on the 12th (3.30 pm) since the Crafts Museum Director is especially getting back to Delhi from Boston on the 12th morning to be on hand for Mrs Preston's visit.

2. Re Jaipur program : I would be grateful if you could clear the following suggestions with Gisu for Mrs Preston -

0905 - 0915 am visit Museum of Rajasthan Art and Culture.
0915 - 1000 am - Anokhi.
- 1115 am - Visit Jantar Mantar, City Palace and have tea with Maharani.
1115 - Depart Palace. (perhaps Mr Preston will meet her there and they could proceed to the airport together)
1130 - Arrive airport.

Re Rajasthan/Bombay/Calcutta - My understanding is that Ms Wood and Vergin will be with LTP for the entire trip, with Mr Wood proceeding to Dacca. We assume that Mr.Yenal will be present in Bombay and Calcutta but not in Rajasthan. Please confirm. Mr.Godavitarne and possibly Mr.Tharmaratnam will meet up with the team in Bombay for briefings on the Urban Sector and the meetings on Industry.

In case you have not received them given below are a few lines each on Chief secretary Haryana and Maharashtra. For the Maharastra program, please note that the lunch is now being hosted by the Governor, Reserve Bank.

P.S.Ojha, Chief Secretary, Haryana
IAS 1959 batch. He has been for many years a Finance Secretary and Principal Secretary to successive Chief Ministers. Chairman and Managing Director, Haryana State Industrial Development Corporation.

Also President of the Gymnastics Federation

S.Ramamurthy, Chief Secretary, Maharashtra
IAS 1959 batch. Has a background in Statistics, spent one year at Princeton University (USA). served in the central Government in the [illegible]cation Ministry. Before being appointed as Chief Secretary, he was [illegible] Secretary with the Government of Maharashtra.

Best regards

Bim Bissell

CC:	BIMLA N BISSELL	(BIMLA N BISSELL AT A1 AT DELHI)
CC:	HEINZ VERGIN	(HEINZ VERGIN @A1@VAX12)
CC:	JAVAD KHALILZADEH-SHIRAZI	(JAVAD KHALILZADEH-SHIRAZI @A1@VAX12)
CC:	EILEEN SULLIVAN	(EILEEN SULLIVAN @A1@VAX12)
CC:	Oktay Yenal	(OKTAY YENAL AT A1 AT DELHI)

MRS PRESTON - VISIT TO INDIA

PROGRAM

Tuesday, November 10, 1992

AGRA, INDIA

9.00 am	*Departure from Karachi to Delhi, for estimated arrival in Delhi at 10.30 am. Departure from Delhi after clearing customs, by military place to Agra. Bags will be taken from Delhi airport directly to the hotel in Delhi. You may wish to carry a small bag with you to Agra.*
11.15 am	*Arrival in Agra. You will have a day room at the Mughal Sheraton Hotel*
11.45 am	*Visit to the Taj Mahal*
1.00 pm	*Lunch at the Mughal Sheraton Hotel*
2.30 pm	*Depart for Fatehpur Sikri. Akbar, the third Mughal Emperor, built this imperial city to pay tribute to the saint who had told Akbar that he would have three sons. Built in the late 16th century, the city was only occupied, and used as Akbar's capital, for 14 years. This 400 years old city is built of stone and is perfectly preserved. The weather is expected to be warm, and you should wear comfortable walking shoes.**
4.15 pm	*Leave Fatehpur Sikri for Airport*
4.45 pm	*Departure for Delhi*
5.15 pm	*Arrival in Delhi*
6.00 pm	*Check-in at Oberoi Hotel*
	Free Evening

*Note: *Advisable to wear a scarf and slipper socks in case you need to cover your head and take off shoes for visit to Saint Chisti's Tomb in the Complex.*

Ms. M. Eisel (for your Black Book)

Revised program of Mrs Preston visit

MRS PRESTON - VISIT TO INDIA
PROGRAM
Wednesday, November 11, 1992

NEW DELHI, INDIA

8.00 am		*Depart Oberoi for visit of South Delhi* *The visit will include stops at the following places :*
8.30 am	-	*Bahai House of Worship known locally as the Lotus Temple; (Mr.R N Shah, Secretary General of the National Spiritual Assembly of Bahai's)*
9.00 am	-	*Kalkaji Devi Temple, an important Hindu Temple;*
9.45 am	-	*Spastics Society Centre, a centre run by this non-government organization to provide rehabilitation services to multi-handicapped persons and the cerebral palsied;*
10.45 am	-	*Qutub Minar, built in the early 13th century by the Muslim rulers of India to proclaim the victory of Islam over the infidel.The Carma Fashion Gallery, where local designers show their work, is also part of the complex.*
		[Mr Preston will leave at 8.30 am for a helicopter field trip to Haryana to visit irrigation sites and village water supply schemes]
12.00 noon		*Depart Carma*
12.15 pm		*Arrive at Hotel*
12.50 pm		*Depart Hotel*
1.00 pm		*Lunch hosted by Mrs Manmohan Singh, the wife of the Minister of Finance at 8 Krishna Menon Marg*
3.30 pm		*Visit Cottage Industries Emporium of Indian textiles and handicrafts and Sundar Nagar Market, specializing in jewellery and handicrafts. You will be able to buy cottons, silks, raw silks to have sewn into garments (tailor will come at 5:30 pm)*
5.30 pm		*Return to Hotel. Tailor will meet you at the Hotel, to take your style sample and any material, for next day delivery*
7.30 pm		*Cocktails and Dinner (with Mr Preston) at the Taj Mahal Hotel, hosted by Minister of Finance (Manmohan Singh)*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Thursday, November 12, 1992

NEW DELHI

9.15 am	*Meeting with staff at Resident Mission (with Mr Preston) (Possible walk through Lodi Gardens and past construction site of new building - 5-10 mins)*
10.00 am	*Press briefing at 55 Lodi Estate (with Mr Preston)*
11.00 am	*Visit to Santhushti Shopping Complex, which has a collection of small boutiques selling giftware, ceramics, household linens, leather goods, garments.*
12.00 noon	*Return to Hotel*
12.25	*Depart Hotel*
12.30 pm	*Lunch with prominent women, hosted by Mrs Yenal, wife of the Resident Representative*
3.30 pm	*Visit to Crafts Museum and to see craftsmen at work with the Director, or National Museum, to view the excellent collections of miniatures, jewellery, and stone carvings. Accompanied by Museum Director*
4.30 pm	*Return to Hotel*
5.00 pm	*Leave Hotel (with Mr Preston) to call on the President*
5.30 pm	*Call on the President at Rashtrapati Bhavan (with Mr. Preston)*
6.15 pm	*Return to Hotel (with Mr Preston)*
7.00 pm	*Cultural Program, hosted by Mr.R.P.Goenka at 20 A Prithviraj Road (with Mr Preston)*
8.00 pm	*Dinner by HMV/President-Designate (Mr.H.S.Singhania), Asia-Pacific Chamber of Commerce, 19, Prithviraj Road*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Friday, November 13, 1992

NEW DELHI- JAIPUR- JODHPUR- UDAIPUR

7.45 am	*Depart for Jaipur by government aircraft (with Mr Preston)*
8.50 am	*Arrive in Jaipur (with Mr Preston)*
9.10 - 9.25 am	*En route from the airport stop at Jawahar Kala Kendra, Rajasthan Institute for Arts and Culture (10 mins. for a quick walk through)*
9.35 am	*Visit to Anokhi, a shop selling cotton hand-printed textiles, clothes and linens. There is an Anokhi store in Cambridge, MA, but it does not have the range or diversity of items found in the original store in Jaipur*
10.00-11.15 am	*Visit Jantar Mantar and City Palace and tea with the Maharani Padmini Devi of Jaipur. This will enable you to see the interior of this early 18th century palace, and visit the Museum which houses a fine collection of Indian miniatures, royal costumes and jewellery.* *Jantar Mantar is an 18th century astronomical observatory, which is next door to the City Palace* *(Mr.Preston will have a separate program in Jaipur. He will visit a polytechnic institute, and call on the Chief Minister of Rajasthan*
11.30 am	*Depart for Jodhpur (with Mr Preston)*
12.15 noon	*Arrive in Jodhpur. Visit to Umaid Maternal Health and Child Care Hospital, run by the Government (with Mr Preston)*
1.30 pm	*Lunch at the Mehrangarh Fort, hosted by the Maharaja of Jodhpur (with Mr Preston). The Fort and Museum are fine examples of Rajasthani fortified palaces. Witness traditional Rajasthani pageant en route to the airport.*
3.30 pm	*Depart for the airport*
3.50 pm	*Depart for Udaipur (with Mr Preston).*

4.30 pm

Arrive Udaipur. Stay overnight at the Lake Palace Hotel. Known as the most romantic hotel in India, the Lake Palace Hotel is famous for its afternoon tea, Rajasthani folk dance performances and puppet shows. You and Mr Preston are both free in the afternoon and evening, but following could be arranged :

- *Visit to City and Jag Mandir palaces;*
- *Shopping at Mangalam Arts for Indian handicrafts, and at the Lake Palace Hotel for old jewellery;*
- *Boat ride with a Sound and Light show and dance performance*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Saturday, November 14, 1992

BOMBAY

7.30 am	*Depart for Bombay (with Mr Preston)*
9.45 am	*Arrival in Bombay. Proceed directly to Dharavi for a visit to Bombay Urban Development Project and family welfare facility accompanied by Mrs Bakul Patel, Sheriff of Bombay (with Mr Preston). The urban slums you will be visiting are close to the airport, and on the way to the hotel*
11.30 am	*Arrival at Taj Mahal Hotel*
1.00 pm	*Lunch hosted by Mrs Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel*
	[Mr Preston has a meeting at noon with the Chief Minister, and a separate lunch]
3.00 pm	*Project visit to urban slum clearance sites at Charkop with Mr.Preston*
4.30 pm	*Return to Hotel*
5.30 pm	*Press Briefing*
6.45 pm	*Ethnic Handloom Display, Taj Hotel*
7.45	*Call on Governor, Maharashtra*
8.00 pm	*Dinner hosted by the Governor of Maharashtra, with Mr Preston [Mr Preston has a Press Briefing at 7.00 pm]*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Sunday, November 15, 1992

CALCUTTA

8.30 am	*Depart for airport*
9.00 am	*Depart for Calcutta by Government aircraft (with Mr Preston)*
11.30 am	*Arrive in Calcutta*
12.00 noon	*Visit Mother Teresa's Home for the Dying and Destitute at Kalighat*
12.45 pm	*Depart Hotel for airport*
1.45 pm	*Depart for Dhaka*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Tuesday, November 10, 1992

AGRA, INDIA

9.00 am	*Departure from Karachi to Delhi, for estimated arrival in Delhi at 10.30 am. Departure from Delhi after clearing customs, by military place to Agra. Bags will be taken from Delhi airport directly to the hotel in Delhi. You may wish to carry a small bag with you to Agra.*
11.15 am	*Arrival in Agra. You will have a day room at the Mughal Sheraton Hotel*
11.45 am	*Visit to the Taj Mahal*
1.00 pm	*Lunch at the Mughal Sheraton Hotel*
2.30 pm	*Depart for Fatehpur Sikri. Akbar, the third Mughal Emperor, built this imperial city to pay tribute to the saint who had told Akbar that he would have three sons. Built in the late 16th century, the city was only occupied, and used as Akbar's capital, for 14 years. This 400 years old city is built of stone and is perfectly preserved. The weather is expected to be warm, and you should wear comfortable walking shoes.**
4.15 pm	*Leave Fatehpur Sikri for Airport*
4.45 pm	*Departure for Delhi*
5.15 pm	*Arrival in Delhi*
6.00 pm	*Check-in at Oberoi Hotel*
	Free Evening

*Note: *Advisable to wear a scarf and slipper socks in case you need to cover your head and take off shoes for visit to Saint Chisti's Tomb in the Complex.*

MRS PRESTON - VISIT TO INDIA
PROGRAM
Wednesday, November 11, 1992

NEW DELHI, INDIA

8.00 am		*Depart Oberoi for visit of South Delhi* *The visit will include stops at the following places :*
8.30 am	-	*Bahai House of Worship known locally as the Lotus Temple; (Mr.R N Shah, Secretary General of the National Spiritual Assembly of Bahai's)*
9.00 am	-	*Kalkaji Devi Temple, an important Hindu Temple;*
9.45 am	-	*Spastics Society Centre, a centre run by this non-government organization to provide rehabilitation services to multi-handicapped persons and the cerebral palsied;*
10.45 am	-	*Qutub Minar, built in the early 13th century by the Muslim rulers of India to proclaim the victory of Islam over the infidel.The Carma Fashion Gallery, where local designers show their work, is also part of the complex.*
		[Mr Preston will leave at 8.30 am for a helicopter field trip to Haryana to visit irrigation sites and village water supply schemes]
12.00 noon		*Depart Carma*
12.15 pm		*Arrive at Hotel*
12.50 pm		*Depart Hotel*
1.00 pm		*Lunch hosted by Mrs Manmohan Singh, the wife of the Minister of Finance at 8 Krishna Menon Marg*
3.30 pm		*Visit Cottage Industries Emporium of Indian textiles and handicrafts and Sundar Nagar Market, specializing in jewellery and handicrafts. You will be able to buy cottons, silks, raw silks to have sewn into garments (tailor will come at 5:30 pm)*
5.30 pm		*Return to Hotel. Tailor will meet you at the Hotel, to take your style sample and any material, for next day delivery*
7.30 pm		*Cocktails and Dinner (with Mr Preston) at the Taj Mahal Hotel, hosted by Minister of Finance (Manmohan Singh)*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Thursday, November 12, 1992

NEW DELHI

9.15 am	*Meeting with staff at Resident Mission (with Mr Preston) (Possible walk through Lodi Gardens and past construction site of new building - 5-10 mins)*
10.00 am	*Press briefing at 55 Lodi Estate (with Mr Preston)*
11.00 am	*Visit to Santhushti Shopping Complex, which has a collection of small boutiques selling giftware, ceramics, household linens, leather goods, garments.*
12.00 noon	*Return to Hotel*
12.25	*Depart Hotel*
12.30 pm	*Lunch with prominent women, hosted by Mrs Yenal, wife of the Resident Representative*
3.30 pm	*Visit to Crafts Museum and to see craftsmen at work with the Director, or National Museum, to view the excellent collections of miniatures, jewellery, and stone carvings. Accompanied by Museum Director*
4.30 pm	*Return to Hotel*
5.00 pm	*Leave Hotel (with Mr Preston) to call on the President*
5.30 pm	*Call on the President at Rashtrapati Bhavan (with Mr. Preston)*
6.15 pm	*Return to Hotel (with Mr Preston)*
7.00 pm	*Cultural Program, hosted by Mr.R.P.Goenka at 20 A Prithviraj Road (with Mr Preston)*
8.00 pm	*Dinner by HMV/President-Designate (Mr.H.S.Singhania), Asia-Pacific Chamber of Commerce, 19, Prithviraj Road*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Friday, November 13, 1992

NEW DELHI- JAIPUR- JODHPUR- UDAIPUR

7.45 am	*Depart for Jaipur by government aircraft (with Mr Preston)*
8.50 am	*Arrive in Jaipur (with Mr Preston)*
9.10 - 9.25 am	*En route from the airport stop at Jawahar Kala Kendra, Rajasthan Institute for Arts and Culture (10 mins. for a quick walk through)*
9.35 am	*Visit to Anokhi, a shop selling cotton hand-printed textiles, clothes and linens. There is an Anokhi store in Cambridge, MA, but it does not have the range or diversity of items found in the original store in Jaipur*
10.00-11.15 am	*Visit Jantar Mantar and City Palace and tea with the Maharani Padmini Devi of Jaipur. This will enable you to see the interior of this early 18th century palace, and visit the Museum which houses a fine collection of Indian miniatures, royal costumes and jewellery.* *Jantar Mantar is an 18th century astronomical observatory, which is next door to the City Palace* *(Mr.Preston will have a separate program in Jaipur. He will visit a polytechnic institute, and call on the Chief Minister of Rajasthan*
11.30 am	*Depart for Jodhpur (with Mr Preston)*
12.15 noon	*Arrive in Jodhpur. Visit to Umaid Maternal Health and Child Care Hospital, run by the Government (with Mr Preston)*
1.30 pm	*Lunch at the Mehrangarh Fort, hosted by the Maharaja of Jodhpur (with Mr Preston). The Fort and Museum are fine examples of Rajasthani fortified palaces. Witness traditional Rajasthani pageant en route to the airport.*
3.30 pm	*Depart for the airport*
3.50 pm	*Depart for Udaipur (with Mr Preston).*

4.30 pm

Arrive Udaipur. Stay overnight at the Lake Palace Hotel. Known as the most romantic hotel in India, the Lake Palace Hotel is famous for its afternoon tea, Rajasthani folk dance performances and puppet shows. You and Mr Preston are both free in the afternoon and evening, but following could be arranged :

- *Visit to City and Jag Mandir palaces;*
- *Shopping at Mangalam Arts for Indian handicrafts, and at the Lake Palace Hotel for old jewellery;*
- *Boat ride with a Sound and Light show and dance performance*

MRS PRESTON - VISIT TO INDIA

PROGRAM

Saturday, November 14, 1992

BOMBAY

7.30 am	*Depart for Bombay (with Mr Preston)*
9.45 am	*Arrival in Bombay. Proceed directly to Dharavi for a visit to Bombay Urban Development Project and family welfare facility accompanied by Mrs Bakul Patel, Sheriff of Bombay (with Mr Preston). The urban slums you will be visiting are close to the airport, and on the way to the hotel*
11.30 am	*Arrival at Taj Mahal Hotel*
1.00 pm	*Lunch hosted by Mrs Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel*
	[Mr Preston has a meeting at noon with the Chief Minister, and a separate lunch]
3.00 pm	*Project visit to urban slum clearance sites at Charkop with Mr.Preston*
4.30 pm	*Return to Hotel*
5.30 pm	*Press Briefing*
6.45 pm	*Ethnic Handloom Display, Taj Hotel*
7.45	*Call on Governor, Maharashtra*
8.00 pm	*Dinner hosted by the Governor of Maharashtra, with Mr Preston [Mr Preston has a Press Briefing at 7.00 pm]*

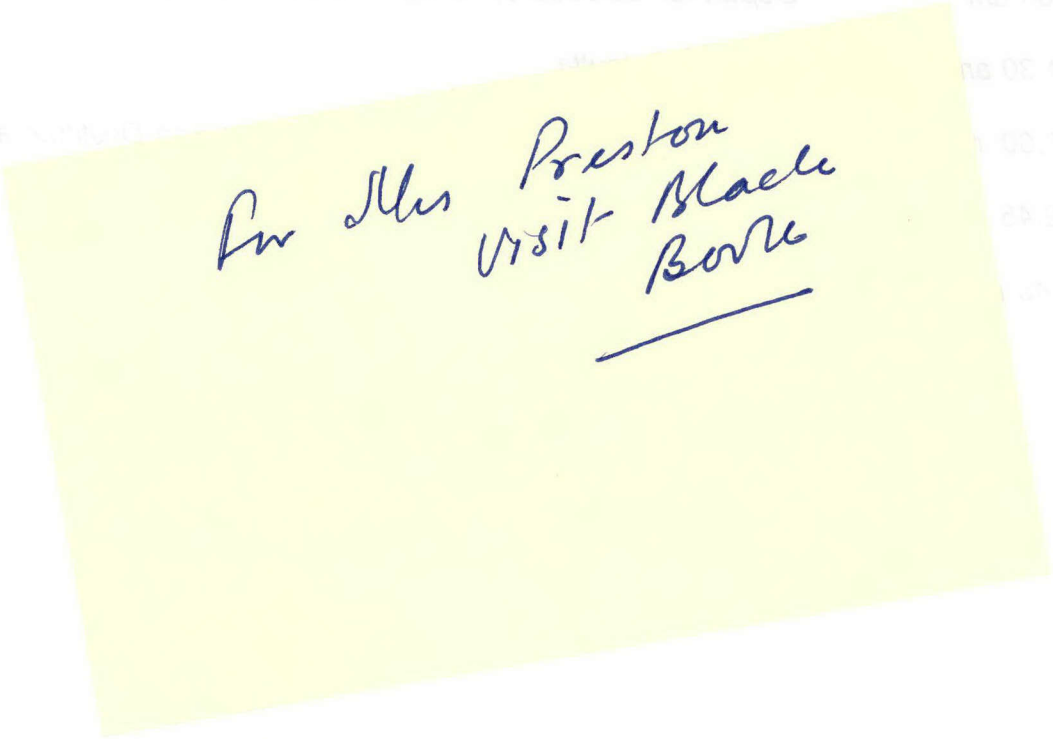
MRS PRESTON - VISIT TO INDIA

PROGRAM

Sunday, November 15, 1992

CALCUTTA

8.30 am	*Depart for airport*
9.00 am	*Depart for Calcutta by Government aircraft (with Mr Preston)*
11.30 am	*Arrive in Calcutta*
12.00 noon	*Visit Mother Teresa's Home for the Dying and Destitute at Kalighat*
12.45 pm	*Depart Hotel for airport*
1.45 pm	*Depart for Dhaka*


For Mrs Preston
Visit Blackpool

11/15 - Bombay / Calcutta / Dhaka.

5-40am / 3-20pm / arr. 4-30
7.55

4-pm - 6-15.

4.30 - 10-0.

	LV.	ARR. Calcutta.
Bombay	5-40	7.55
	4-00	6-15
	4.30 (3 steps).	10-0

	LV.	ARR.
Calcutta	11-50	1-00
	3-20	4.30
	7-10	8-20.
	LV.	ARR.

Dhaka

Gisu

Nov. 15 Bombay - Dhaka

checked connections thru Calcutta, Delhi, Singapore

only option 11/15 is

5:45 am Bombay - Calcutta 7:55 am

3:20 pm Calcutta - Dhaka 4:30 pm

There is a morning flight from Delhi - Dhaka on the 15th

6:00 am - 8:35 am Air India (business)

which would require getting to Delhi the evening of the 14th

(best option) 6:00 pm - 7:50 pm Air India (1st)

but also (1) 3:00 - 4:55 pm (economy)

(2) 9:00 - 10:55 pm (business)

(3) 10:00p - 11:50 pm (business)

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FILE: PRESTITN.V28 DRAFT: 10/29/92

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

I. ITINERARY

Tuesday, November 10: **KARACHI/AGRA [FREE DAY]**

8:30 am	Depart Karachi for Delhi (Charter)
10:30 am	Arrive Delhi
11:00 am	Depart for Agra (GOI aircraft)
11:30 am	Arrive Agra
11:45 am	Depart for Mughal Sheraton Hotel
12:30 am	Visit Taj Mahal
1:30 pm	Return to the Mughal Sheraton Hotel
	LUNCH
Afternoon	**FREE TIME**
4:15 pm	Depart for Airport (to Delhi)
4:45 pm	Depart Agra
5:15 pm	Arrive New Delhi (Domestic Airport)
6:00 pm	Check in to Oberoi Hotel
Evening	**FREE TIME**

Wednesday, November 11: **DELHI**

8:00 am	Depart hotel for airport
8:30 am	Leave Delhi airport by Helicopter
8:55 am	Arrive Salahawas (75 kms from Dalhi by Air) - Visit Pumping station of Jawaharlal Lift Canal Irrigation Scheme - Meet farmers beneficiaries
9:25 am	Leave Salahawas by Helicopter (55 kms by Air)
9:45 am	Arrive Bopoura

- Visit Bhapora Water Supply Scheme integrated with irrigation system, to supply drinking water to 35 villages in saline areas.

10:00 am Leave Bopoura by Helicopter
- Fly over modernized canal system (lined water courses and distributories under Haryana I & II) and over sprinkler irrigation areas.

10:35 am Arrival at Delhi

11:00 pm Arrival back at Oberoi Hotel

12:30-2:30 pm Lunch/briefing at 11A Prithviraj Road

2:30 pm **STATE OF STRUCTURAL REFORM: Briefing**

2:45 pm Depart for call on Finance Minister

3:00 pm Call on Finance Minister

3:45 pm **AGRICULTURE/POWER: Briefing (en route to meeting)**

4:00 pm Call on Minister of Agriculture

4:45 pm Call on Minister of Power

5:15 Pm **PRIVATE SECTOR DEVELOPMENT: Briefing (en route to meeting)**

5:30 pm Round table meeting with senior officials (about 15 altogether) of major business associations (FICCI, ASSOCHAM, CII - at the FICCI Bldg)

7:00 pm Arrival back at hotel to change for cocktails/dinner

7:30 pm Cocktails by Senior Finance Ministry Official - either Secretary, Finance or Secretary, DEA at the Villa Medici - Taj Mahal Hotel

8:30 pm Dinner hosted by Finance Minister - Casa Medici, Taj Mahal Hotel

Thursday, November 12: **DELHI**

9:15 am Brief address and meet NDO and IFC staff; UNDP Conf. Room

9:45 am Press Discussion; Briefing at NDO

10:00 am Press Discussion with 4 or 5 senior economic editors at Resident Mission

FILE: PRESTITN.V28 DRAFT: 10/29/92

11:15 am	**BRIEFING FOR MEETING WITH THE PRIME MINISTER**
11:30 am	Brief stop at Hotel
12:00 noon	Meeting with Prime Minister, followed by a lunch hosted by the PM - 7 Race Course Road
2:15 pm	To hotel
3:30 pm	**ENVIRONMENT/FOREST: Briefing**
4:00 pm	Call on Minister of State for Environment/Forest - CGO Complex
5:00 pm	Departure for Rashtrapati Bhavan
5:30 pm	Call on the President - Rashtrapati Bhavan
6:15 pm	Return to hotel to change for dinner
7:00 pm	Cocktails and Cultural Program followed by dinner hosted by the business community at 19 and 20A, Prithviraj Road

Friday, November 13: **DELHI/JAIPUR/JODHPUR/UDAIPUR**

7:45 am	Depart hotel for airport
8:15 am	Depart for Jaipur (GOI aircraft)
8:50 am	Arrive Jaipur
9:15 am	Arrive Khaitan Polytechnic, Jaipur to view Technician Education project
9:45 am	Depart Polytechnic
10:00 am	Call on the Chief Minister, Rajasthan
11:00 am	Pick up Mrs. Preston from City Palace and proceed to airport
11:30 am	Depart for Jodhpur (GOI aircraft)
12:05 pm	Arrival Jodhpur - Visit to government run Umaid Maternal health and Child Care Hospital
12:50 pm	Brief stopover at Hotel (Umaid Bhavan)
1:15 pm	Depart for Fort
1:30 pm	Lunch at the Mehrangarh Fort
3:40 pm	Depart for Udaipur

5:00 pm	Arrival/check-in at Udaipur Lake Palace Hotel
	FREE TIME
Evening	Dinner and entertainment

Saturday, November 14: **BOMBAY**

7:00 am	Depart Hotel for Bombay
7:40 am	Arrive airport
7:45 am	Depart for Bombay (GOI aircraft)
9:15 am	Arrive Bombay.
9:45 am	Arrive Dharavi for visit to Bombay Urban Development Project and Population V - escorted by Bakul Patel (Mayor of Bombay)
10:45 am	Depart Dharavi
11:30 am	Check-in Taj Mahal Hotel
12:00 noon	Meeting with Chief Minister, Maharashtra
12:45 am	**PRIVATE SECTOR DEVELOPMENT/FINANCIAL SECTOR: Briefing**
1:00 pm	Lunch hosted by Governor, Reserve Bank, Bombay Merchants Chamber, etc.; IDBI Bldg, near World Trade Centre
Afternoon	**INFRASTRUCTURE ISSUES: Briefing**
2:30 pm	Depart by Helicopter
2:50 pm	Arrive Charkop. Visit lower income housing project
4:00 pm	Return to hotel
7:00 pm	Press Briefing
7:30 pm	Depart for Raj Bhavan
7:45 pm	Arrive Raj Bhavan for Call on Governor of Maharashtra, Mr. C. Subramaniam (Mr. C. Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)
8:00 pm	Dinner with Governor, Maharashtra (Raj Bhavan)

FILE: PRESTITN.V28 DRAFT: 10/29/92

Sunday, November 15: **BOMBAY/CALCUTTA/DHAKA**

8:15 am	Depart for airport
9:00 am	Depart for Calcutta (GOI aircraft)
11:00 am	Arrive Calcutta
12:00 noon	Lunch with Chief Minister, West Bengal
2:00 pm	Depart for Dhaka (GOI aircraft)

Detailed Schedule for Mr. Preston

Sunday, 15 November

3:00 Arrival from India

3:30 Check in Sonargaon Hotel

4:20 Briefing in Hotel for Meetings with Finance Minister & on Implementation Issues

5:00 Meeting with Minister of Finance in His Office

6:45 Meeting on Implementation Issues in Your Hotel

7:30 Official Government Dinner at Sheraton Hotel

Monday, 16 November

7:30-12:45 Helicopter field trip (includes visit to site of Jamuna Bridge and visit to health and education facilities).

1:00 Free

3:15 Briefing for Meeting with Ambassadors and Parliamentarians

3:45 Meeting with Ambassadors at Resident Mission

5:00 Meeting with Parliamentarians in Your Hotel

7:00 Reception at Your Hotel for Ministers, senior civil servants, diplomats etc.

Tuesday, 17 November

8:45 Briefing in Hotel for Meeting with Academics/NGOs

9:00 Meeting with Academics/NGOs in Resident Mission

10:15 Briefing in Mr. Willoughby's Office for Meeting with Ministers

11:00 Meeting with Ministers of Finance, Commerce, Jute, Energy, Agriculture

12:30 Lunch at Resident Mission with Bankers and Businessmen

2:45 Briefing in Mr. Willoughby's Office for meeting with Prime Minister

3:30 Meeting with Prime Minister in Her Office

5:30 Briefing for Press Conference

6:00 Press Conference

8:50 Depart on British Airways for London

Detailed Schedule for Mrs. Preston

*NOTE: Events marked * are with Mr. Preston*

Sunday, 15 November

3:00* Arrival from India

3:30* Check in Sonargaon Hotel

4:00 Visit local sites, including Parliament Building as time allows

6:00 Return to Hotel

7:30* Official Government dinner at Sheraton Hotel

Monday, 16 November

7:30-12:45* Helicopter field trip (includes visit to site of Jamuna Bridge and visit to health and education facilities).

1:30 Lunch at Mrs. Willoughby's House with prominent Bangladeshi women

3:45 Shopping for pink pearls or Dhaka muslin

5:00 Tea at house of Finance Minister's wife (Mrs. Saifur Rahman) with society women

7:00* Reception at hotel for Ministers, senior civil servants, diplomats etc.

Tuesday, 17 November

9:00 Leave for Field Trip accompanied by Bank Staff wives (see Women's cooperatives, maternity and child welfare center etc).

1:30 Lunch with Resident Mission Wives at Mrs. Willoughby's House

4:00 Visit to Star Mosque and Museum

6:00 Return to Hotel

8:50* Depart on British Airways for London

17 letters

INDIA

VISIT OF MR.PRESTON: NOVEMBER 10-15

ITINERARY

Tuesday, November 10:	KARACHI/AGRA (FREE DAY)
8.30 am	Depart Karachi for Delhi (Charter) (LTPs, GM, Wood)
10.30 am	Arrive Delhi (international airport) Met by M/s Vergin,Yenal,Saxena,Bissell
11.00 am	Depart for Agra (GOI plane) Domestic airport (LTPs, GM, NK Singh, NPrasad, BNB)
11.30 am	Arrive Agra
11.45 am	Transfer for Mughal Sheraton Hotel
12.30 noon	Visit Taj Mahal
1.30 pm	Return to the Mughal Sheraton Hotel
	LUNCH
2.30 pm	Depart for Fatehpur Sikhri
3.15 pm	Arrive Fatehpur Sikhri
4.15 pm	Depart for Agra Airport (to Delhi)
4.45 pm	Depart Agra
5.15 pm	Arrive New Delhi (Domestic Airport) Transfer to for Oberoi Hotel
6.00 pm	Check in to Oberoi Hotel
Evening	FREE TIME

Wednesday, November 11: *DELHI*

8.30 am	*Depart Hotel for Palam Airport*
9.00 am	*Leave Delhi Airport by Helicopter (Visit irrigation projects and view associated village water supply schemes)* *Bank: Preston, Mohadjer, Wood, Nelson.* *GOH:Irrigation Minister,Chief Secy, Irrigation Engineer;DEA - Madhusudan Prasad*
9.25 am	*Visit Bhapora Water Supply Scheme integrated with irrigation system, to supply drinking water to 35 villages in saline areas.*
10.25 am	*Leave Bhiwani*
	Fly over modernized canal system (lined water courses and distributories under Haryana I & II) and over sprinkler irrigation areas
10.45 am	*Depart for Delhi*
11.10 am	*Arrive Delhi*
11.35 noon	*Arrive at Oberoi Hotel*
1.00 pm	*Lunch/briefing at 11A Prithviraj Road* *(M/S Preston, Wood, Vergin, Nelson, Freeman, Mohadjer)*
2.30 pm	*STATE OF STRUCTURAL REFORM : Briefing at 11 A Prithiviraj Road* *(M/S.Yenal,Byrd,Nelson)*
2.45 pm	*Depart for Finance Minister's Office*
3.00 pm	*Call on Finance Minister, Dr.Manmohan Singh, Room 134, North Block* *(M/S Yenal & Byrd)*
3.45 pm	*AGRICULTURE/ENERGY: Briefing en route to meeting*
4.00 pm	*Call on Minister Agriculture, Mr.Balram Jakher,Room 121 Krishi Bhavan* *(M/S Yenal,Nelson)*
4:35 pm	*Departure*

4:45 pm	*Call on Minister Power, Mr.Kalpnath Rai - Room 201 Shram Shakti Bhavan* *(M/S Yenal,Mejia)*
5.15 pm	*PRIVATE SECTOR DEVELOPMENT: Briefing (en route to meeting)*
5.30 pm	*Round Table meeting with senior officials (about 15 altogether) of major business associations (FICCI, ASSOCHAM, CII - at the FICCI Building, Barakhamba Raod) -* *M/S Yenal, Robinson, Freeman & David (IFC)*
7.00 pm	*Return to hotel to change for cocktails/dinner*
7.30 pm	*Cocktails hosted by Dr.M.S.Ahluwalia, Secretary DEA at the Villa Medici - Taj Mahal Hotel*
8.30 pm	*Dinner hosted by Dr.Mammohan Singh, Finance Minister at the Casa Medici, Taj Mahal Hotel*

Thursday, November 12 : *DELHI*

9.15 am	*Address and meet NDO staff*
9.45 am	*PRESS DISCUSSION: Briefing in Mr.Yenal's office (M/S Yenal, Nelson, Byrd, Bissell)**
10.00 am	*Press Discussion with senior economic editors at the Resident Mission at the World Bank Conference Room, 55 Lodi Estate*
11.15 am	*BRIEFING FOR MEETING WITH THE PRIME MINISTER (M/S Yenal,Vergin)*
11.30 am	*Brief stop at Hotel*
12.00 noon	*Meeting with Prime Minister Mr.P.V.Narsimha Rao, followed by lunch hosted by the Prime Minister - 7 Race Course Road*
2.15 pm	*Return to Hotel*
3.30 pm	*ENVIRONMENT/FOREST: Briefing (M/S Yenal,Nelson)*
4.00 pm	*Call on Minister of State for Environment/Forest, Mr.Kamal Nath, Room 430, Paryavaran Bhavan - CGO Complex (M/S Yenal,Nelson)*
5.00 pm	*Depart for Rashtrapati Bhavan*
5.30 pm	*Call on the President Dr.Shankar Dayal Sharma - Rashtrapati Bhavan*
6.15 pm	*Return to hotel to change for dinner*
7.00 pm	*Cultural Program by President-designate Asia Pacific Chambers of Commerce, 20A, Prithviraj Road. Hosted by Mr.R.P.Goenka*
8.00 pm	*Dinner by President-designate, International Chambers of Commerce at 19 Prithviraj Road hosted by Mr.H.S.Singhania*

* *Neeraj Prasad, Deputy Secretary DEA, may sit in as an observor*

RAJASTHAN#

Friday, November 13 :	*DELHI/JAIPUR/JODHPUR/UDAIPUR*
7.45 am	*Depart hotel for Palam airport*
8.05 am	*Depart for Jaipur (GOI aircraft)*
8.50 am	*Arrive Jaipur*
9.15 am	*Arrive Khaitan Polytechnic, Jhalan Doongri to view Bank assisted Technical Education Project*
9.45 am	*Depart Polytechnic*
10.00 am	*Call on the Chief Minister Rajasthan, Mr.B.S.Shekawat at the Secretariat*
11.30 am	*Depart for Jodhpur by GOI aircraft*
12.05 noon	*Arrival Jodhpur - Visit to government run Umaid Maternal Health and Child Care Hospital*
12.50 pm	*Brief stopover at Umaid Bhavan Hotel*
1.15 pm	*Depart for Mehrangarh Fort*
1.30 pm	*Arrive Mehrangarh - Lunch at the Mehrangarh Fort*
3.40 pm	*Depart for Airport*
3.50 pm	*Depart for Udaipur*
4.30 pm	*Arrival at Udaipur airport*
5.00 pm	*Check-in at Udaipur Lake Palace Hotel*
	FREE TIME
Evening	*Dinner and entertainment*

 # President's Party for Rajasthan : Messrs.Wood & Vergin, Mr & Mrs Yenal, Ms.Mohadjer & Mrs.Bissell, Mr & Mrs N K Singh, Mr Neeraj Prasad

BOMBAY#

Saturday, November 14 :	UDAIPUR
7.00 am	Depart Udaipur Hotel for Airport to take flight to Bombay
7.15 am	Depart for Bombay (GOI aircraft)
Saturday, November 14 :	BOMBAY
9.15 am	Arrive Bombay
9.45 am	Arrive Dharavi for visit to Bombay Urban Development Project - escorted by Bakul Patel (Sheriff of Bombay) (M/S Yenal,Godavitarne,Bissell)
10.45	Departure Dharavi
11.30 am	Check-in Taj Mahal Hotel
12.00 noon	Meeting with Chief Minister, Maharashtra Mr.S.Naik at the Secretariat (5 minute drive from Hotel)
12.45 pm	PRIVATE SECTOR DEVELOPMENT/FINANCIAL SECTOR: Briefing at the Taj Mahal Hotel (M/S Yenal,Godavitarne,Freeman,David)
1.00 pm	Lunch hosted by Governor Reserve Bank Mr.S.Venkitaramanan at the Zodiac Grill Room - Taj Mahal Hotel (M/S Yenal,Godavitarne,Freeman,David)
Afternoon	INFRASTRUCTURE ISSUES : Briefing
3.00 pm	Visit Housing Project at Charkop (M/S Yenal,Godavitarne)
4.30 pm	Return to hotel
5.30 pm	Press Briefing (M/S Yenal, Godavitarne, Freeman, David, Bissell)
6.:45 pm	Ethnic handloom display, Taj Hotel

7.45 pm	*Call on Governor Maharashtra Mr.C.Subramaniam*
8.00 pm	*Dinner hosted by Mr.C.Subramaniam at Raj Bhavan (Mr. C Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)*

 # President's Party for Bombay : Messrs.Wood & Vergin, Mr & Mrs Yenal, Ms.Mohadjer & Mrs.Bissell, Mr & Mrs N K Singh, Mr Neeraj Prasad

Sunday, November 15 :	*BOMBAY/CALCUTTA/DHAKA*
8.30 am	*Depart Taj Hotel for airport*
9.00 am	*Depart for Calcutta (GOI aircraft)*
Sunday, November 15 :	
11.30 am	*Arrive Calcutta* *Proceed to Chief Ministers Residence*
12.00 am	*Call on Chief Minister, West Bengal*
12.45 pm	*Depart for Airport*
1.45 pm	*Depart for Dhaka (GOI aircraft)*

* * *

November 9, 1992

INDIA

VISIT OF MR. & MRS. PRESTON : NOV. 10-15, 1992

STATEMENT TO THE PRESS

1. Ladies and Gentlemen, this is my first visit to India, and I would like to begin my remarks by expressing thepleasure and gratitude that Mrs.Preston and I feel for the warmth and hospitality with which we have been welcomed to this country. I am sure that we will carry memories of this visit with us for many yearsto come.

2. As you all know, for over forty years the WorldBank has been a partner in India's Development while your Government has been a source of strength and wisdom in the world Bank's own IMM development as a global institution. Building on this strong relationship, we at the World Bank have been actively supporting the impressive measures adopted by your Government over the past eighteen months to stabilise and reform the economy.

3. I am very heartened by the progress that has been made by the evident committment on the side of your Government to deepen and broaden the ongoing reforms. There is a clear understanding that the forward momenting has to be sustained because it would be very costly to regain if it is lost.

4. I have been equally impressed by the support which the representatives of the private sector with whom I have met, have expressed for the Governments reform actions. They fully understand the need for these actions and are eager to work with Government to generate the supply response that is needed. They have emphasized to me their readiness to make the often difficult and risky adjustments in their own corporate plans in response to the challenges which a more open, competitive environment poses to them. In return they are asking government for clear, advance signals about the direction of the reform programs and for increased attention to the costly infrastructural bottlenecks confronting India's Private sector.

5. The Government - at both the Federal and state levels - has an essential role to play in developing India's infrastucture and in investing in its people. Each of the states I visited presented an impressivelist of infrastructure projects for the Bank to consider. We will continue to

assist when we can, but it is clear to me that India will have to recover more of the costs of the investments from those who directly benefit if it is to sustain a reasonable level of investment in vital infrastructure. Electricpower is a good example, similarly in the social sector the government has a vital role. I was very impressed by the determination of the Prime Minister, the Finance Minister and the Chief Ministers I have met not merely to sustain but actually to increase investments in primary health, education and other social programs. The Bank shares the Government's concern that the poorest segments of society should not bear a disproportionate share of the costs of adjustment. We look forward to supporting the Government's efforts to increase funding and improve the effectiveness of the core social program.

6. I have also had a number of interesting discussions on envi ronmental aspects of India's development strategy. It is encouraging that attention is being given to addressing environmental problems and making projects and programs more sustainable.

7. In the space of a few days it is not possible to do more than glimpse the diversity of a country such as India. But even this short visit has convinced me that, if the ongoing reforms are sustained, India is capable of significantly accelerating its economic and social development.

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

file copy
BB

November 30, 1992

Mr Naval Kishore Rai
Member of Parliament
162 North Avenue
New Delhi 110001, India

Dear Mr. Rai:

With reference to your letter to Mr. Preston, dated November 11, 1992, on the selection of Proof Consultants for the Ganga bridge in Bhagalpur, Bihar, I would like to provide some clarifications.

The contract for the design and the construction of the above bridge, as a component of the States' Road Project, was awarded on March 5, 1991 to the Uttar Pradesh State Bridge Corporation. The contractual date of commencement was April 5, 1991, and I can assure you that the slow progress of the contractor is a matter of serious concern that we have raised repeatedly with the Road Construction Department of Bihar.

Regarding the selection of the Proof Consultants, the Secretary, Road Construction Department, discussed the issue with the Bank Task Manager during his last visit to the site in September and agreed to proceed with the final evaluation of the two responsive consultants' proposals. The above was officially confirmed by letter to the Secretary, RCD, on October 8, 1992, and we understand that the appointment of the consultants is expected very soon.

This matter was also discussed between Mr. A. K. Lal, Engineer-in-Chief, RCD, and Messrs. H. Singh, Regional Procurement Adviser, and R. Srinivasan, Chief of the Procurement Unit, of the World Bank, during their November visit to India. They both endorsed the procedures undertaken.

I now hope that the design and construction works will proceed in an expeditious manner.

Sincerely,

Heinz Vergin
Director
India Country Department

Cleared with and cc: Messrs. H. Singh (SASVP), Humphrey (SA2DR), Panfil (SA2IN)

cc (with attachment) : Ms. Mohadjer (EXC)

cc: Messrs. Cittati (SA2IN), Godavitarne, Kapoor (SA2ND).

Asia Information Center

AJCittati:kh
a:\bihpclt.mop

नवल किशोर राय
संसद सदस्य
(लोक सभा)

सदस्य : रेल मंत्रालय परामर्शदात्री समिति,
भारत सरकार
: सरकारी आश्वासनों संबंधी समिति

162, साउथ एवेन्यू
नई दिल्ली 110001
फोन : 37[illegible]

नील कमल कुटीर,
सीतामढ़ी, (बिहार)
फोन : 2631

2251/2

9.11.92

Mr. Lewis T. Preston
President
World Bank
1818 H St., N.W.,
Washington, D.C. 20433

THROUGH CAMP OFFICE, New Delhi.

Dear Mr. Preston,

I wish to bring to your attention the inordinate and unjustified delay experienced in the implementation of World Bank funded projects in India. The delays are primarily due to the lack of objectivity and cooperation on the part of World Bank officials associated with these projects.

Specifically, I would like to address one of the very important projects which is currently experiencing such a delay due to the instransigence of the officials concerned. The project in question is the construction of a road bridge across the Ganga River at Bhagalpur, Bihar, India. The bids for the construction of this bridge were received in late 1990, but the construction could not be started due to the delay in the award of the "Proof Consultancy" contract. The Technical and Price proposals from the "short-listed" consultants were received by the Chief Engineer, Ganga Bridge Project, on February 15, 1991; but even after 22 months, the selection of the Proof Consultants could not be finalised. The primary reason for this delay seems to be the lack of appreciation of the client's viewpoint by the World Bank officials. This has also caused unnecessary expenditure on the part of the Government of India towards payment of "Commitment Fees".

I request that you look into this and other actions by the World Bank officials regarding the implementation of the World Bank funded projects and take appropriate and effective steps so that these inordinate delays can be avoided.

Sincerely

(NAVAL KISHORE RAI)

FROM:
MR. NAVAL KISHORE RAI, M.P.
162 NORTH AVENUE
NEW DELHI 110 001

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

Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-6391 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: October 30, 1992 NO. OF PAGES: 7 (including this sheet) MESSAGE NUMBER: 1

TO
Name: GISU MOHADJER
Organization: \
Fax Tel. No. 7 5584
City: \
Country: \

FROM
Name: EBSULLIVAN
Dept./Div. SA2CI
Room No. G 3-126
Fax Tel. No. 202 477 7352
Dept/Div No. 244/10
Tel. No. 202 458 0356

SUBJECT: MRS. PRESTON'S ITINERARY - REVISED

MESSAGE:

Gisu,

Herewith is Mrs. Preston's itinerary per Steve's revisions. The other piece is being finalized. Both will be included on the disk which I will bring over later on. EBS.

Transmission authorized by: EBSULLIVAN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

1884 (2-90)

PROGRAM

Tuesday, November 10, 1992

KARACHI, PAKISTAN -> AGRA, INDIA -> NEW DELHI, INDIA

9:00am	Departure from Karachi to Delhi, for estimated arrival in Delhi at 10:30am. Departure from Delhi after clearing customs, by military plane to Agra. Bags will be taken from Delhi airport directly to the hotel in Delhi. You may wish to carry a small bag with you to Agra.
11:15am	Arrival in Agra. You will have a day room at the Mughal Sheraton Hotel.
11:45am	Visit to the Taj Mahal.
1:00pm	Lunch at the Mughal Sheraton Hotel.
2:30pm	Depart for Fatehpur Sikri. Akbar, the third Mughal emperor, built this imperial city to pay tribute to the saint who had told Akbar that he would have three sons. Built in the late 16th century, the city was only occupied, and used as Akbar's capital, for 14 years. This 400 year old city is built of stone and is perfectly preserved. The weather is expected to be warm, and you should wear comfortable walking shoes.
4:15pm	Leave Fatehpur Sikri for Airport.
4:45pm	Departure for Delhi.
5:15pm	Arrival in Delhi.
6:00pm	Check-in at Oberoi Hotel.
	Free Evening.

PROGRAM

Wednesday, November 11, 1992

NEW DELHI, INDIA

8:00am Visit to South Delhi. The visit will include stops at the following places:

- Spastics Society Center, a center run by this non-governmental organization to provide rehabilitation services to multi-handicapped persons and the cerebral palsied;
- Baha'i House of Worship, known locally as the Lotus Temple;
- Kalkaji Devi Temple, an important Hindu Temple;
- Qutb Minar, built in the early 13th century by the Muslim rulers of India to proclaim the victory of Islam over the infidel. The Carma Fashion Gallery, where local designers show their work, is also part of the complex.

[Mr. Preston will leave at 7:00am for a helicopter field trip to Haryana to visit irrigation sites and village water supply schemes.]

12:15pm Arrive at Hotel.

1:00pm Lunch hosted by Mrs. Manmohan Singh, the wife of the Minister of Finance

-OR-

Informal Lunch with Mrs. Yenal, wife of the Resident Representative.

3:30pm Visit to Sundar Nagar Market, specializing in jewellery and handicrafts, and Santhushti Shopping Complex, which has a collection of small boutiques selling giftware, ceramics, household linens, leather goods, garments. You will be able to buy cottons, silks, raw silks to have sewn into garments (tailor will come at 6:30pm).

5:00pm Visit to Crafts Museum, containing over 20,000 pieces of Indian crafts from all parts of the country. Crafts Demonstration also scheduled. Dr. Jotindra Jain, the Director, will accompany you on the visit.

6:30pm Return to Hotel. Tailor will meet you at the Hotel, to take your style sample and any material, for next day delivery.

7:30pm Cocktails and Dinner (with Mr. Preston) at the Taj Mahal Hotel, hosted by Minister of Finance Mr. Manmohan Singh.

PROGRAM

Thursday, November 12, 1992

NEW DELHI, INDIA

9:15am	Meeting with staff at Resident Mission (with Mr. Preston).
10:00am	Press briefing.
11:00am	Visit to Cottage Industries Emporium and The Shops, for handicrafts.
12:00pm	Return to Hotel.
12:30pm	Lunch with prominent women, hosted by Mrs. Yenal, wife of the Resident Representative.
3:30pm	Visit to the National Museum, to view the excellent collections of miniatures, jewellery, and stone carvings. Accompanied by Museum Director.
4:30pm	Return to Hotel.
5:00pm	Leave Hotel (with Mr. Preston) to call on the President.
5:30pm	Call on the President at Rashtrapati Bhavan (with Mr. Preston).
6:15pm	Return to Hotel (with Mr. Preston).
7:00pm	Cocktails and Cultural Program, followed by dinner, hosted by the business community (with Mr. Preston).

PROGRAM

Friday, November 13, 1992

NEW DELHI -> JAIPUR -> JODHPUR -> UDAIPUR, INDIA

7:45am Depart for Jaipur by government aircraft (with Mr. Preston).

8:50am Arrive in Jaipur (with Mr. Preston).

9:15am Visit the City Palace and take tea with the Maharani Padmini Devi of Jaipur. This will enable you to see the interior of this early 18th century palace, and visit the Museum which houses a fine collection of Indian miniatures, royal costumes and jewellery.

Visit to the Jantar Mantar, an 18th century astronomical observatory, which is next door to the City Palace.

Visit to Anokhi, a shop selling cotton hand-printed textiles, clothes and linens. There is an Anokhi store in Cambridge, MA, but it does not have the range or diversity of items found in the original store in Jaipur.

Jaipur is a wholesale market for Indian gems, and is especially famous for its emeralds, rubies and sapphires. Arrangements can be made for a selection to be brought for you to see.

[Mr. Preston will have a separate program in Jaipur. He will visit a polytechnic institute, and call on the Chief Minister of Rajasthan.]

11:30am Depart for Jodhpur (with Mr. Preston).

12:05pm Arrival in Jodhpur. Visit to Umaid Maternal Health and Child Care Hospital, run by the Government (with Mr. Preston).

1:30pm Lunch at the Mehrangarh Fort, hosted by the Maharaja of Jodhpur (with Mr. Preston). The Fort and Museum are fine examples of Rajasthani fortified palaces. The Museum has an excellent collection of old Moghul tents.

3:40pm Depart for Udaipur (with Mr. Preston). Stay overnight at the Lake Palace Hotel. Known as the most romantic hotel in India, the Lake Palace Hotel is famous for its afternoon tea, Rajasthani folk dance performances and puppet shows. You and Mr. Preston are both free in the afternoon and evening, but the following could be arranged:

- Visit to City and Jag Mandir palaces;
- Shopping at Mangalam Arts for Indian handicrafts, and at the Lake Palace Hotel for old jewellery;
- Sound and Light show;
- Dinner and a dance performance.

PROGRAM

Saturday, November 14, 1992

UDAIPUR -> BOMBAY, INDIA

7:00am	Departure for Bombay (with Mr. Preston).
9:15am	Arrival in Bombay. Proceed directly to Dharavi for a visit to Bombay Urban Development Project and a family welfare facility, accompanied by Mr. Bakul Patel, Mayor of Bombay (with Mr. Preston). The urban slums you will be visiting are close to the airport, and on the way to the hotel.
11:30am	Arrival at Taj Mahal Hotel.
1:00pm	Lunch hosted by Mrs. Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel. [Mr. Preston has a meeting at noon with the Chief Minister, and a separate lunch.]
3:00pm	Visit to the Prince of Wales Museum, specializing in archeology, art and natural history, accompanied by the Director, Dr. Gorakshkar. -OR- Project visits, with Mr. Preston, to urban slum clearance sites. -OR- Shopping for leather goods, clothes or textiles.
6:00pm	Return to hotel.
8:00pm	Dinner hosted by the Governor of Maharashtra, with Mr. Preston. [Mr. Preston has a Press Briefing at 7:00pm.]

PROGRAM

Sunday, November 15, 1992

BOMBAY -> CALCUTTA, INDIA -> DHAKA, BANGLADESH

8:15am	Depart for airport.
9:00am	Depart for Calcutta by government aircraft (with Mr. Preston).
11:00am	Arrive in Calcutta.
12:00pm	Lunch with Chief Minister of West Bengal (with Mr. Preston). -OR- Visit to Mother Teresa's Convent, if possible.
2:00pm	Depart for Dhaka by government aircraft (with Mr. Preston).
3:00pm	Arrival in Dhaka.
3:30pm	Arrival at Sonargaon Hotel.
4:00pm	Visit to Parliament Building and the 18th century Istara (Star) Mosque, with its dome decorated with colored mosaics in the shape of stars.
6:00pm	Return to Hotel.
7:00pm	Official Dinner hosted by the Government (with Mr. Preston).

FILE: PRESTITN.V28 DRAFT: 10/29/92

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

I. ITINERARY

Tuesday, November 10: KARACHI/AGRA [FREE DAY]

8:30 am	Depart Karachi for Delhi (Charter)
10:30 am	Arrive Delhi
11:00 am	Depart for Agra (GOI aircraft)
11:30 am	Arrive Agra
11:45 am	Depart for Mughal Sheraton Hotel
12:30 am	Visit Taj Mahal
1:30 pm	Return to the Mughal Sheraton Hotel
	LUNCH
Afternoon	FREE TIME
4:15 pm	Depart for Airport (to Delhi)
4:45 pm	Depart Agra
5:15 pm	Arrive New Delhi (Domestic Airport)
6:00 pm	Check in to Oberoi Hotel
Evening	FREE TIME

Wednesday, November 11: DELHI

8:30 am	Leave Delhi airport by Helicopter
8:55 am	Arrive Salahawas (75 kms from Dalhi by Air) - Visit Pumping station of Jawaharlal Lift Canal Irrigation Scheme - Meet farmers beneficiaries
9:25 am	Leave Salahawas by Helicopter (55 kms by Air)
9:45 am	Arrive Bopoura - Visit Bhapora Water Supply Scheme integrated with irrigation system, to supply drinking water to 35

FILE: PRESTITN.V28 DRAFT: 10/29/92

villages in saline areas.

10:00 am	Leave Bopoura by Helicopter - Fly over modernized canal system (lined water courses and distributories under Haryana I & II) and over sprinkler irrigation areas.
10:35 am	Arrival at Delhi
11:00 pm	Arrival back at Oberoi Hotel
12:30-2:30 pm	Lunch/briefing at 11A Prithviraj Road
2:30 pm	**STATE OF STRUCTURAL REFORM: Briefing**
2:45 pm	Depart for call on Finance Minister
3:00 pm	Call on Finance Minister
3:45 pm	**AGRICULTURE/POWER: Briefing (en route to meeting)**
4:00 pm	Call on Minister of Agriculture
4:45 pm	Call on Minister of Power
5:15 Pm	**PRIVATE SECTOR DEVELOPMENT: Briefing (en route to meeting)**
5:30 pm	Round table meeting with senior officials (about 15 altogether) of major business associations (FICCI, ASSOCHAM, CII - at the FICCI Bldg)
7:00 pm	Arrival back at hotel to change for cocktails/dinner
7:30 pm	Cocktails by Senior Finance Ministry Official - either Secretary, Finance or Secretary, DEA at the Villa Medici - Taj Mahal Hotel
8:30 pm	Dinner hosted by Finance Minister - Casa Medici, Taj Mahal Hotel

Thursday, November 12: **DELHI**

9:15 am	Brief address and meet NDO and IFC staff; UNDP Conf. Room
9:45 am	Press Discussion; Briefing at NDO
10:00 am	Press Discussion with 4 or 5 senior economic editors at Resident Mission
11:15 am	**BRIEFING FOR MEETING WITH THE PRIME MINISTER**

FILE: PRESTITN.V28 DRAFT: 10/29/92

11:30 am	Brief stop at Hotel
12:00 noon	Meeting with Prime Minister, followed by a lunch hosted by the PM - 7 Race Course Road
2:15 pm	To hotel
3:30 pm	**ENVIRONMENT/FOREST: Briefing**
4:00 pm	Call on Minister of State for Environment/Forest - CGO Complex
5:00 pm	Departure for Rashtrapati Bhavan
5:30 pm	Call on the President - Rashtrapati Bhavan
6:15 pm	Return to hotel to change for dinner
7:00 pm	Cocktails and Cultural Program followed by dinner hosted by the business community at 19 and 20A, Prithviraj Road

Friday, November 13: **DELHI/JAIPUR/JODHPUR/UDAIPUR**

7:45 am	Depart hotel for airport
8:15 am	Depart for Jaipur (GOI aircraft)
8:50 am	Arrive Jaipur
9:15 am	Arrive Khaitan Polytechnic, Jaipur to view Technician Education project
9:45 am	Depart Polytechnic
10:00 am	Call on the Chief Minister, Rajasthan
11:00 am	Pick up Mrs. Preston from City Palace and proceed to airport
11:30 am	Depart for Jodhpur (GOI aircraft)
12:05 pm	Arrival Jodhpur - Visit to government run Umaid Maternal health and Child Care Hospital
12:50 pm	Brief stopover at Hotel (Umaid Bhavan)
1:15 pm	Depart for Fort
1:30 pm	Lunch at the Mehrangarh Fort
3:40 pm	Depart for Udaipur
5:00 pm	Arrival/check-in at Udaipur Lake Palace Hotel

FILE: PRESTITN.V28 DRAFT: 10/29/92

FREE TIME

Evening	Dinner and entertainment

Saturday, November 14: **BOMBAY**

7:00 am	Depart Hotel for Bombay
7:40 am	Arrive airport
7:45 am	Depart for Bombay (GOI aircraft)
9:15 am	Arrive Bombay.
9:45 am	Arrive Dharavi for visit to Bombay Urban Development Project and Population V - escorted by Bakul Patel (Mayor of Bombay)
10:45 am	Depart Dharavi
11:30 am	Check-in Taj Mahal Hotel
12:00 noon	Meeting with Chief Minister, Maharashtra
12:45 am	**PRIVATE SECTOR DEVELOPMENT/FINANCIAL SECTOR: Briefing**
1:00 pm	Lunch hosted by Governor, Reserve Bank, Bombay Merchants Chamber, etc.; IDBI Bldg, near World Trade Centre
Afternoon	**INFRASTRUCTURE ISSUES: Briefing**
2:30 pm	Depart by Helicopter
2:50 pm	Arrive Charkop. Visit lower income housing project
4:00 pm	Return to hotel
7:00 pm	Press Briefing
7:30 pm	Depart for Raj Bhavan
7:45 pm	Arrive Raj Bhavan for Call on Governor of Maharashtra, Mr. C. Subramaniam (Mr. C. Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)
8:00 pm	Dinner with Governor, Maharashtra (Raj Bhavan)

FILE: PRESTITN.V28 **DRAFT: 10/29/92**

Sunday, November 15: **BOMBAY/CALCUTTA/DHAKA**

8:15 am	Depart for airport
9:00 am	Depart for Calcutta (GOI aircraft)
11:00 am	Arrive Calcutta
12:00 noon	Lunch with Chief Minister, West Bengal
2:00 pm	Depart for Dhaka (GOI aircraft)

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

Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-6391 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: October 29, 1992 NO. OF PAGES: 11 (including this sheet) MESSAGE NUMBER: 1

TO
Name: GISU MOHADJER
Organization: \
Fax Tel. No. 7 5584
City: \
Country: \

FROM
Name: STEVE TALBOT
Dept./Div. SA2CI
Room No. G 3-126
Fax Tel. No. 202 477 7352
Dept/Div No. 244/10
Tel. No. 202 458 0354

SUBJECT: PRESTONS' VISIT TO INDIA

MESSAGE:

Please see attached revisions on Mrs. Preston's Itinerary. Mr. Preston's itinerary of 10/29 included for your information.

Transmission authorized by: EBSULLIVAN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

1684 (2-90)

PROGRAM

Tuesday, November 10, 1992

KARACHI, PAKISTAN -> AGRA, INDIA -> NEW DELHI, INDIA

9:00am	Departure from Karachi to Delhi, for estimated arrival in Delhi at 10:30am. Departure from Delhi after clearing customs, by military plane to Agra. Bags will be taken from Delhi airport directly to the hotel in Delhi. You may wish to carry a small bag with you to Agra.
11:15am	Arrival in Agra. You will have a day room at the Mughal Sheraton Hotel.
11:45am	Visit to the Taj Mahal.
1:00pm	Lunch at the Mughal Sheraton Hotel.
2:30pm	Depart for Fatehpur Sikri. Akbar, the third Mughal emperor, built this imperial city to pay tribute to the saint who had told Akbar that he would have three sons. Built in the late 16th century, the city was only occupied, and used as Akbar's capital, for 14 years. This 400 year old city is built of stone and is perfectly preserved. The weather is expected to be warm, and you should wear comfortable walking shoes.
4:15pm	Leave Fatehpur Sikri for Airport.
4:45pm	Departure for Delhi.
5:15pm	Arrival in Delhi.
6:00pm	Check-in at Oberoi Hotel.
	Free Evening.

PROGRAM

Wednesday, November 11, 1992

NEW DELHI, INDIA

8:00am Visit to South Delhi. The visit will include stops at the following places:

- Spastics Society Center, a center run by this non-governmental organization to provide rehabilitation services to multi-handicapped persons and the cerebral palsied;
- Baha'i House of Worship, known locally as the Lotus Temple;
- Kalkaji Devi Temple, an important Hindu Temple;
- Qutb Minar, built in the early 13th century by the Muslim rulers of India to proclaim the victory of Islam over the infidel. The Carma Fashion Gallery, where local designers show their work, is also part of the complex.

[Mr. Preston will leave at 7:00am for a helicopter field trip to Haryana to visit irrigation sites and village water supply schemes.]

12:15pm Arrive at Hotel.

1:00pm Lunch hosted by Mrs. Manmohan Singh, the wife of the Minister of Finance

-OR-

Informal Lunch with Mrs. Yenal, wife of the Resident Representative.

3:30pm Visit to Sundar Nagar Market, specializing in jewellery and handicrafts, and Santhushti Shopping Complex, which has a collection of small boutiques selling giftware, ceramics, household linens, leather goods, garments. You will be able to buy cottons, silks, raw silks to have sewn into garments (tailor will come at 6:30pm).

5:00pm Visit to Crafts Museum, containing over 20,000 pieces of Indian crafts from all parts of the country. Crafts Demonstration also scheduled. Dr. Jotindra Jain, the Director, will accompany you on the visit.

6:30pm Return to Hotel. Tailor will meet you at the Hotel, to take your style sample and any material, for next day delivery.

7:30pm Cocktails and Dinner (with Mr. Preston) at the Taj Mahal Hotel, hosted by Minister of Finance Mr. Manmohan Singh.

PROGRAM

Thursday, November 12, 1992

NEW DELHI, INDIA

9:15 ~~10:00am~~	Meeting with staff at Resident Mission (with Mr. Preston). ~~[Mr. Preston will leave the hotel at 8:30am for a meeting with senior editors at the Resident Mission.]~~
11:00am	Visit to Cottage Industries Emporium and The Shops, for handicrafts.
12:00pm	Return to Hotel.
12:30pm	Lunch with prominent women, hosted by Mrs. Yenal, wife of the Resident Representative.
3:30pm	Visit to the National Museum, to view the excellent collections of miniatures, jewellery, and stone carvings. Accompanied by Museum Director.
4:30pm	Return to Hotel.
5:00pm	Leave Hotel (with Mr. Preston) to call on the President.
5:30pm	Call on the President at Rashtrapati Bhavan (with Mr. Preston).
6:15pm	Return to Hotel (with Mr. Preston).
7:00pm	Cocktails and Cultural Program, followed by dinner, hosted by the business community (with Mr. Preston).

Mr P's itinerary has been rearranged (press briefing now at 10:00 am)

PROGRAM

Friday, November 13, 1992

NEW DELHI -> JAIPUR -> JODHPUR -> UDAIPUR, INDIA

7:45
~~8:00~~am — Depart for Jaipur by ~~special~~ government aircraft (with Mr. Preston).

50
8:~~45~~am — Arrive in Jaipur (with Mr. Preston).

9:15am — Visit the City Palace and take tea with the Maharani Padmini Devi of Jaipur. This will enable you to see the interior of this early 18th century palace, and visit the Museum which houses a fine collection of Indian miniatures, royal costumes and jewellery.

Visit to the Jantar Mantar, an 18th century astronomical observatory, which is next door to the City Palace.

Visit to Anokhi, a shop selling cotton hand-printed textiles, clothes and linens. There is an Anokhi store in Cambridge, MA, but it does not have the range or diversity of items found in the original store in Jaipur.

Jaipur is a wholesale market for Indian gems, and is especially famous for its emeralds, rubies and sapphires. Arrangements can be made for a selection to be brought for you to see.

[Mr. Preston will have a separate program in Jaipur. He will visit a ~~maternal and child health clinic~~ polytechnic institute, and call on the Chief Minister of Rajasthan.]

11:30am — Depart for Jodhpur (with Mr. Preston).

5
12:0~~0~~pm — Arrival in Jodhpur. Visit to Umaid Maternal Health and Child Care Hospital, run by the Government (with Mr. Preston).

1:30
~~2:00~~pm — Lunch at the Mehrangarh Fort, hosted by the Maharaja of Jodhpur (with Mr. Preston). The Fort and Museum are fine examples of Rajasthani fortified palaces. The Museum has an excellent collection of old Moghul tents.

3:40
~~4:00~~pm — Depart for Udaipur (with Mr. Preston). Stay overnight at the Lake Palace Hotel. Known as the most romantic hotel in India, the Lake Palace Hotel is famous for its afternoon tea, Rajasthani folk dance performances and puppet shows. You and Mr. Preston are both free in the afternoon and evening, but the following could be arranged:

- Visit to City and Jag Mandir palaces;
- Shopping at Mangalam Arts for Indian handicrafts, and at the Lake Palace Hotel for old jewellery;
- Sound and Light show;
- Dinner and a dance performance.

PROGRAM

Saturday, November 14, 1992

UDAIPUR -> BOMBAY, INDIA

a family welfare facility

7:~~30~~00am	Departure for Bombay (with Mr. Preston).
9:~~30~~15am	Arrival in Bombay. Proceed directly to Dharavi for a visit to Bombay Urban Development Project and ~~Bombay Sewerage outfall~~, accompanied by Mr. Bakul Patel, Mayor of Bombay (with Mr. Preston). The urban slums you will be visiting are close to the airport, and on the way to the hotel.
11:30am	Arrival at Taj Mahal Hotel.
1:00pm	Lunch hosted by Mrs. Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel. [Mr. Preston has a meeting at noon with the Chief Minister, and a separate lunch.]
3:00pm	Visit to the Prince of Wales Museum, specializing in archeology, art and natural history, accompanied by the Director, Dr. Gorakshkar. -OR- Project visits, with Mr. Preston, to urban slum clearance sites. -OR- Shopping for leather goods, clothes or textiles.
6:00pm	Return to hotel.
8:00pm	Dinner hosted by the Governor of Maharashtra, with Mr. Preston. [Mr. Preston has a Press Briefing at 7:00pm.]

PROGRAM

Sunday, November 15, 1992

BOMBAY -> CALCUTTA, INDIA -> DHAKA, BANGLADESH

8:15am	Depart for airport.
9:00am	Depart for Calcutta by ~~special~~ government aircraft (with Mr. Preston).
11:00am	Arrive in Calcutta.
12:00pm	Lunch with Chief Minister of West Bengal (with Mr. Preston). -OR- Visit to Mother Teresa's Convent, if possible.
2:00pm	Depart for Dhaka by ~~special~~ government aircraft (with Mr. Preston).
3:00pm	Arrival in Dhaka.
3:30pm	Arrival at Sonargaon Hotel.
4:00pm	Visit to Parliament Building and the 18th century Istara (Star) Mosque, with its dome decorated with colored mosaics in the shape of stars.
6:00pm	Return to Hotel.
7:00pm	Official Dinner hosted by the Government (with Mr. Preston).

FILE: PRESTITN.V26 DRAFT: 10/29/92

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

I. ITINERARY

Tuesday, November 10: KARACHI/AGRA [FREE DAY]

9:00 am	Depart Karachi for Agra (Charter)	
11:00 am	Arrive Agra	
11:15 am	Depart for Mughal Sheraton Hotel	
11:45 am	Visit Taj Mahal	
12:45 pm	Return to the Mughal Sheraton Hotel	
	LUNCH	
2:30 pm	Depart for Fatehpur Sikri	) This is an out-of town
3:15 pm	Arrive Fatehpur Sikri	) trip. Suggest the Prestons) visit Red Fort in Agra or) leave afternoon free
4:15 pm	Depart for Airport (to Delhi)	
4:45 pm	Depart Agra	
5:15 pm	Arrive New Delhi (Domestic Airport)	
6:00 pm	Check in to Oberoi Hotel	
Evening	FREE TIME	

Wednesday, November 11: DELHI

7:00 am	Depart for Field Trip to Haryana (Helicopter) (Visit irrigation projects and view associated village water supply schemes)
12:00 pm	Arrival back at Oberoi Hotel
12:45-2:30 pm	Lunch/briefing at 11A Prithviraj Road
2:30 pm	**STATE OF STRUCTURAL REFORM: Briefing**
2:45 pm [*]	Depart for call on Finance Minister
3:00 pm	Call on Finance Minister

FILE: PRESTITN.V26 DRAFT: 10/29/92

3:45 pm	**AGRICULTURE/ENERGY: Briefing (en route to meeting)**
4:00 pm	Call on Minister, Agriculture or Energy [Note: insufficient time to see both - N.K. requested to choose]
5:15 pm	**PRIVATE SECTOR DEVELOPMENT: Briefing (en route to meeting)**
5:30 pm	Round table meeting with senior officials (about 15 altogether) of major business associations (FICCI, ASSOCHAM, CII - at the FICCI Bldg)
7:00 pm	Arrival back at hotel to change for cocktails/dinner
7:30 pm	Cocktails by Senior Finance Ministry Official - either Secretary, Finance or Secretary, DEA at the Villa Medici - Taj Mahal Hotel
8:30 pm [*]	Dinner hosted by Finance Minister - Casa Medici, Taj Mahal Hotel

Thursday, November 12: **DELHI**

8:30 am	**PRESS DISCUSSION: Briefing** (en route to 55 Lodi Estate Resident Mission)
8:45 am	Press Discussion with 4 or 5 senior economic editors at Resident Mission [#]
9:45 am	TV interview - Eyewitness [#]
10:30 am	Brief address and meet NDO staff
11:15 am	**BRIEFING FOR MEETING WITH THE PRIME MINISTER**
11:30 am	Brief stop at Hotel
12:00 noon	Meeting with Prime Minister, followed by a lunch hosted by the PM - 7 Race Course Road
2:15 pm	To hotel
3:30 pm	**ENVIRONMENT/FOREST: Briefing**
4:00 pm	Call on Minister of State for Environment/Forest - CGO Complex
5:00 pm	Departure for Rashtrapati Bhavan
5:30 pm	Call on the President - Rashtrapati Bhavan
6:15 pm	Return to hotel to change for dinner

FILE: PRESTITN.V26 DRAFT: 10/29/92

7:00 pm	Cocktails and Cultural Program followed by dinner hosted by the business community at 19 and 20A, Prithviraj Road

Friday, November 13: **DELHI/JAIPUR/JODHPUR/UDAIPUR**

-- am	Depart hotel for airport
8:00 am	Depart for Jaipur (special GOI aircraft)
8:45 am	Arrive Jaipur
	* On-site visit to maternal and child health clinics
	* Call on the Chief Minister, Rajasthan
11:30 am	Depart for Jodhpur (special aircraft)
12:00 noon	Arrival Jodhpur - Visit to government run Umaid Maternal health and Child Care Hospital
2:00 pm	Lunch at the Mehrangarh Fort by the Maharaja of Jodhpur
4:00 pm	Depart for Udaipur; stay at Lake Palace Hotel
	FREE TIME
Evening	Dinner and entertainment

Saturday, November 14: **BOMBAY**

7:30 am	Depart Hotel for Bombay (special aircraft)
9:30 am	Arrive Bombay. Proceed to Dharavi for visit to Bombay Urban Development Project and Bombay Sewerage outfall - escorted by Bakul Patel (Mayor of Bombay)
11:30 am	Check-in Taj Mahal Hotel
12:00 noon	Meeting with Chief Minister, Maharashtra
12:45 am	**PRIVATE SECTOR DEVELOPMENT/FINANCIAL SECTOR: Briefing**
1:00 pm	Lunch hosted by Chairman, IDBI with Governor, Reserve Bank, Bombay Merchants Chamber, etc.
Afternoon	**INFRASTRUCTURE ISSUES: Briefing**
3:00 pm	Project visits - urban, slum clearance project sites
6:00 pm	Return to hotel

FILE: PRESTITN.V26 DRAFT: 10/29/92

7:00 pm	Press Briefing
8:00 pm	Dinner with Governor, Maharashtra (Raj Bhavan) (Mr. C. Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)

Sunday, November 15: **BOMBAY/CALCUTTA/DHAKA**

8:15 am	Depart for airport
9:00 am	Depart for Calcutta (special aircraft)
11:00 am	Arrive Calcutta
12:00 noon	Lunch with Chief Minister, West Bengal
2:00 pm	Depart for Dhaka (special aircraft)

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

Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-6391 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: October 26, 1992 NO. OF PAGES: 7 (including this sheet) MESSAGE NUMBER: 1

TO

Name:	GISU MOHADJER & J. WOOD	Fax Tel. No.	75584 & 76050
Organization:	\	City:	\
		Country:	\

FROM

Name:	STEVE TALBOT	Fax Tel. No.	202 477 7352
Dept./Div.	SA2CI	Dept/Div No.	244/10
Room No.	G 3-117	Tel. No.	202 458 0354

SUBJECT: MR. PRESTON'S LATEST DRAFT BRIEF OUTLINE/ITINERARY

MESSAGE:

Gisu,

As promised, please find attached latest draft of briefing book outline and itinerary.

Steve.

cc: Mr. Wood

Transmission authorized by: EBSULLIVAN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

1884 (2-90)

FILE: PRESTON.OTL DRAFT: 10/26/92

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

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   1. Irrigation project (CP)
   2. Village water supply (CP)
B. Meeting with Minister of Finance
C. Meeting with Minister of Agriculture
D. Meeting with Minister of Energy
E. Round Table Meeting with Business Associations

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F. [*] Press Discussion
G. [*] TV Interview
H. Meeting with Prime Minister
I. [*] Meeting with Minister of Environment/Forests
J. Courtesy Call on President
K. Cocktails/Dinner Hosted by Business Community

Friday, November 13 (Rajasthan)

L. [*] Project Visits
   1. ICDS/maternal & child health centers (Jaipur)
   2. Umaid Maternal Health & Child Care Hospital (Jodhpur)
M. Meeting with Chief Minister, Rajasthan

Saturday, November 14 (Bombay)

N. [*] Project Visits
   1. Bombay Urban - Dharavi
   2. Bombay Water Supply & Sewerage
O. Meeting with Chief Minister, Maharashtra
P. Lunch Hosted by Chairman, IDBI for Governor (RBI) and Business & Finance Leaders
Q. [*] Project Visits
   - Bombay Urban
R. Dinner Hosted by Governor, Maharashtra

FILE: PRESTON.OTL DRAFT: 10/26/92

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A. Selected Country Statistics
[#] - Basic Data Sheet
- Social Indicators

B. [#] Map of India

[*] Not yet prepared
[#] Under preparation
[@] Draft received but needs to be reformulated

DRAFT: 10/26/92 PM

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

I. ITINERARY

Tuesday, November 10: KARACHI/AGRA [FREE DAY]

9:00 am	Depart Karachi for Agra (Charter)	
11:00 am	Arrive Agra	
11:15 am	Depart for Mughal Sheraton Hotel	
11:45 am	Visit Taj Mahal	
12:45 pm	Return to the Mughal Sheraton Hotel	
	LUNCH	
2:30 pm	Depart for Fatehpur Sikri	) This is an out-of town
3:15 pm	Arrive Fatehpur Sikri	) trip. Suggest the Prestons) visit Red Fort in Agra or
4:15 pm	Depart for Airport (to Delhi)	) leave afternoon free
4:45 pm	Depart Agra	
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Evening	FREE TIME	

Wednesday, November 11: DELHI

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3:00 pm	Call on Finance Minister

GPP?

	3:45 pm	**AGRICULTURE/ENERGY: Briefing (en route to meeting)**
	4:00 pm	Call on Minister, Agriculture or Energy [Note: insufficient time to see both - N.K. requested to choose]
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	8:30 am	**PRESS DISCUSSION: Briefing (en route to 55 Lodi Estate Resident Mission)**
	8:45 am	Press Discussion with 4 or 5 senior economic editors at Resident Mission [#]
	~~9:45 am~~ 10.00	TV interview - Eyewitness [#]
GPP	~~10:30 am~~	Brief address and meet NDO staff
	11:15 am	**BRIEFING FOR MEETING WITH THE PRIME MINISTER**
	11:30 am	Brief stop at Hotel
	12:00 noon	Meeting with Prime Minister, followed by a lunch hosted by the PM - 7 Race Course Road
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	5:00 pm	Departure for Rashtrapati Bhavan
GPP	5:30 pm	Call on the President - Rashtrapati Bhavan
	6:15 pm	Return to hotel to change for dinner
GPP	7:00 pm	Cocktails and Cultural Program followed by dinner hosted by the business community at 19 and 20A, Prithviraj Road

Friday, November 13: **DELHI/JAIPUR/JODHPUR/UDAIPUR**

-- am	Depart hotel for airport
8:00 am	Depart for Jaipur (special GOI aircraft)
8:45 am	Arrive Jaipur
	* On-site visit to maternal and child health clinics
	* Call on the Chief Minister, Rajasthan
GPP 11:30 am	Depart for Jodhpur (special aircraft)
? 12:00 noon	Arrival Jodhpur - Visit to government run Umaid Maternal health and Child Care Hospital
GPP 2:00 pm	Lunch at the Mehrangarh Fort by the Maharaja of Jodhpur
GPP 4:00 pm	Depart for Udaipur; stay at Lake Palace Hotel
	FREE TIME
GPP Evening	Dinner and entertainment

Saturday, November 14: **BOMBAY**

7:30 am	Depart Hotel for Bombay (special aircraft)
GPP 9:30 am	Arrive Bombay. Proceed to Dharavi for visit to Bombay Urban Development Project and Bombay Sewerage outfall - escorted by Bakul Patel (Mayor of Bombay)
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Afternoon	**INFRASTRUCTURE ISSUES: Briefing**
3:00 pm	Project visits - urban, slum clearance project sites
GPP 6:00 pm	Return to hotel
7:00 pm	Press Briefing

GPP

8:00 pm	Dinner with Governor, Maharashtra (Raj Bhavan) (Mr. C. Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)

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FACSIMILE COVER SHEET AND MESSAGE

Gisu
Didn't have much time, Checked a few preferences
5

DATE: October 23, 1992 NO. OF PAGES: 8 (including this sheet) MESSAGE NUMBER: 1

TO
Name: GISU MOHADJER
Organization: \
Fax Tel. No. 75584
City: \
Country: \

FROM
Name: STEVE TALBOT
Dept./Div. SA2CI
Room No. G 3-117
Fax Tel. No. 202 477 7352
Dept/Div No. 244/10
Tel. No. 202 458 0354

SUBJECT: MR. PRESTON'S VISIT

MESSAGE:
FYI

Mr. Stern,

Attached is the latest information on Mr. Preston's visit to India, and suggestions for Mr. Preston's program. Please call me with your comments

at work (202) 458-1143
at home (202) 363-4909.

Thanks!
Jim
10/23

Transmission authorized by: EBSULLIVAN

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1884 (2-90)

NEW DELHI, INDIA
FACSIMILE No. : 619393

2049/I

THE WORLD BANK
RESIDENT MISSION IN INDIA
FACSIMILE TRANSMITTAL FORM

Date : Ocotber 21, 1992

Number of Pages : 7 including this page

From : Bimla n Bissell

To Steve Talbot : SA2CI (Dept. code) D10-085 Rm. No.

Message Number : 2049

Subject Program of Mr.Preston

COMMENTS :

Mr.Talbot;

Please see the attached.

Thank you and with best regards

Bim Bissell

Authorized by _____ (Signature)

Bimla N Bissell (Name)

2049/2

PROGRAM / CHECKLIST - OCT.20 : 18:30 HRS

FOR VISIT OF PRESIDENT WORLD BANK

(= not confirmed)*

November 10
Tuesday

1100	*Arrive Agra by Chartered flight (Mr & Mrs Preston - M/s Wood and Mohadjer*[1]
	Depart for the Mughal Sheraton Hotel
1145	*Visit the Taj Mahal*
1245	*Return to the Mughal Sheraton Hotel*
	LUNCH
1430	*Depart for Fatehpur Sikri*
1515	*Arrive Fatehpur Sikri*
1615	*Depart for Airport*
1645	*Depart Agra*
1715	*Arrive New Delhi (Domestic Airport)*
1800	*Arrive at the Oberoi Hotel*

[1] To be met on arrival by Mr.N.K.Singh, most probably Mr.Neeraj Prasad from DEA, and Mrs.Bissell. Custom clearance facilities are being organized in Agra. DEA is also looking at a possiblity of an Indian plane to pick them up from Pakistan since apparently there are some sensitivities for a PIA flight to come into Agra.

2049/3

November 11
Wednesday

0700	*Depart for a field trip to Haryana (Helicopter)*[2] *(to be confirmed after Mr.Barghouti completes dry run today)*
1200	*Return to the Oberoi Hotel*
1245	*Lunch/briefing at 11A Prithviraj Road - M/s Wood, Vergin, Tharmaratnam, Yenal, Gisu.*
1445	*Depart for Call on the Finance Minister*
1500	*Call on Finance Minister - 134 NB*
1600	*Call on Minister, Agriculture - Krishi Bhavan*
1645	*Call on Minister, Power - S.Shakti Bhavan*
1730	*Round Table meeting with senior officials of major business associations - FICCI, ASSOCHAM, CII - at the FICCI Bldg*[3]
1930	*Cocktails by Senior Finance Ministry Official - either Secretary, Finance OR Secretary, DEA at the Villa Medici - Taj Mahal Hotel*
2030	*Dinner by Finance Minister - Casa Medici, Taj Mahal Hotel*[4]

Very light - Javad discussing with N.K. today

---

[2] Mr.Barghouti is visiting an irrigation project which has had Bank funding and may have some future Bank fundingas well. To be confirmed after Mr.Barghouti completes dry run today).

[3] List for the Round Table meeting will be pouched to you as soon as we get it from DEA.

[4] This will be a small dinner and will include key Secretary's,CCI, Mr.Bimal Jalan.

2049/4

November 12
Thursday

0830	*Press Discussion : Briefing*
0845	*Press Discussion at 55 Lodi Estate*
0945	*(Possible) TV interview - Eyewitness*
1030	*Brief Address and meet NDO staff - 55 Lodi Estate*
1115	*Briefing for meeting with the Prime Minister*
1130	*Brief stop at Hotel*
1200	*Call on Prime Minister - 7 Race Course Road followed by a lunch hosted by the PM*
1415	*To Hotel*
1530	*Briefing*
1600	*Call on Minister of State for Environment/Forest * - CGO Complex*
1630	*Hotel*
1715	*Departure for Rashtrapati Bhavan*
1730	*Call on the President - Rashtrapati Bhavan*
1900	*Cocktails and Cultural Program followed by dinner hosted by the business community (details to follow) at 19 and 20A, Prithviraj Road *

Note: A. In case Mr.Preston wants to have some free time this am, visits to the Red Fort, Old Delhi, Lotus Temple etc can be arranged and the meeting with the staff can be preponed to November 11 from 1:45 pm to 2:15 pm. | Don't recommend

B. The following names will be added to the lunch list mentioned in your EM of October 15 - M/s GitheKrishan, Jalan, Damodaran (PS to the Prime Minister) and Qisu. Please note that Mr.Verma is principal secretary to the PM.

2049/5

November 13
Friday

0800	*Depart for Jaipur by special (GOI) aircraft*
0845	*Arrive Jaipur*
	**On-site visit to ongoing Bank-assisted projects*[5]
	**Call on Chief Minister, Rajasthan*
1130	*Depart for Jodhpur*
1200	*Arrival Jodhpur - Visit to government run Umaid Maternal Health and Child Care Hospital*
	Lunch at the Mehrangarh Fort by the Maharaja of Jodhpur
1600	*Depart for Udaipur* *Stay at Lake Palace Hotel*

Dearth of Bank projects in or around Jaipur still causing problems

– not a bank project but well worth seeing

[5] DEA wants to know what the Bank would like to propose for this visit. Given the shortage of time and the fact that they may be looking at a Maternal Child Health hospital at Jodhpur. You may wish to consider either an agricultural project or a visit to RIPA where EDI has an ongoing training program for Indian government officials (Details from Michael Bamberger, EDI). In terms of timing and location this would be imminently feasible.

2049/6

November 14
Saturday

0730	*Departure for Bombay*
0930	*Arrive Bombay. Proceed to Dharavi for visit to Bombay Urban Development Project - escorted by Bakul Patel (Mayor of Bombay)* + Population V
1130	*To the Taj Mahal Hotel*
1200	*Call on the CM, Maharashtra*
1300	*Lunch by the Chairman, IDBI with the Governor, RBI -Bombay Merchants Chamber, etc.*
1500	*Local visits* Urban projects
1900	*Press Briefing*
2000	*Dinner by Governor, Maharashtra(Raj Bhavan)*

2049/7

November 15
Sunday

0815	*Depart for Airport*
0900	*Depart for Calcutta (Special aircraft)*
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FACSIMILE COVER SHEET AND MESSAGE

DATE: October 23, 1992 NO. OF PAGES: 8 (including this sheet) MESSAGE NUMBER: 1

TO
Name: GISU MOHADJER
Organization: \
Fax Tel. No. 75584
City: \
Country: \

FROM
Name: STEVE TALBOT
Dept./Div. SA2CI
Room No. G 3-117
Fax Tel. No. 202 477 7352
Dept/Div No. 244/10
Tel. No. 202 458 0354

SUBJECT: MR. PRESTON'S VISIT

MESSAGE:

FYI

Transmission authorized by: EBSULLIVAN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

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NEW DELHI, INDIA
FACSIMILE No. : 619393

2049/I

THE WORLD BANK
RESIDENT MISSION IN INDIA
FACSIMILE TRANSMITTAL FORM

Date : Ocotber 21, 1992

Number of Pages : 7 including this page

From : Bimla n Bissell

To Steve Talbot ..SA2CI.. (Dept. code) D10-085 .....Rm. No.

Message Number : 2049

Subject Program of Mr.Preston

COMMENTS :

Mr.Talbot;

Please see the attached.

Thank you and with best regards

Bim Bissell

Authorized by _____ (Signature)

Bimla N Bissell (Name)

2049/2

PROGRAM / CHECKLIST - OCT.20 : 18:30 HRS

FOR VISIT OF PRESIDENT WORLD BANK

(= not confirmed)*

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1100	*Arrive Agra by Chartered flight (Mr & Mrs Preston - M/s Wood and Mohadjer*[1]
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1100	*Arrive Calcutta*
1200	*Lunch with Chief Minister, West Bengal*
1400	*Depart for Dhaka (special aircraft)*

NEW DELHI, INDIA
FACSIMILE No. : 619393

2053/I

THE WORLD BANK
RESIDENT MISSION IN INDIA
FACSIMILE TRANSMITTAL FORM

Date : October 22, 199-

Number of Pages : 4 including this page

From : Bimla N Bissell

To Gisu Mohadjer..... EXC..... (Dept. code) E.1235.....Rm. No.
(477-6658)

Message Number : 2053

Subject Preston Visit

COMMENTS :

Gisu:

Please see the attached.

Best regards

Bim Bissell

Authorized by _____ (Signature)
for Bimla N Bissell (Name)

2053/2

MRS.PRESTON

PROGRAM

as of Oct.21 (12:30 hrs)
(* = to be confirmed)

November 10
Tuesday

Agra — Same program as Mr.Preston

Brin Bissell
GOI Prashad

Fabelyn Sikri warm cottons, conductive shoes.

November 11
Wednesday

0900		Visit to the Spastic Society
1030		~~Local visits/shopping~~
1215		Hotel
1300	LIP	Lunch for Mrs.Preston by Mrs.Manmohan Singh* - (or informal briefing and lunch with Mrs.Yenal and Bim at 11 A Prithviraj Road)
1530		Visit ~~Cottage Industries Emporium~~ Sanskriti
1630	4:30	Crafts Museum and Crafts Demonstration - Pragati Maidan, Director Dr.Jotindra Jain
1730	5:30	~~Tea for Mrs.Preston by Mrs.M.Alva *~~
1900	7:00	Hotel
1930	LIP	Cocktails - Taj Mahal Hotel
2030		Dinner by Finance Minister - Taj Mahal Hotel

Corma Gallery 8:00 Qutb Minar, Bahai House of Worship, Kalkaji Devi Temple

of Mr Preston

p194

p190/191 Sunder Nagar Jewelry + Handicrafts

next to Old Fort Purana kila

~~of prominent women in Cabinet,~~ Margaret Alva arts, pariahs

Minister for personnel + training used to be Minister for Women's affairs

6:30 Tailor @ hotel for next day
give style samples, can buy cotton, silks in Delhi for suits
raw silk

2053/3

November 12
Thursday

0730 Local visits (Red Fort, Old Delhi, Lotus Temple)*
10:00 Mtg of Resident Mission staff
1200 Hotel

1230 Lunch for Mrs.Preston hosted by Mrs.Yenal

1500 Hotel
5:00 Join LTP to
1530-1630 Visit to National Museum
5:00 Join LTP to leave for President
1730 Call on the President - Rashtrapati Bhavan

1900 Cocktails and Cultural Program followed by dinner hosted by the business community (details to follow) at 19 and 20A, Prithviraj Road

November 13
Friday

0800 Depart for Jaipur by special (GOI) aircraft

0845 Arrive Jaipur

① Visit the City Palace/Jantar Mantar and tea with the Maharani of Jaipur, Padmini Devi
② Visit to Amber Fort
1130 Depart for Jodhpur
11:30 Maternal + Child health clinic
1300 2:00 Lunch at Mehrangarh Fort hosted by the Maharaja of Jodhpur

1530* Depart for Udaipur
Stay at Lake Palace Hotel
400

③ Shopping for precious gem stones esp. emerald, rubies, sapphires

or ③ Back project visit

① tea @ Lake Palace
② Visit to City Palace & Jag Mandir
③ shopping @ Mangalam Arts and @ Lake Palace Hotel
→ Jag Mandir
→ Village of artisans
→ drive down Udaipur Royal procession

2053/4

November 14
Saturday

0730	Departure for Bombay
0930	Arrive Bombay. Dharavi visit slum development project
1130	Prince of Wales Museum (now Dr Gorakshkar archeological, art and natural history museum contains an excellent collection of Indian miniatures
1230	To the Taj Mahal Hotel
1300	Lunch by Mrs.Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel (Kandahar)
1500	Local visits/ shopping /rest project visits of LTP
1800	Hotel
2000	Dinner by Governor, Maharashtra(Raj Bhavan)

November 15
Sunday

0815	Depart for Airport
0900	Depart for Calcutta (Special aircraft)
1100	Arrive Calcutta
1200	Lunch with Chief Minister, West Bengal [and/or visit Mother Teresa] YES.
1400	Depart for Dhaka (special aircraft)

a:mrsp .

NEW DELHI, INDIA
FACSIMILE No. : 619393

2054/I

THE WORLD BANK
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From : Bimla N Bissell

To Gisu Mohadjer..... EXC..... (Dept. code) .F.1235.....Rm. No.
(477-6658)

Message Number : 2054

Subject Preston Visit

COMMENTS :

Gisu:

Please see the attached.

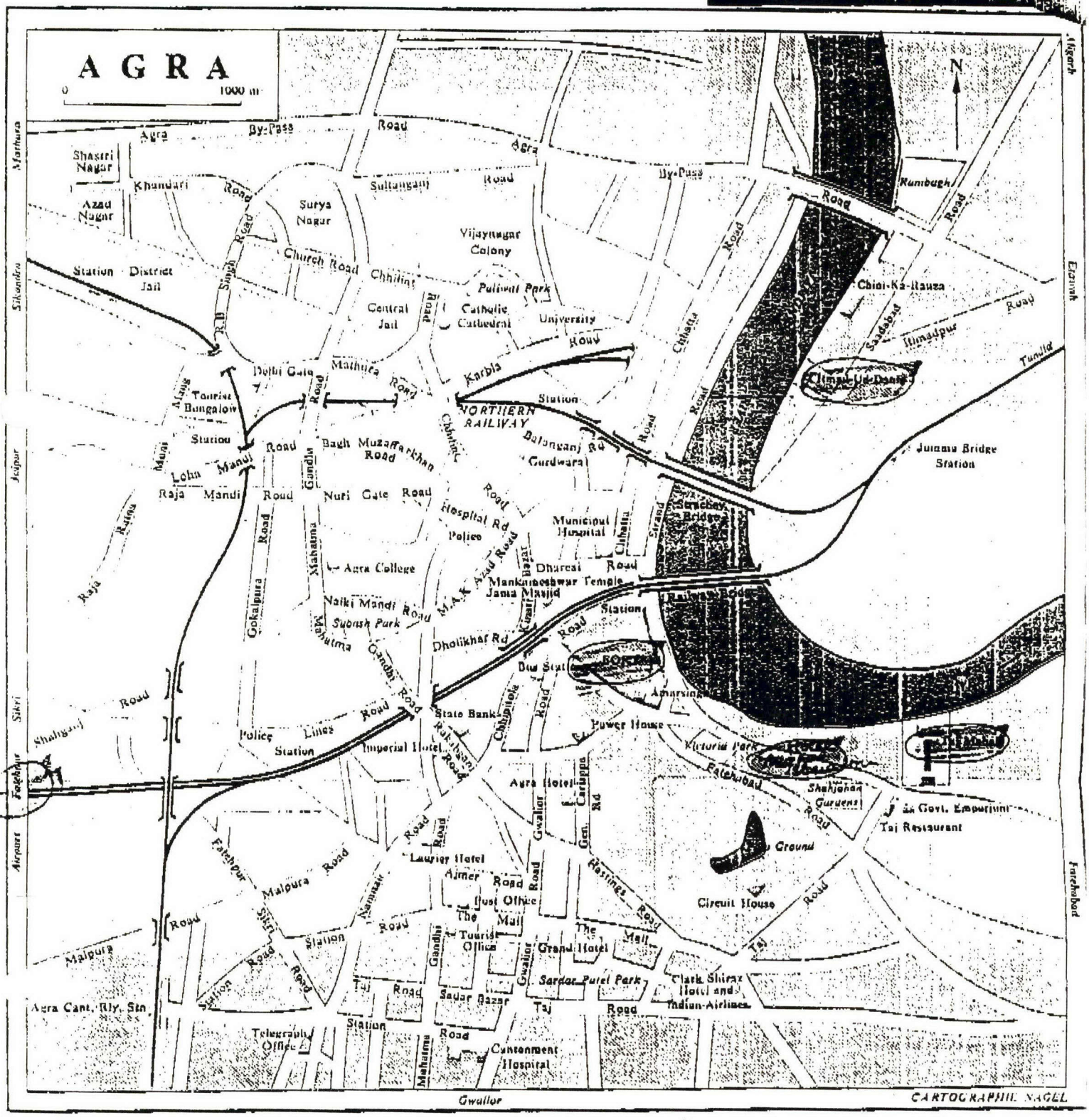
Best regards

Bim Bissell

Authorized by _____ (Signature)

for Bimla N Bissell (Name)

2054/2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Khandari Road
Sultanganj Road
Surya Nagar
Vijaynagar Colony
Church Road
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Station
District Jail
R.B. Singh Road
Pulwari Park
Central Jail
Catholic Cathedral
University Road
Chhata Road
Chini-Ka-Rauza
Sadabad
Rumbagh Road
Shamgpur Road
Tundla
Delhi Gate
Mathura Road
Karbla
Tourist Bungalow
Station Road
NORTHERN RAILWAY
Balangunj Rd
Gurdwara
Jumma Bridge
Station
Lohamandi Road
Raja Mandi
Nuri Gate Road
Bagh Muzaffarkhan Road
Hospital Rd
Police
Municipal Hospital
Chhata
Agra College
Dhareai Road
Mankameshwar Temple
Jama Masjid
M.K. Azad Road
Naiki Mandi Road
Subash Park
Gokalpura Road
Mahatma Gandhi Road
Dholikhar Rd
Railway Station
Dak Bungalow
Amarsinha
State Bank
Police Lines
Station
Imperial Hotel
Rakabganj Road
Power House
Victoria Park
Fatehabad
Shahjahan Gardens
Govt. Emporium
Taj Restaurant
Agra Hotel
Cantonment Gen. Rd
Gwalior Road
Ground
Circuit House
Lawrier Hotel
Ajmer Road
Post Office
The Mall
Tourist Office
Grand Hotel
Hastings Road
Fatehpur Malpura Road
Malpura
Agra Cant. Rly. Stn.
Telegraph Office
Sadar Bazar
Sardar Patel Park
Clark Shiraz Hotel and Indian Airlines
Cantonment Hospital
Mahatma
Gwalior
Sikandra
Mathura
Jaipur
Sikri
Fatehpur
Airport
Etmadpur
Fatehabad
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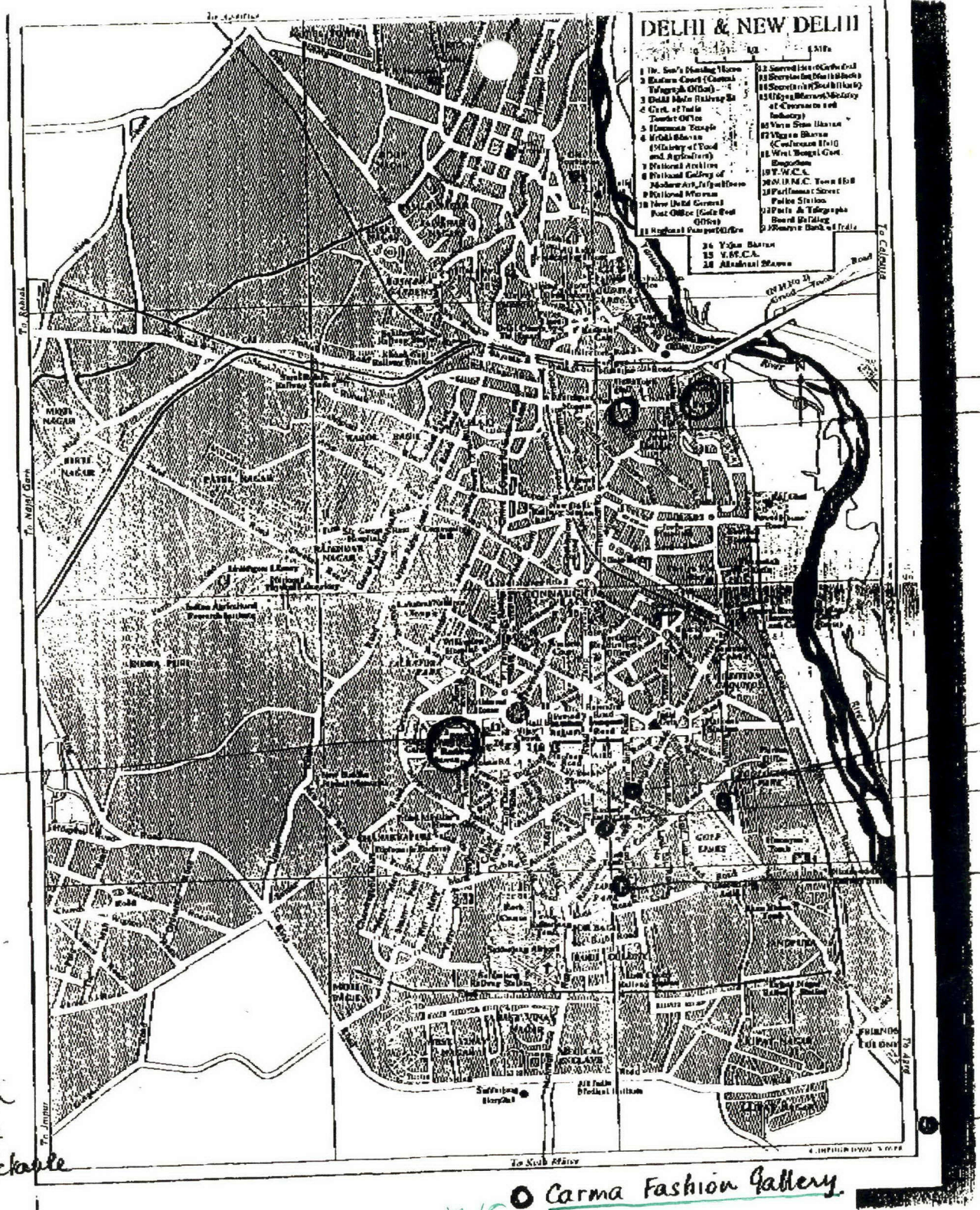
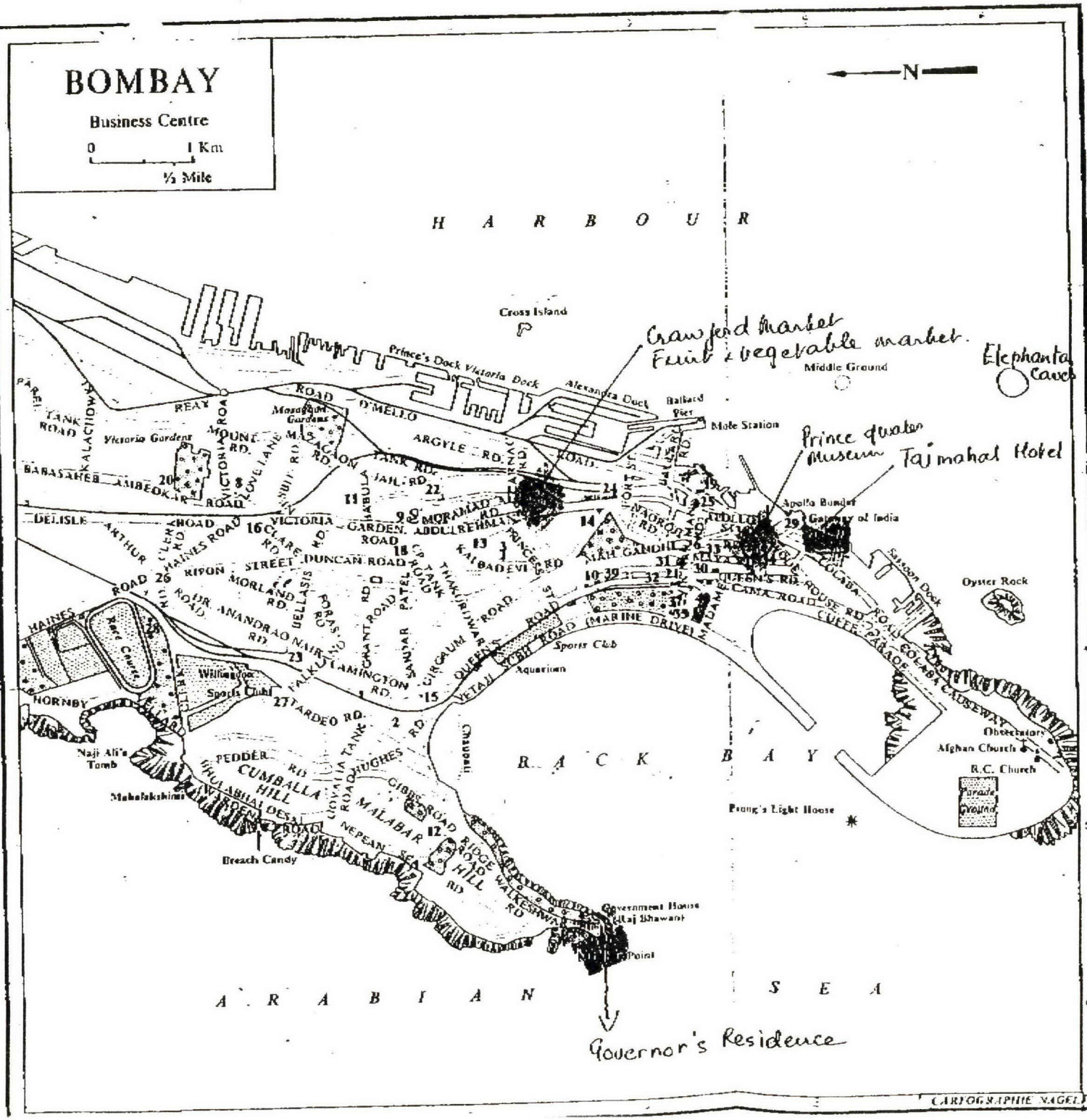


OCT 22 '92 05:50PM NEW DELHI OFFICE

P.7

20/54



1. Brabourne Stadium (Cricket Club of India)
2. Congress House
3. Cotton Exchange
4. Council Hall
5. Crawford Market and Zaveri Bazaar
6. Flora Fountain
7. Government Mint
8. Gloria Church
9. Bendhi Bazaar
10. Bombay Hospital
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12. Kamala Nehru Park
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26. Jacob Circle
27. Tardeo
28. Royal Western India Turf Club
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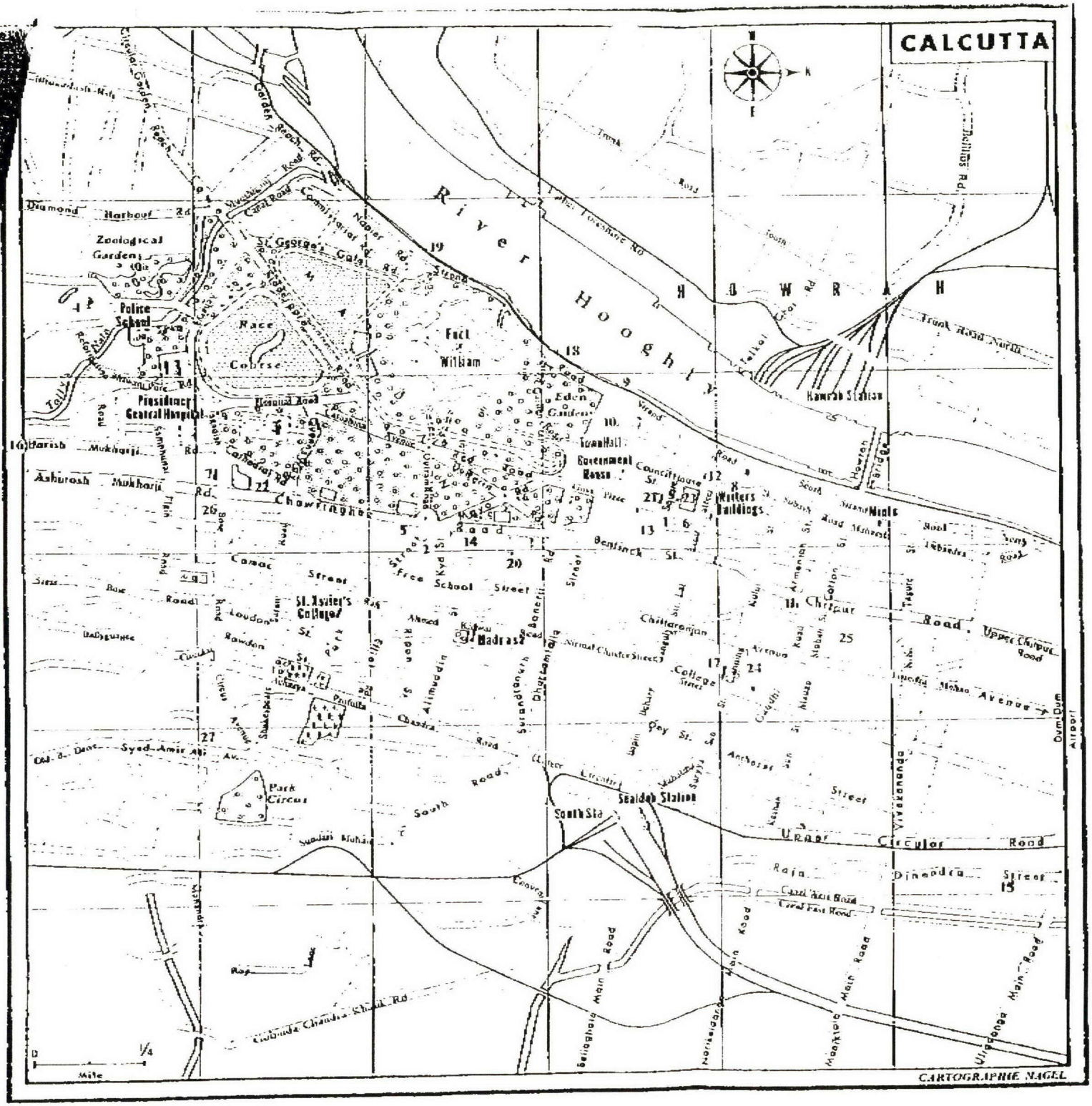
30. Rajabai Tower
31. Central Telegraph Office
32. Churchgate Station
33. High Court
34. Institute of Science
35. Jai Hind College Hall
36. Jehangir Art Gallery
37. Ambassador Hotel
38. Taj Mahal Hotel
39. West End Hotel
40. Ritz Hotel

OCT 22 '92 05:53PM NEW DELHI OFFICE P.8

4/2054



1 Govt. of W. Bengal Tourist Bu...
2 Asiatic Society
3 Victoria Mem...
4 Belvedere
5 Bengal Club
6 Air-India
7 Calcutta Club
8 Reserve Bank of India
9 Chandpal Ghat
10 Council Chamber
11 Nakhoda Mosque
12 General Post Office
13 Govt. of India Tourist Office
14 Indian Museum
15 Jain Temple
16 Kali Temple
17 Medical College Hospitals
18 Outram Ghat
19 Prinsep Ghat
20 Hogg Market
21 Telegraph Office
22 St. Paul's Cathedral
23 Telephone Office
24 University
25 Marble Palace
26 Foreigners' Registration Office
27 Birla Industrial & Technologi... Museum

OCT 22 '92 05:54PM NEW DELHI OFFICE P.9

5/1502

NEW DELHI, INDIA
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2053/I

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Message Number : 2053

Subject Preston Visit

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Please see the attached.

Best regards

Bim Bissell

Authorized by _____ (Signature)

Bimla N Bissell (Name)

2053/2

MRS.PRESTON

PROGRAM

as of Oct.21 (12:30 hrs)
(= to be confirmed)*

November 10
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Agra	*Same program as Mr.Preston*

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1030	*Local visits/shopping*
1215	*Hotel*
1300	*Lunch for Mrs.Preston by Mrs.Manmohan Singh* - (or informal briefing and lunch with Mrs.Yenal and Bim at 11 A Prithviraj Road)*
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1730	*Tea for Mrs.Preston by Mrs.M.Alva * *
1900	*Hotel*
1930	*Cocktails - Taj Mahal Hotel*
2030	*Dinner by Finance Minister - Taj Mahal Hotel*

2053/3

November 12
Thursday

0730	*Local visits (Red Fort, Old Delhi, Lotus Temple)**
1200	*Hotel*
1230	*Lunch for Mrs.Preston by Mrs.Yenal*
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1530-1630	*Visit to National Museum*
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November 13
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0845	*Arrive Jaipur*
	Visit the City Palace/Jantar Mantar and tea with the Maharani of Jaipur, Padmini Devi
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2053/4

November 14
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Sunday

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0900	*Depart for Calcutta (Special aircraft)*
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1200	*Lunch with Chief Minister, West Bengal and/or visit Mother Teresa*
1400	*Depart for Dhaka (special aircraft)*

a:mrsp .

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2054/I

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Bimla N Bissell (Name)

2054/2

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Chhipitola
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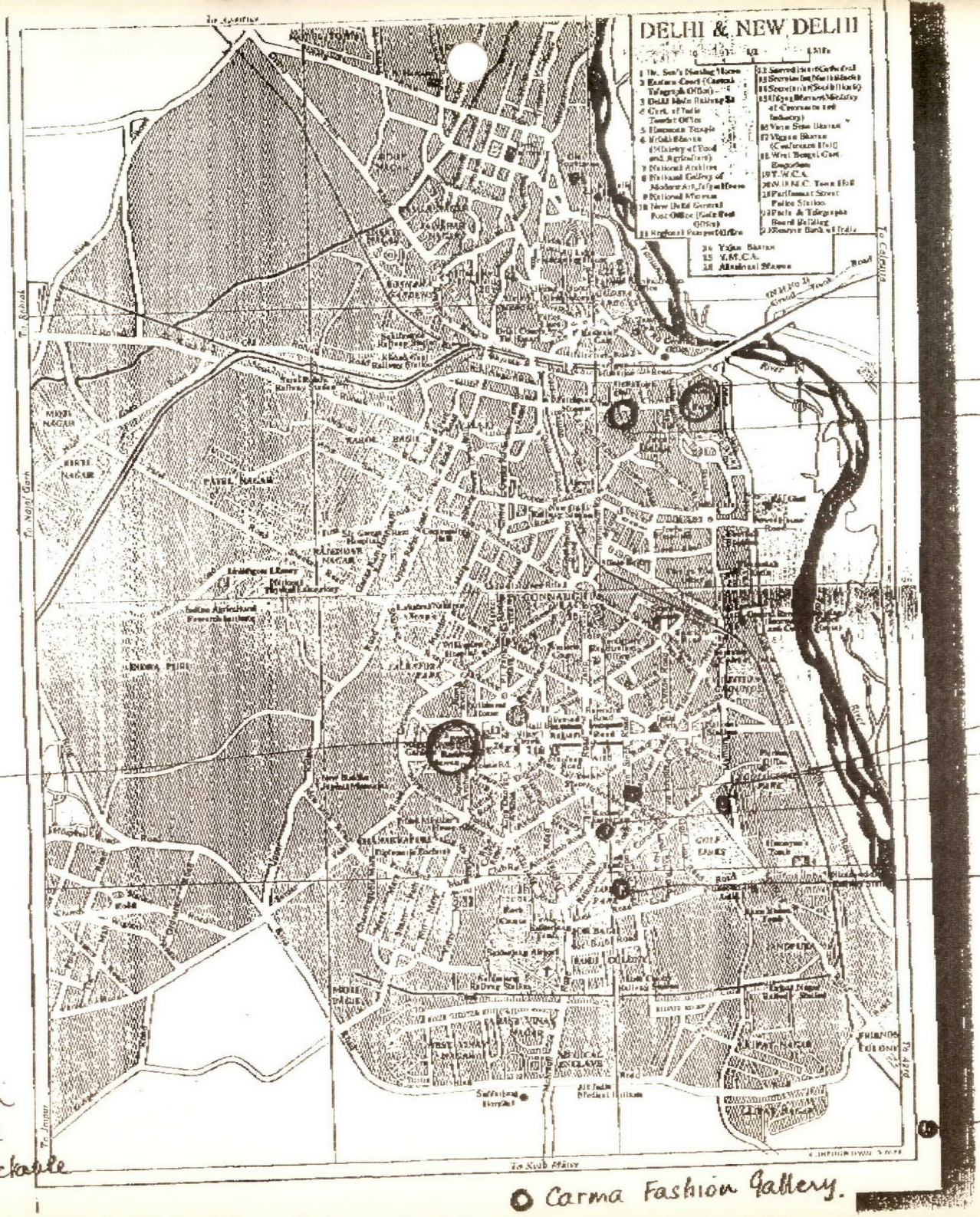
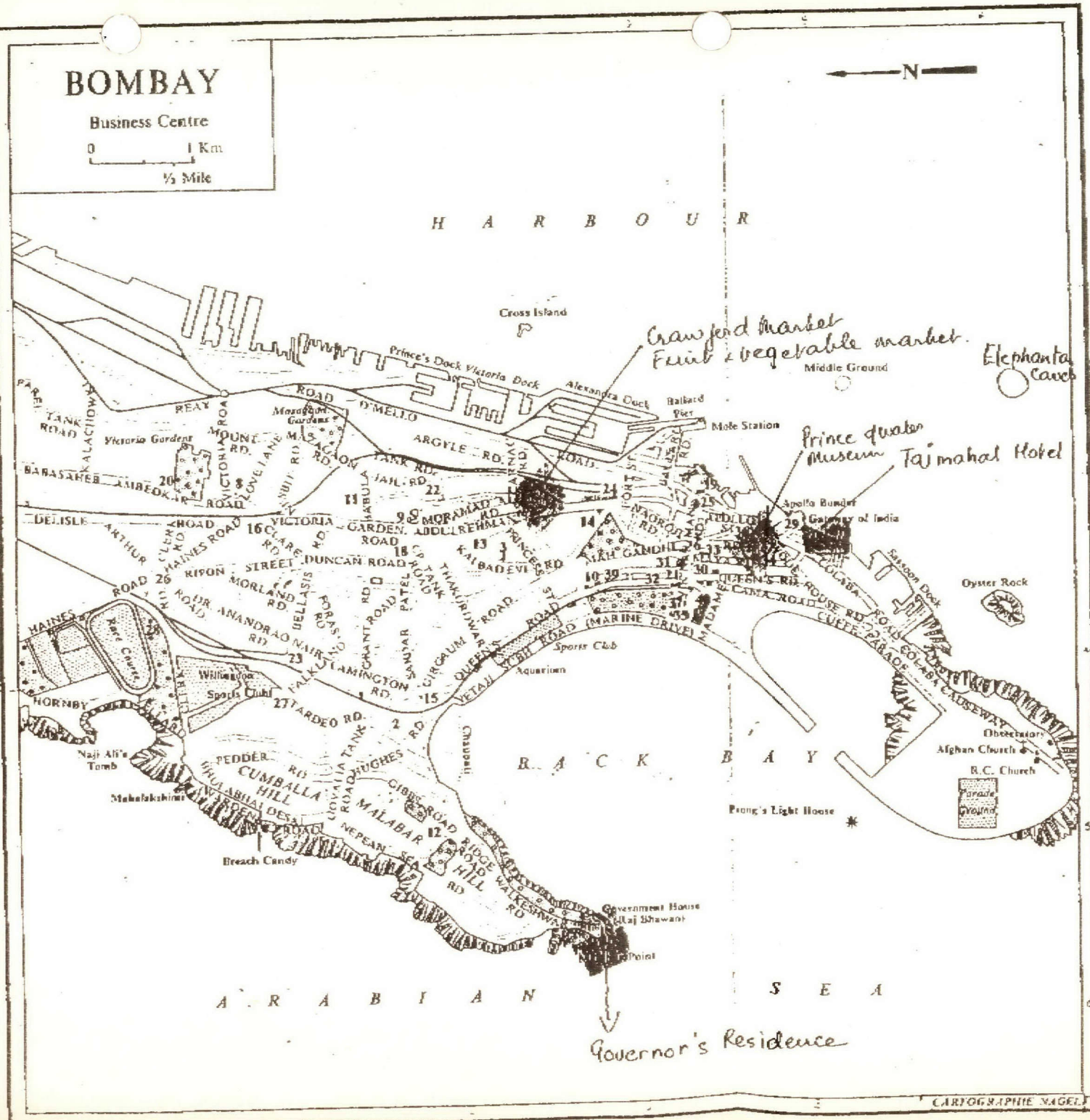


South Delhi is relatively less crowded.

The old city in North Delhi is crowded & traffic is unpredictable & slow.

OCT 22 '92 05:50PM NEW DELHI OFFICE P.7



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OCT 22 '92 05:53PM NEW DELHI OFFICE P.8

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1 Govt. of W. Bengal Tourist Bu.
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3 Victoria ...rial
4 Belvedere
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OCT 22 '92 05:54PM NEW DELHI OFFICE P.9

2054/6

SPASTICS SOCIETY OF NORTHERN INDIA (SSNI)

Started in 1979, SSNI is a non-governmental organization providing rehabilitation services to multi-handicapped persons and the cerebral palsied in particular. It is aided by the Government of India and International agencies including UNICEF.

Today they are helping around seven hundred disabled persons. Many have already been successfully rehabilitated. In India, the disabled are seen as having a hopeless future and there is a perceptible lack of understanding of their needs and requirements. (India has eighty million disabled persons).

- SSNI has taken up an awareness campaign [redacted] (National Television Network) for mobilizing social action and motivating the disabled.

- SSNI is actively designing and developing different models of rehabilitation services and training courses in special education and physical therapy.

- SSNI conducts short post graduate advanced courses for medical specialists, special educators and therapy trainers.

- SSNI started a job development centre for rural and urban sections in 1987 with a focus on self-employment, home based employment , sheltered employment and small scale industry.

- In 1980 SSNI started an in-depth "Home Management Programme"focussing on intensive sustained family support.

- In 1981 SSNI developed a model for rural community based rehabilitation of multi-handicapped children and young adults in Haryana.

2054/7

PRESENT ACTIVITIES OF THE SPASTICS SOCIETY OF NORTHERN INDIA

As a step towards successful rehabilitation of the disabled, SSNI provides the following services through various projects run on an ongoing basis.

- Assessment
- Special education and integration
- Physical therapy
- Speech therapy
- Aids and appliances
- Vocational Training
- Counselling
- Medical & Surgical Intervention
- Economic and psychosocial support
- Transport

The various projects run by the organisation are :

Centre for Special Education :

This 'Day Centre' set up in 1979, and located in Delhi provides rehabilitation servies to fifty cerebral palsied children. It is used as a training ground for students doing courses in special education, therapy and social work conducted by SSNI as well as other allied institutions in Delhi. This centre is also used for testing and developing innovative early intervention and rehabilitation strategies and aids. The disabled students after completion of their studies are placed in employment or admitted to Universities.

Home Management Centre :

This is a low cost family based rehabilitation programme located in Delhi. With a view to keeping the cost low SSNI is using the skill and motivation of the family members to help rehabilitate the disabled at home. Families and disabled children are admitted to this programme and attend weekly or fortnightly throughout the year. Outstation families from

2054/8

neighbouring States attend every three to six months. An equipment library provides all educational training material rquired. Aids and appliances are often custom made for the disabled child and provided free for poor parents.

Rural Centre in Dayalpur :

SSNI started an innovative pilot project in 1981 in Dayalpur village (State of Haryana) with an objective of developing a community based rural rehabilitation model. The Centre provides medical diagnosis, special education, therapy aids and appliances and job training to rural multi handicappedd children and young adults.

The special achievement of the project is the indepth community participation and successful training programme of literate and illiterate rural rehabilitation workers.

'Vishwakarma Job Development Centre'

SSNI is aware that less than 0.1% of the cerebral palsied adults are gainfully employed. However, even the most severely handicapped disabled person can be trained to earn something, the moderately to mildly handicapped can often be helped to earn a living. SSNI set up this job development Centre in 1988 to identify vocations suitable for different categories of handicapped persons, train them and have them gainfully employed. The models of employment used are self employment, home based employment, sheltered employment and open employment. Training has been in small scale industries.

The centre provides assessment, counselling, non-formal education, job training and placement services for seventy urban as well as rural multi handicapped persons.

Some of the specific areas where training is given include table top weaving, printing, small business management and edible oil production. In the rural section training is provided in dyeing, chalk making, small business management, toy making and the relevant training for running different kinds of small business. SSNI in its search or strategies that are relevant to a poor country has focused on models of employment that require low capital investment, allow use of the Governmental infrastructure already existing and easily available in rural areas for small capital loans, small scale industrial training and governmental national marketing facilities.

2054/9

School of Rehabilitation Sciences

The training centre of SSNI established in 1963 conducts the following courses on an on going basis.

- Post graudate courses on Education of Children with neurological and physical handicaps (one year diploma course) Recognised by Rehabilitation Council of India.

- Post graduate Basic Developmental Therapy course to train physical therapists (One year diploma course) Recognised by Rehabilitation Council of India.

- Certificate courses in special education and therapy for rural rehabilitation workers (six months)

- Short advanced courses for specialists.

SSNI today is viewed by the Government and international experts as being especially successful and innovative in the area of therapy training and rural training. It is also seen as being able to teach not only theory but also its creative application through practical work in on-going rural and urban projects.

Resource Centre

Part of the financial assistance received by SSNI is earmarked for providing educational and therapy aids like wheel chairs, adapted feeding aids, special furniture to the disabled of Delhi and neighbouring states.

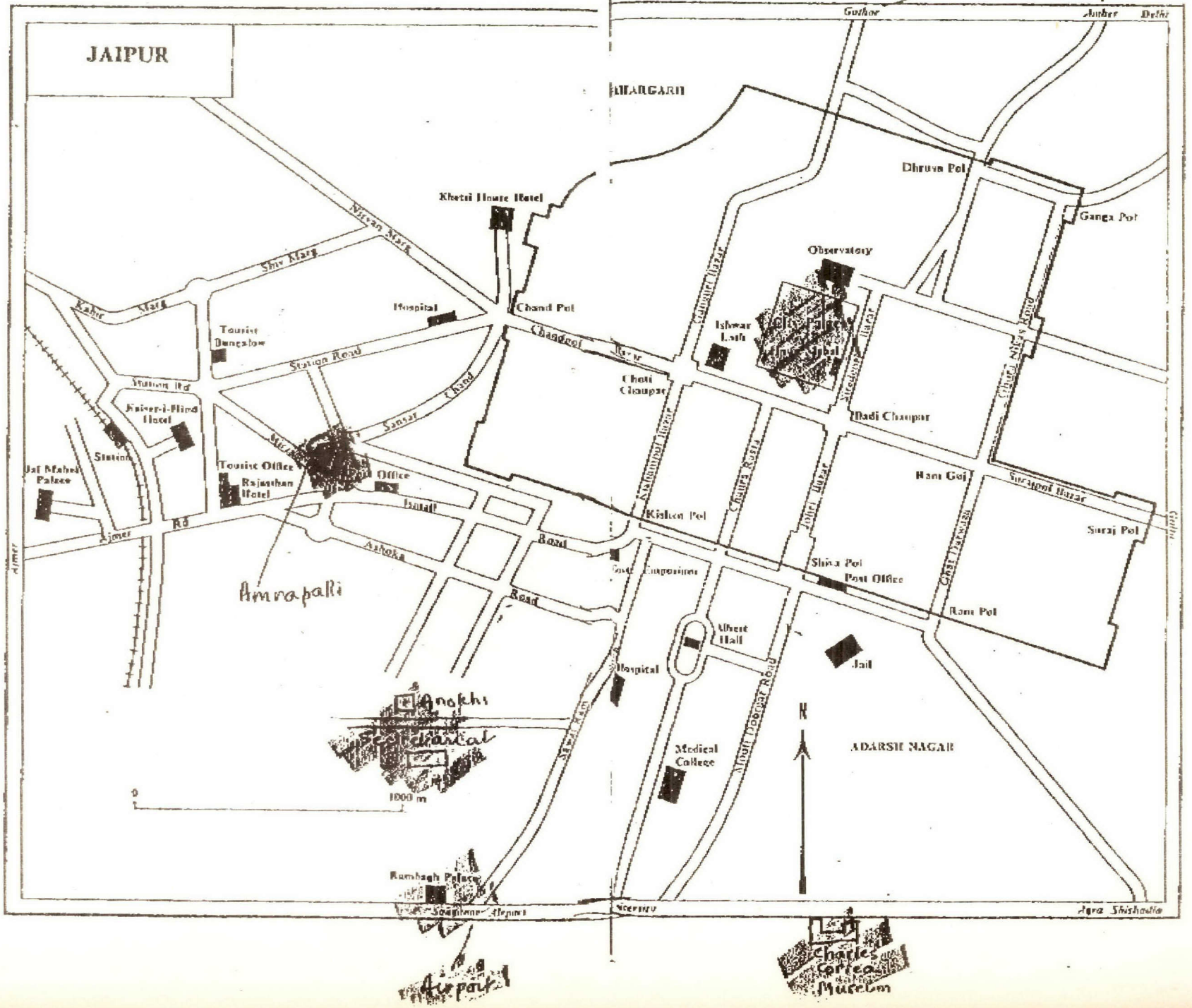
SSNI is a collaborative member in Research projects of apex Institutions like IIT, Government Institutions like ALIMCO and DRC on the development of rehabilitation aids. The Resource Centre has developed twenty five new aids and produces five hundred and fifty low cost aids every year.

OCT 22 '92 06:05PM NEW DELHI OFFICE P.1

Visa shaded areas give you an idea of what is where in terms of the options for the session plus distances etc

Amber Fort

Bridge S... (Prints).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Amber
Delhi
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Nirvan Mark
Shiv Marg
Kabir Marg
Hospital
Chand Pol
Tourist Bungalow
Station Road
Station Rd
Kaiser-i-Hind Hotel
Sansar Chand
Jal Mahal Palace
Tourist Office
Rajasthan Hotel
Post Office
Ajmer Rd
Ashoka Road
Amrapali
Ajmer
Dhruva Pol
Ganga Pol
Observatory
Ishwar Lath
Chandpol Bazar
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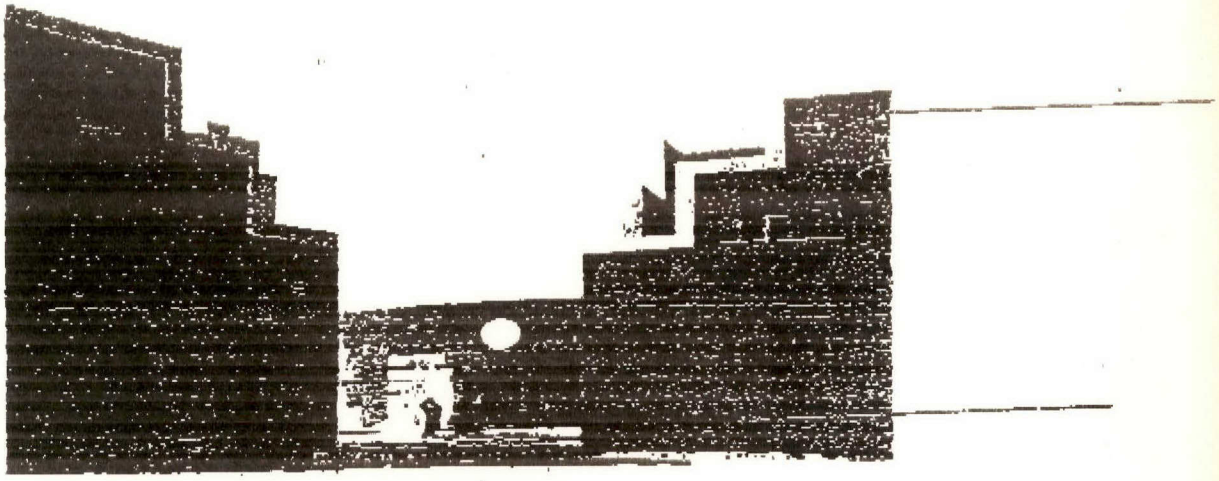
Chaugan Bazar

2054/11

Jawahar Kala Kendra Museum, Jaipur

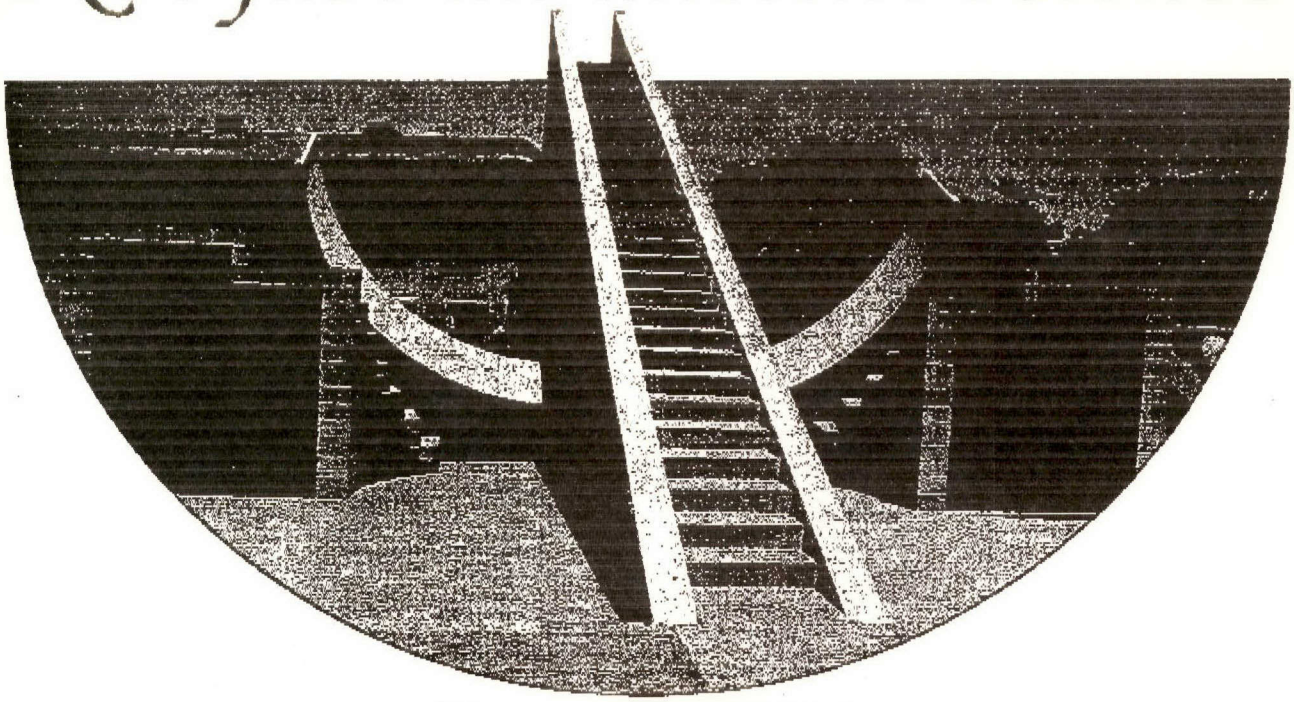
The Jawahar Kala Kendra, dedicated to the memory of Jawaharlal Nehru, houses a combination of facilities: collections of textiles, jewellery, illustrated manuscripts and other crafts that Rajasthan excels in, a 'street' of studios for traditional craftsmen to work in, a library, a small performing arts centre, and an experimental theatre.

Based on the Vastupurusha Mandala of the Vedic Shastras where architecture is conceived as a model of the cosmos, the specific Mandala invoked here is the Navagraha consisting of nine squares. Each square corresponds to a planet including two imaginary ones, Rahu and Ketu. The original city plan for Jaipur drawn up by Maharaja Jai Singh (scholar, mathematician and astronomer), was also based on a spatial matrix - with one of the squares moved to the east because of the presence of a hill. The Jawahar Kala Kendra directly invokes this original Navagraha with one of the squares displaced so as to create a main entrance, thereby recalling the gesture which generated the original city plan of Jaipur.



1987	February	"Charles Correa" by Hasan Khan, *Mimar/Butterworth*, U.S.A., pp. 142-143.
1988	Feb- March	"L'Inde intemporelle", *Techniques & Architecture*, France, pp.86-97.
1991	Sept. - Oct.	"Charles Correa" by Satish Grover, *Architecture + Design*, India, pp. 15-45.
1991	November	"Jawahar Kala Kendra", *Architectural Design*, profile no. 94, U.K., pp. 92-96.
1991	December	"Espacos Para India", *Arquitecture Urbanisimo*, Argentina, pp.44-51.
1992	January	"Mystic Labyrinth", *The Architectural Review*, U.K., pp. 20-26.
1992	March	"Squaring the Circle" by Patricia Jones, *Architectural Record*, USA, pp. 98-105.
1992	Apr-May	"Museo & Jaipur", *Techniques & Architecture*, France, pp. 24-31.
1992	May	Catalogue: "*World Architecture Exposition, 1998*", Nara, Japan, pp 40-49.

Not just an ancient science



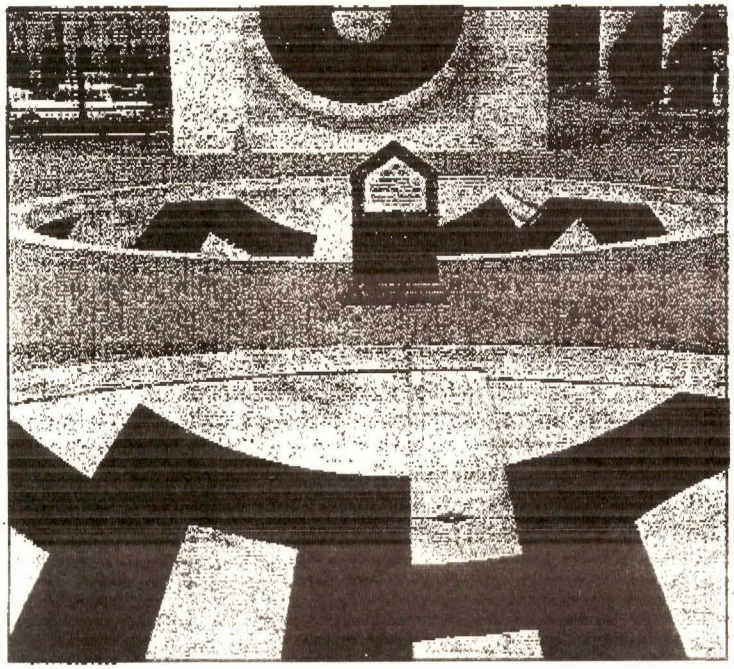
***Sangita P. Menon** says that Sawai Jai Singh's observatory is relevant even today*

Built in 1728, by the astronomer king Sawai Jai Singh the IInd the Jantar Mantar in Jaipur is one of the most well-known and preserved astronomical observatory in south-Asia. Housing 16 instruments in all, the observatory is the world's largest stone observatory.

It is said that Jai Singh built the biggest of his five observatories (the others are in Delhi, Ujjain, Benaras and Mathura) mainly for popularising the science of star gazing.

Also known as the *Yantra Mahal*, *Yantrashala*, *Yantralaya* and *Vedhashala*, the observatory is still used to prepare calenders, almanacs etc.

Astrological studies and casting of horoscopes based on accurate astronomical data, assimilated with the help of these *yantra* are prepared here, till this day.



Every year during the months of June-July (*Aashaad*), on *Guru Poornima* (full moon day), a group of astrologers, *pundits* and astronomy experts climb atop the large sun-dial *(vrahad samrat yantra*) and make weather predictions for the region. This they do by waving a thin muslin cloth towards a setting sun and working

out various positions etc. Easterly and northerly winds are supposed to mean an abundance of rain i.e. a good harvest. Whereas if the wind is from the Southerly or the westerly direction it means that there is first going to be a famine, followed by heavy rains and floods.

The other instruments in the Jantar Mantar include the *laghu samrat yantra*, a smaller version of the *vrahad samrat yantra*, used for time keeping. The *Dhruvpattika*, for viewing the North Star. The *Uttar Dakshin gola* shows the sun's position in the hemispheres; 23rd December being the longest night and 21st June the longest day.

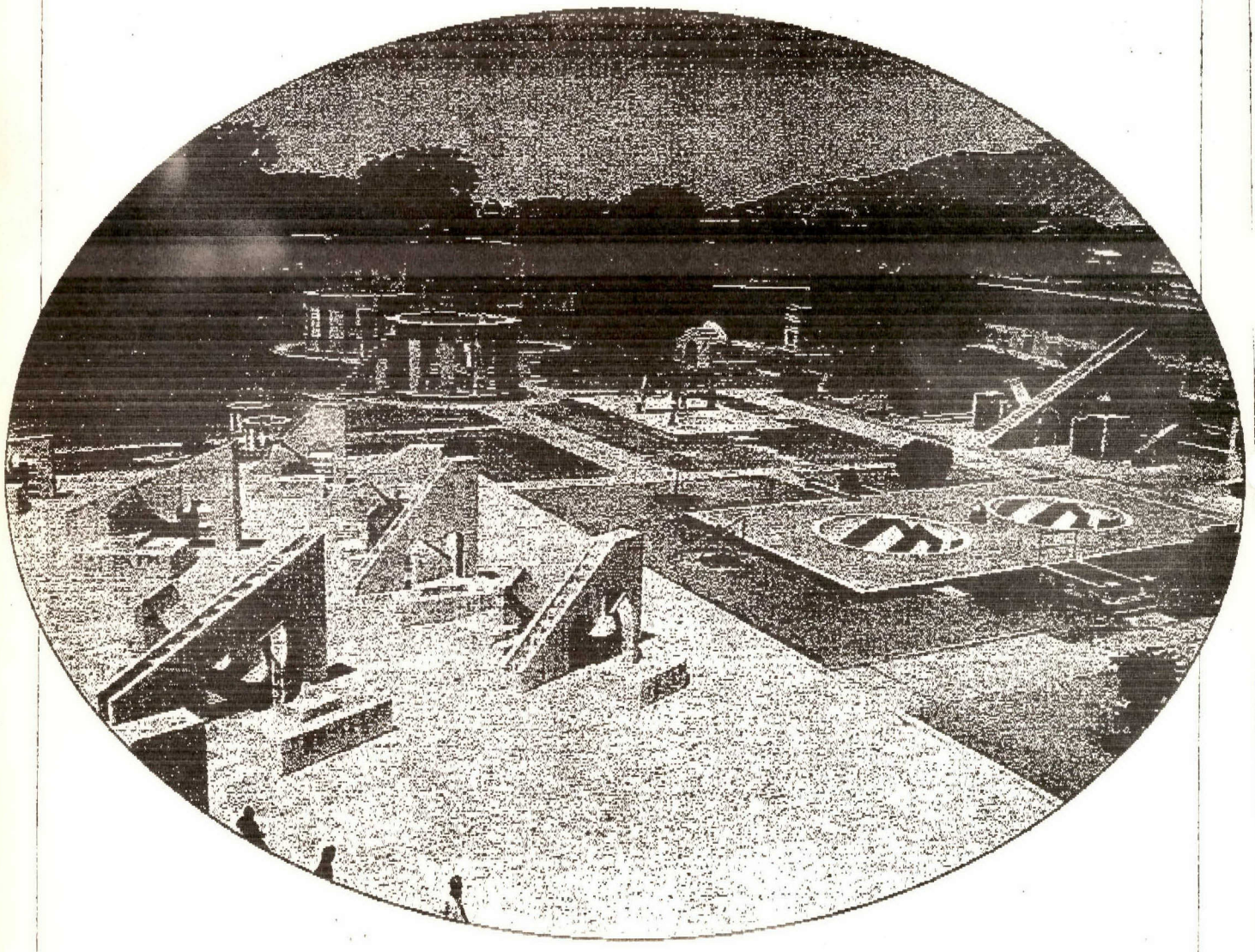
The *Krantivrat Yantra* shows the sun's position in relation to the zodiacs, while the *Dakshinabhitti Yantra* indicates the time of sunrise and sunset.

Longitudes of the planets can be deduced with the help of the *Raashi Yantra*, while the *Yantraas*, the *Unnatans yantra*, *Chakra yantra*, *Rama yantra*, *Shashtans yantra* and the *Dighans yantra* are indicators of the altitude, zenith and declination as well as the azimuth of heavenly bodies.

The pride of place, however, goes to the *Jai Prakash yantra*. Named after Jai Singh, this one instrument does a variety of calculations and is the main attraction here.

Today, despite budgetary constrains, repairwork and maintenance these structures are a must see on any tourists itinerary.

Photos: Liaquat A. Bhatti ■



OCT 22 '92 06:10PM NEW DELHI OFFICE P.1

A L L - I N - 1 N O T E

DATE: 21-Oct-1992 06:45am

TO: GISU MOHADJER (GISU MOHADJER @A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: Mrs. Preston's Program

Gisu:

As promised here are some options on Mrs.Preston's program. As per your suggestion, I have listed progams with social content, possibilities of visitng projects with Mr.Preston as well as shopping, sightseeing etc.

Since the time available in each city is very limited, you will need to choose carefully, given that though distances may not be great, the traffic is such that travel time needs to be considered. I am faxing you a rough map in each case giving some idea of locations.

We also hope to have a little time to brief Mrs.Preston on Nov.11. At this time she may wish to indicate specific shopping or other interests.

In Delhi:

Official engagements with Mr.Preston will involve Cocktails and dinner with the Finance Minister, call on the President of India, and the Cultural Program and Dinner by business community. A visit to the Spastic Society School,* and a visit to the Crafts Museum and Crafts Complex is being scheduled. We do not yet have the details of a possible field visit to Haryana. If it is feasible, she may wish to be included. However, this would depend on whether this can be worked in logistically. (i.e. whether there will be room on the helicopter etc).

tailor (in hotels)

Options for Mrs.Preston:

1) Visit to National Museum.
2) visit to the Bahai Temple,
3) visit to the Qutab Minar Complex and the Carma Gallery of Fashion and haute couture.
4) Visit to the Red Fort and Old Delhi including Dariba (Silver street), Kinari Bazaar (Wedding Street)

* :ailed notes being faxed to you

Shopping options:

Cottage Industries Emporium and The Shop in Connaught Place for Indian crafts, textiles, clothes and leather goods.

or

Sunder Nagar Market (for Jewellery anf Handicrafts),

or

Santhushti Shopping Complex which has a most interesting collection of small boutiques selling quality garments, giftware, ceramics, household linen and leather goods.

Of these, the Cottage Industries Emporium has now been overtaken by some of the new shopping areas which offer better designs and better selection.

6) There is a possiblity of a tea being hosted by Margaret Alva(Ministerin the GOI) for Mrs Preston to meet prominent Indian women in government, politics, arts, journalism etc.

JAIPUR:

Depending on the time available, one or two of the following could be possible -

1) The Government is organizing a call on Maharani Padmini Devi of Jaipur at the City Palace. This would give Mrs.Preston a chance to see the interior of the palace, visit the Museum (which is housed in part of the palace) and see a fine collection of Indian miniatures, royal costumes and jewellery. Adjacent to the City Palace is the Jantar Mantar, an 18th Century astronomical observatory.

2) visit to Amber Fort, 9 kms out of Jaipur. In the vicinity, she could visit recently restored haveli's including one in which old hand block printing techniques are being revived by a french designer. Brigitte Singh (married to the Raja of Nawalgarh) designs and sells fine handblock printed cotton linen and muslin fabric, clothes and linen.

3) Recently completed museum of Rajasthani Arts and Culture designed by Architect Charles Correa

4) Shopping :

Anokhi - exotic and high fashion cotton hand-printed textiles, clothes and linens. (These are made for and sold in France, Spain, USA and London).

Amrapalli, situated near the RamBagh Hotel for ethnic, antique and modern silver and gold jewellery. FYI, Jaipur is a wholesale market for Indian gems. If Mrs.Preston is interested, a selection of precious stones - emeralds, indian rubies and sapphires can be brought for her to see.

5) There is a possible visit to Bank aided project in Maternal and Child Health for Mr.Preston. If this works, out she may wish to accompany him.

JODHPUR :

1) The government of India has arranged for a lunch at the Mehrangarh Fort and Museum. This will be hosted by the Maharaja of Jodhpur (for Mr.& Mrs.Preston) The Fort and Museum are a fine and well preserved example of Rajasthani fortified palaces. The Museum has an unusual collection of old moghul tents.

2) Shopping - If there is time, a stop at Singhals warehouse of Indian Handicrafts for Mrs.Preston may be interesting. Mr.Singhal is an exporter who is selling wood and metal Rajasthan crafts adapted for foreign markets. These export houses are a new phenomenon in India and there is an amazing selection of handicrafts available.

UDAIPUR :

There have been some indications that there will be no official program at Udaipur. However, if some event is scheduled for Mr.Preston, you may wish to consider one of the following for Mr Preston :

Visit to the City Palace and to Jag Mandir (an island where Emperor Shah Jahan was confined in the 17th Century). Both are adjacent to the Lake Palace Hotel.

Shopping is good at Mangalam Arts for Indian arts and crafts and at the Lake Palace Hotel for old jewellery.

BOMBAY :

A.M. 1) Visit to Bank aided project with Mr.Preston at Dharavi slum development project. (escorted by Bakul Patel, Mayor of Bombay).

2) Lunch hosted by Cabinet Secretary's wife for prominent Bombay women.(Oberoi Hotel, 1-3 pm).
This may also include a fashion show

P.M. 3) Prince of Wales Museum with the Director, Dr.Gorakshkar

OR

4) Shopping for leather goods, clothes or textiles for which Bombay offers a particularly good selection.

CALCUTTA :

1) If Mr.Preston's lunch with the Chief Minister is a working

lunch, then the Government is planning to have Mrs.Preston visit Mother Teresa. However it is likely that the lunch may include Mrs Preston as well.

NO

WEATHER AND DRESS

For Mr.Preston, for official calls and social events in delhi, light weight suits are recommended. For field visits and travel and even for official meetings in the field, casual dress would be fine (bush shirts and safari suits). A hat is a good idea to take care of the sun.

For Mrs.Preston - as it is beginning to get cool, a shawl or wrap for the evening is a good idea. Skirts and knee length dresses for casual and formal wear will be more comfortable and more appropriate. Conservative cocktail length dress is fine for the evening. Suit or dress would be suitable for call on the President. For travel in the field, light cotton or linen attire would be suitable. Comfortable walking shoes and a hat are a good idea as the sun can be quite strong during the middle of the day in Rajasthan.

In the north i.e. Delhi/Jaipur/Jodhpur/Udaipur, it will be cool early in the morning and in the evening, and warm and dry during th day. Bombay and Calcutta will be much warmer, and a bit more hu d.

FAVOUR

Could you kindly also send us black & white photos of Mr.& Mrs.Preston as well as their biodatas?

done

Thank you and with best regards

Bim Bissell

CC: Oktay Yenal

(OKTAY YENAL AT A1 AT DELHI)

India
Weather Agra

	High (°F)	Low (°F)	Rainfall (mm)
New Delhi	29 84	12 54	1
Bombay	33 92	26 68	7
Jaipur	29 84	12 54	3
Udaipur	29 84	11 52	6
Calcutta	29 84	18 64	29

Bangladesh
Dhaka
29 17 7
84 63

Pakistan
Islamabad
26 7 12
79 45

Karachi
31 18 2
88 64

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FACSIMILE COVER SHEET AND MESSAGE

DATE: October 16, 1992 NO. OF PAGES: 4 (including this sheet) MESSAGE NUMBER: 1

TO
Name: GISU MOHADJER
Organization: \
Fax Tel. No. 75584
City: \
Country: \

FROM
Name: STEVE TALBOT
Dept./Div. SA2CI
Room No. G 3-117
Fax Tel. No. 202 477 7352
Dept/Div No. 244/10
Tel. No. 202 458 0354

SUBJECT: MR. PRESTON'S ITINERARY

MESSAGE:

Herewith itinerary as requested.

Transmission authorized by: EBSULLIVAN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

1884 (2-90)

DRAFT: 10/15/92 PM

MR. PRESTON'S ITINERARY: INDIA

Tuesday, November 10: KARACHI/AGRA [FREE DAY]

9:00 am	Depart Karachi for Agra (Charter)
11:00 am	Arrive Agra
	Visit Taj Mahal
	Room at _____ Hotel
5:00 pm	Depart for Delhi
6:00 pm	Check in to Oberoi Hotel
Evening	FREE TIME

Wednesday, November 11: DELHI

8:00 am	Depart for Field Trip to Haryana (Helicopter) (Visit irrigation projects and view associated village water supply schemes)
12:30 pm	Arrival back at Oberoi Hotel
1:00 - 2:30 pm	Informal lunch and meeting with NDO staff
2:30 pm	**STATE OF STRUCTURAL REFORM: Briefing**
3:00 pm [*]	Call on Finance Minister
5:00 pm	**PRIVATE SECTOR DEVELOPMENT: Briefing**
5:30 pm	Round table meeting with senior officials (about 15 altogether) of major business associations (FICCI, ASSOCHAM, CEI)
7:00 pm	Arrival back at hotel to change for dinner
8:00 pm [*]	Dinner hosted by Finance Minister (possibly attended also by Energy Minister - in which case briefing on energy issues will be fitted in sometime after 3:00 pm meeting with the Finance Minister)

Thursday, November 12: DELHI

8:45 am	**PRESS DISCUSSION: Briefing**

9:00 am	Press Discussion with 4 or 5 senior economic editors
10:15 am	**HUMAN RESOURCE DEVELOPMENT: Briefing**
10:30 am	Call on Minister of Human Resource Development
11:30 am	**REFORM PROGRAM/PRIVATE SECTOR DEVELOPMENT: Briefing**
12:00 noon	Meeting with Prime Minister
12:30 pm	Lunch hosted by Prime Minister (Small gathering at PM's request - attended by Messrs Preston, Wood, Vergin, PM's Private Secretary [Verma], Cabinet Secretary [Rajgopal], Finance Minister, Montec Ahluwalia and N.K. Singh)
2:30 pm	**AGRICULTURE: Briefing**
3:00 pm	Call on Minister of Agriculture
5:30 pm [*]	Courtesy call on President
6:30 pm	Return to Hotel
7:00 pm	Cocktails hosted by business community
8:00 pm	Cultural Program followed by Dinner

Friday, November 13: **DELHI/JAIPUR/JODHPUR/UDAIPUR**

8:30 am	Depart for Jaipur (special aircraft)
Morning	**SOCIAL SECTORS: Briefing**
	Project visits - child survival and safe motherhood and, possibly, Integrated Child Development Services (ICDS)
12:00 noon	Call on the Chief Minister, Rajasthan
1:00 pm	Depart for Jodhpur (special aircraft)
2:00 pm	Lunch at Jodhpur
3:30 pm	Depart for Udaipur (special aircraft)
	Check-in Udaipur Lake Palace Hotel
	FREE TIME
Evening	Dinner and entertainment at Hotel

Saturday, November 14: **BOMBAY**

9:00 am	Depart for Bombay (special aircraft)
11:00 am	Check-in Taj Mahal Hotel
11:30 am	**PRIVATE SECTOR DEVELOPMENT/FINANCIAL SECTOR: Briefing**
12:00 noon	Meeting with Chief Minister, Maharashtra
1:00 pm	Lunch hosted by Governor, Reserve Bank attended by chief executives of financial institutions and business leaders
Afternoon	**INFRASTRUCTURE/POVERTY ISSUES: Briefing**
	Project visits (to be determined)
6:00 pm	Return to hotel
7:00 pm	[Press Briefing - tentative]
8:00 pm	Dinner with Governor, Maharashtra (Mr. C. Subramaniam, former Finance Minister under Mrs. Gandhi in the 1970s and a principal Congress Party leader associated with the economic reform program)

Sunday, November 15:

BOMBAY/CALCUTTA/DHAKA

8:15 am	Depart for airport
9:00 am	Depart for Calcutta (special aircraft)
11:00 am	Arrive Calcutta
12:00 noon	Lunch with Chief Minister, West Bengal
2:00 pm	Depart for Dhaka (special aircraft)

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Anthony, Rita	Secretary, EOG	225		E-14 D, DDA Flats, Mayapuri	590468
Balasubramanian, Hema (T)	Librarian	208		BI/1193, Vasant Kunj	6896463
Beckerman, Paul	Sr. Economist, EOG	259	230	A-21, West End	675074
Bissell, Bimla N.	External Affairs Offr.	227	204	50-A, Friends Colony East	6830097/636558
Byrd, William	Sr. Economist	260	228	S-177, Panchshila Park	6446303
Chopra, Gitanjali (T)	Secretary	234,411		D-205, Defence Colony	4622125(P.P.)
Extross, Anne	Secretary, EOG	235		D-75, Kalkaji	6464718
Godavitarne, Chandra	Sr. Op. Offr. WS & UD	221	124	A-18, Niti Bagh	6851302
Gulati, M.P. (C)	Consultant, EOG	219	222	N-30, Kirti Nagar	5459090
Hildreth, Molly	Personnel Asstt.	244	210	U-18, Green Park Extn.	660402
Juneja, Vijay	Supvr., Gen. Svcs.	250	116	B-2/88 Janak Puri	5506278
Kalsi, P.S.	Driver	414		1501, Wazir Nagar	4628429
Kapoor, Gita	Secretary, Gen. Svcs.	207		7283 Sec.B, Pocket 10, Vasant Kunj	6890449/6891290
Kapoor, R.L. (C)	Consultant, EOG	218		B-177, East of Kailash	6834584
Kapoor, Renu	Secretary, EOG	204		A-143, Defence Colony	617783
Kathuria, Sanjay (C)	Consultant, EOG	228	234	C-16/3, SFS Flats. Saket	661376
Katula, Rajni (C)	Consultant, EOG	203	212	BW-41C, Shalimar Apts., Shalimar Bagh	7129831
Kirpalani, Shukla	Secretary, EOG	202		9, Uday Park	669616/666828
Krishan	Bearer	430		J IV, Hse.# 27, Malviya Ngr, Khirki Ext.	-
Madanlal	Messenger	420,416		Block 18, Qtr.#114, Dakshinpuri	-
Magoon, Mukesh	Computer Sys. Specialist	232,409	104	C-1, Anand Vihar	2208715
Mehra, Vinita	Receptionist	0, 408		B-237, Greater Kailash I	6428287
Mejia, Alfonso	Principal Financial Analyst	256	128	3/12, Shanti Niketan (First Floor)	670650
Naidu, K. Balabhaskar (C)	Consultant, EOG	211	224	c/o Dr.K.Sujata NIEPA Qrtrs. NCERT Campus	-
Nelson, Ridley	Chief, Ag. Unit			24, Jor Bagh	618336
Prakash, Ved	Driver	414		Gali # 3, Hse A-69 Krishnagar, Safdarjung Enc.	-
Rana, Shahnaz	Secretary, EOG	224		C-123, Anand Niketan	673853
Rai, Kuldip	Maintenance Asst.	429	116	Flat # 350, Sheikh Sarai I	6441158
Rajput, Ram Singh	Mimeograph Operator	407		18/94, Dakshinpuri	-
Ravishankar, V. J.	Economist, EOG	210	226	S-193, Greater Kailash II	6462085
Robinson, Roger	Sr. Economist	214	218	4, Kautilya Marg, Chanakyapuri	3010792
Sengupta, Sunanda	Sr. Economist	217	210	C-I/14, Humayun Road	694979
Sharma, Indira	Sr. Secretary, EOG	229		K-77, Hauz Khas	669045
Sidhwa, Hilla	Sr. Secretary, COM	226,412	120	21, Parsi Rest House, B.Z. Marg	3317228(PCO)
Singh, Arjan	Sr. Driver	414		B-82, Sunlight Colony	6844320
Singh, Avtar	Driver	414		LII-208 B, DDA, Kalkaji	6442139
Singh, Daulat	Clerk, Mail/Despatch	420	116	S-32, Sector XII, NOIDA	-
Singh, Nirmal	Communications Asstt.	212	104	B-223, Sarojini Nagar	6874891
Yadav, Chabinath	Mimeograph Operator	420		Blk # 13, House # 463, Kalyanpuri	
Yenal, Oktay	Chief of Mission	254	120	11 A, Prithvi Raj Road	694208

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Drivers' Room	414	ICRIER	692070	Claridges	3010211	Taj Palace	3010404
Library	243	IDRC	693373	Holiday Inn	3320101		
Photocopy Room (Gr. Fl.)	420	ILO	3012101	Hyatt	6881234	EMERGENCIES	
Photocopy Room (1st. Flr.)	407	UNDP	4627702/4628877	I.I.C.	619431	Fire	101
Reception	0, 408	UNESCO	618092	Lodi	4362422	Police	100
UNDP Reception	415	UNICEF	690401/4631031/2/3	Maurya	3010101	TAXI STANDS	
Telex Room	212	WFP	694384	Meridien	3710101	Lodi Est.	693017
Mail Unit	420	WHO	3317804-23	Oberoi	4363030	Jor Bagh	611794
Pantry	430	IMF	4363030				

(C)-Consultants EOG-Economic & Operations Group PHN-Population, Health & Nutrition (T)-Temporary Staff WS & UD-Water Sup. & Urban Dev.

53 LODI ESTATE - Admin.; Finance; Travel; VMSU

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Bhaskar, Monisha(AMEXCO)	Management Trainee	237	3, Ishwar Nagar (E)	6843416
Chhabra, Seema	Secretary	245	M-24, Lajpat Ngr. III	6835673
Chatterji, Marilyn	Secretary, VMSU	241	193, Deshbandhu Apts., Kalkaji	6414009
D'Costa, Margaret	Secretary, Admin.	248	D-11/427, Sector VII, Rohini	7277664
Gopalan, Padma (T)	Secretary, VMSU	241	37/11, Old Rajendra Nagar	5720387
Homji, Harjeet	Benefits Assistant	213	F-12, Hauz Khas Enclave	664865
Kripalani, Tara	Secretary, Admin.	231	D-15, Nizamuddin East	616784/4624130
Lepps, Mina	Accounts Assistant	206	C-369, Defence Colony	693479
Matharu, J.S. (AMEXCO)	Travel Counsellor	247	24-A Pocket III, Mayur Vihar	-
Nader, Janet	Supervisor - Travel/VMSU	238	C-341, Sheikh Sarai, Phase I (SFS)	6442790
Rawat, G.S.	Mimeograph Operator	419	Sector II Type I Qr # 210, Sadiq Ngr.	
Saxena, Anil	Travel Assistant	240	B-151, Sarojini Nagar	6873532
Singh, Kanti	Manager, Administration	201/405	R-183, Greater Kailash I	6443683/6469531
Sokhi, Manoranjan (T)	Secretary	406	E-200, Greater Kailash I	6417461
Sousa, Phyllis (T)	Secretary, VMSU	242	8A/29, W.E.A., Karol Bagh	
Theophilus, Krishna	Secretary to Mgr-Admin	233/236	3377, Christian Colony, Karol Bagh	5739411
Thomas, Ritu	Secretary, Admin.	246	C-15, Usha Niketan, S.D.A.	664872

Laroya, H. (C)	New Office Building	69/70 Lodi Estate (site office)	611697/4632350/6885507
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cc: All NDO Staff and Families
(please destroy earlier versions and advise Ritu Thomas of any changes)

cc: Messrs Javad K. Shirazi
All SA2 Division Chiefs
Mr. C. L. Robless
Mr. Wee Gap Jung
Ms Zelena Jagdeo

Oct.30, 1992

The World Bank
Agriculture Division
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Agarwal, S. P.	Snr. Financial Off.	241	Annex	Room No: 51, I I C	619431
Ahluwalia, Deepak	Economist	202	202	C-II/2158, Vasant Kunj	6891695
Ahmed Jamil	Sr. Driver	229		3546 Katra Babar Beg, Lal Kuan	737717/770407
Alexander, J.	Agriculturist	208	109	34 Friends Colony (East)	6847609
Anand, Nina	Secretary	240	Annex	N 240 Greater Kailash I, (F.F.)	6410270/6469310
Balasubramanian, M.	Ag. Res. Spec.	203	203	B7/49 Safdarjang Enclave	6872082
Baudelaire J.P.	Principal Irri. Engr.	206	102	114, Sunder Nagar	4627129
Bhatia, Raj	Consultant	234		C-45 East of Kailash	6833319/637328.
Bhatnagar, Nishi	Secretary	212	F.F.	8A/64 W.E.A. Karol Bagh	5748610/660271
Bhavanishankar, B.S.	Irrigation Engineer	220	205	A-31, DDA Flats, Saket	6862199
Bhutani, Gulshan	Driver	229		G-59 East of Kailash (Annex)	6846905
Dayal, Rama	Secretary/MIA	232	G.F.	225-A, Pocket 'C', Sidhartha Extn.	6847325
Gamat, Lalita	Secretary	235	F.F.	W-155 Greater Kailash I	6472155
Guhathakurta, P.	Forestry Specialist	210	110	F-10-A, DDA SFS Flats, Saket	6864097
Jain, T.C.	Ag. Res. Spec.	217	207	A50/3, HIG, SFS Flats, Saket	655956
Joseph, Elizabeth	Secretary	226,227	S.F	E-186 Greater Kailash Part-I	
Kanojia, Raju	Messenger	222	F.F.	C-II/53, Bapa Nagar	
Kishen, Hari (T)	Cleaner	222	F.F.	c/o 63 Lodi Estate	
Kishenlal	Messenger	227	S.F.	D-1363 Jahangirpuri	
Krishen, Lillian (T)	Secretary			D-139, Saket	663870/665340
Kumar, Zarine (T)	Secretary			Flat No: 101, K-62, Hauz Khas Enclave	654464
Lodha, M.C.	Agriculturist	223	207	F-13-C , DDA Flats , Munirka	664435 (pp)
Macklin, M. C.	Snr.Agriculturist	216	206	A-1 West End	670463
Malhotra, J.R.	Irrigation Engineer	219	104	390, Sector 17, Faridabad	8290122
Malhotra, R.K.	Irrigation Engineer	205	103	3003, Sector C, Pocket 3, Vasant Kunj	6897762
Manekshaw, Farida	Secretary	228	G.F.	222 Jor Bagh (Annex)	
Mitra, Manoshi	Rural Sociologist	209	107	B-2 Jangpura	619388/4638235
Nelson, Ridley	Chief, Ag. Unit	215	201	24, Jor Bagh	618336
Pai, A. A.	Irrigation Engineer	201	106	P-47 NDSE-II	6449110
Panthaki, Zenobia	Sr.Admin.Secretary	231	F.F	39, Pratap Chowk, Delhi Cantt.	3292805
Perry, C.J.	Sr. Economist	218	112	A-26, West End	673599
Ponnappa, Sudesh	Secretary	236	G.F.	H-11, Kailash Colony	6430843
Rai, Jagdish	Mimeograph Op.	222	F.F.	Gali 28, House 887, DDA Flats, Madangir	
Ram, Mangtu (T)	Cleaner	222		821-Jhugi, Gautam Nagar	
Raman, N	Procurement Engr.	226	305	H/39 South Extension, Part I	4628021
Santhakumar, S.	Secretary	224	303	70, Maitri Apartments, Mayur Vihar -I	
Sharma, O.P.	Sr. Driver	229		G-14/11 Malviya Nagar	6440475
Singh, Amar	Sr.Mimeograph Op.	230	G.F.	Gali 7, House E-209,Krishnanagar, Saf. Enc.	6883293
Singh, Ruby	Receptionist	214, 9	Reception	229/4, Subroto Park, Delhi Cantt.	3294535
Singh, Nira	Secretary	200	112	C-387 Defence Colony	615305
Singh, Harideep	Financial Analyst	242	Annex	B-55, Sarvodaya Encalve	
Sood, Ashwani	Driver	229		82, Satya Niketan,(F.F.)	603818
Subramanian, S.	Financial Analyst	207	111	B-153 SFS Flats, Sheikh Serai, Phase I	6441437
Sundaram, Saraswathi	Secretary	237	F.F.	39/2, Old Rajinder Nagar	5726876
Talwar, Sangeeta (T)	Secretary			B-47, D.D.A. Flats, Vasant Vihar	677517
Tawankal, Ram	Gardener	229		Block Extra 30, House 422, Trilokpuri	
Vasant Kumar, R.	Financial Analyst	243	Annex	C-18, Defence Colony	698071
Venkataraman, A.	Sr.Projects Officer	221	204	C2/4 Paschim Marg, Vasant Vihar	6872569
Venkata Raman, K.N.	Procurement Engr.	227	304	F-28 S.E. Part I	4628057
Verma, V.P.S.	Forestry Specialist	211	108	E-19, Lajpat Nagar-III	6821211
Yenal, Oktay	Chief of Mission	254	120	11-A, Prithviraj Road	694208

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Pantry 222

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No.27, Jor Bagh Guest House 698647
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168, Jor Bagh 617594
IA Flt. Information 3295121/3014433/5483535

NIGHT LINE : 619491 **Fax no: 4628972** **Railway Inquiry: 3313535/313**

PLEASE GIVE CHANGES FOR THE NEXT DIRECTORY TO RUBY EXT 214 AT 21 JORBAGH
cc: VERGIN, SHIRAZI, BARGHOUTI, GRIMSHAW (HQ)

November 3, 1992

The World Bank
Population and Human Resources
168, Jorbagh, New Delhi 110 003

Tel: 617594 / 697351

NAME	TITLE	EXTN	HOME ADDRESS	TEL NO.
Banerjee, K B, (C)	Public Health Specialist	7	A-3/120, Janakpuri New Delhi - 110 058	5557078
Bashir, Sajitha, (C)	Consultant, EOG	3	1128, Sector D Pocket-I, Vasant Kunj	6893470
Bhasin, Jasvir	Secretary	2	G - 1309 A, Chittranjan Park New Delhi - 19	6467862
Chatterjee, Meera*	Women in Development Officer	9	E-6/14, Vasant Vihar New Delhi - 110 067	6883916/ 674103
Chopra, Rajiv	Messenger	8	A-159, New Moti Nagar	
ɔntractor, A A	Public Health Specialist	6	23 B Road Maharani Bagh New Delhi - 25	6830457
Dayal, Renu	Receptionist	0	C-8/8225, Vasant Kunj New Delhi - 37	6894812 6893566 6890337
Middleton, John	Senior Operations Officer	5	38 Friends Colony East, New Delhi - 25	631476
Sen, Shirin	Secretary	1	Sonarang Farm Garhi Harsaru - 123 505	(01272) 84-243
Sharma, Shailaja, (C)	Consultant, EOG	4	1122-A, Sector B1, Vasant Kunj	

Consultant (C)

* Joining on November 1, 1992.

INTERNATIONAL FINANCE CORPORATION
South Asia Regional Mission

Office: No. 1, Panchsheel Marg, Chanakyapuri, New Delhi-110 021
Telephone: 3011306
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NAME	TITLE	EXT.	RM No.	HOME ADDRESS	TEL.NO.
CHATURVEDI, Deepali	Secretary	209	-	J-106, South Extension-I	690305
CHAWLA, Surinder	Projects Officer	102	102	B-32, Hill View Apts. Vasant Vihar	670462/670486
DUTT, Bishan	Messenger	111	111	52, Sunder Nagar, Mathura Road	
FISCHEL, Mario	Investment Officer	207	207	1A Tata Apartments, Prithvi Raj Road	4629223
FENTON, Douglas	Advisor, Engineering	103	103	Satyam Farm Triveni Gardens Gadaipur	
GUPTA, Meena	Sr. Secretary	208	201	42, Bungalow Road	2521187/2937086
GULATI, Neera	Secretary	211		49/25, East Patel Nagar	5724031
KNIGHT, Christopher J.	Advisor Legal	204	204	1/29, Shanti Niketan	
KAPOOR, Asha	Admin.Assistant	203	203	F-29, Rajouri Garden	5450745
MINOCHA, Sanjeev	Operations Officer	105	105	E-80, Preet Vihar, Vikas Marg	2249283
MALHAN, Renu	Secretary (T)	108	-	B-98, Ashoka Enclave, PhaseII, Opposite Sector 37 Faridabad	8-275345
MALHOTRA, Alka	Receptionist (T)	121		114B, MIG Flats (Pink) Rajouri Garden	531998/
SEBASTIAN, Eric	Driver	-		B-29, DDA New Janta Flats, Kalkaji	6426341
SINGH, Sumriti	Secretary	210		DI/8, Chanakyapuri	671032
SINGH, Kulinder	Driver	-		18H Pocket K, Sheikhsarai Phase II	6473923
THARMARATNAM, A.	Chief, South Asia Regional Mission	201	201	B-18, West End	6885206
				Fax No.	6885819

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November 2[illegible] 1992

Lynda/Ritu

UNDP/WORLD BANK WATER & SANITATION PROGRAM
Regional Water & Sanitation Group – South Asia
53 Lodi Estate, New Delhi 110003

Switchboard: 690488/690489
Telex No: 61493 IBRD IN

Direct Lines: P Lochery – 697762
A K Mudgal – 697709
Facsimilie Nos: 4628250, 619393 IBRD

Name	Title	Extn.	Home Address	Tel.No.
Abhyankar, G V	Sanitary Engineer	33	7/42 South Patel Nagar	5711477
Benjamin, J	Receptionist	31	DII/11, West Kidwai Nagar	601283
Bjerre, J	Sector Planner	39	50 Malcha Marg	3792024
Das, Aruna	Secretary	32	1080, Lodi Road Complex	--
Davies, A D	HRD Specialist	36	B30–A, West End	6874190
Giri, R (T)	Messenger	41	B/7T2, Block B, Dilshad Garden	--
Iyer, V R (C)	Inst./Finance Specialist	40	D–66 Defence Colony	4624223
John, D D	Driver	--	18/288 DDA Flats, Dakshinpuri	--
Langham, G	Administrative Secretary	44	249 DDA MIG Flats, Prasadnagar	5740866
Lochery, P	Acting Manager	42	Geetanjali, Triveni Estate, Gadaipur	6802876
Moorthy, R K	Secretary	38	75D, Pocket III, Phase I, Mayur Vihar	2252807
Mudgal, A K	Technology Specialist	43	C2/107, Janakpuri	5599421
Ravichandran, M	Secretary	48	C–4–E/159 Pocket II, Janakpuri	--
Selvam, Paneer L	Environmental Engineer	46	B–7/5085, Vasant Kunj	6898040
Stephens, F	Secretary	47	MA1/1/GC Manhattan Apartments, Garden Estate, Gurgaon	8320901
Upadhyay, R K	Messenger	49	E–1573 Netaji Nagar	--
Vasudeva, S	Social Development Planner	34	B–275, Chittaranjan Park	6465251
Venugopalan, C	Driver	--	House # L–227, Sarojini Nagar	--

Consultant (C), Temporary (T)

Mr. Lewis. T. Preston
President
World Bank

PRIME MINISTER'S HOUSE
NEW DELHI

सत्यमेव जयते

सत्यमेव जयते

The Prime Minister

requests the pleasure of the company of

Mr Lewis T. Preston

at Lunch

on Thursday, 15th 12th November 1992 *at* 1230 *hrs.*

at 7, Race Course Road, New Delhi

RSVP
Prime Minister's House
Tel. 3016760

(Please bring this card with you)

Ms. Gisu Mohadjer
Executive Assistant to President
World Bank

PRIME MINISTER'S HOUSE
NEW DELHI

सत्यमेव जयते

सत्यमेव जयते

The Prime Minister

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Ms Gisu Mohadjer

at Lunch

on Thursday, 12th November, 1992 at 1230 hrs.

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RSVP
Prime Minister's House
Tel. 3016760

(Please bring this card with you)

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Lunch with Chief Minister, West Bengal, Mr. Jyoti Basu
(Sunday, November 15, 12:00 noon)

[Pre-meeting briefing by Mr Vergin]

Background

Mr Basu is a very colorful and forceful personality and, as Chief Minister in a Communist Party run state, is a key figure in the left wing of the Opposition (ref. attached bio-data). The lunch should give you a contrasting view of the reform agenda from the political left as well as a feel for the progress made by the Narasimha Rao Government in forging a consensus on politically sensitive reforms, especially in public sector retrenchment and the move towards a more market oriented economy.

Issues Likely to be Raised by the Chief Minister

The Chief Minister is likely to seek your views on the reforms to date and the Bank's priorities for further reforms. You should assure him that the Bank fully supports the Government's objectives of restoring fiscal and foreign account balance, achieving a higher level of sustainable growth and ensuring that this higher growth is used to reduce inequities and eradicate poverty. You should also stress that the Bank is working closely with the Government to ensure that the burden of adjustment does not fall on the poorest segments of society. In this context a Social Safety Nets Adjustment Credit is scheduled for approval in December.

Issues to be Raised by the Bank

You should seek Mr. Basu's views on the reform agenda of the Government and the impact of the reforms to date. You should explore West Bengal is adapting to the reduced transfers from the Center and managing and carrying through the reforms at the state level, for example through improved cost recovery (especially in power and irrigation) and better targetting of state expenditures. You might explore his views on the measures needed to ensure a rapid and significant supply response to the adjustment program, particularly with regard to providing an enabling environment for rapid private sector expansion in areas in which India has the potential to compete internationally.

You should also seek his views on the social impact of the adjustment process and how programs at both the center and state levels are being adapted to assist the most vulnerable sections of the community.

Jyoti Basu

Chief Minister, West Bengal.

Age : 78

Mr. Basu is a political veteran who has continued to lead the Left Front, which is spearheaded by his party - the Communist Party of India (Marxist), to victory in the State Assembly elections against the Congress for almost two decades.

Jyoti Basu is a leader who commands mass appeal. He has a rich experience in working in the trade union field and in the work of political organizations. He is a skilled debater. Articulate and committed, he is said to be appealing to intellectuals. Nevertheless, he is basically a regional politician with no following in the Hindi belt or in the South. The Left Front in Bengal is his principal power base.

Educated in Calcutta where he took his Honours Degree in English Literature, he later went to England to study Law. He was called to the Bar from Middle Temple but he never set himself up in legal practice as he came under the influence of Rajani Palme Dutt and became a Member of the Communist Party in Great Britain in 1940.

Typ book

A L L - I N - 1 N O T E

DATE: 03-Nov-1992 06:53am

TO: GISU MOHADJER (GISU MOHADJER @A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: Mrs.Preston's itinerary

Gisu:

Thank you very much for transmitting Mrs.Preston's schedule to me. I have done a detailed program and would like to suggest a few minor sequential changes.

Thanks

Nov.11, 1992 (Detailed program) (All these places are in South Delhi and therefore easy to fit into the time frame we have).

8.00 am - Depart Oberoi
8.30 am - Bahai Temple
9.15 am - Arrive Kalkaji Temple
9.30 am - Leave Kalkaji for Spastic Society
9.45 am - Arrive Spastic Society of India
10.30 am - Depart Spastic Society of India
11.00 am - Arrive Carma and visit Qutub Minar Complex
11.50 am - Depart Carma
12.15 pm - Arrive Oberoi Hotel
12.45 pm - Depart Oberoi
1.00 pm - Lunch hosted by Mrs Manmohan Singh - 8 Krishna Menon Marg (this has now been confirmed - and the list will include women Ministers, Ministers' wives, government servants, classical dancers, social activists and media women).
3.00 pm - Visit Cottage Industries and Sunder Nagar for shopping
5.30 pm - To Hotel (Tailor will be there).

We cancelled the visit to the Crafts Museum for Mrs.Preston on Nov.11. However, is it possible to schedule it for the 12th even if it is for a short time (in lieu of the visit to the National Museum) as the Director of the Crafts museum, Mr.Jyotindra Jain has rescheduled his return to India from Boston to a day earlier specially to be on hand for Mrs.Preston's visit. Please let me know.

On Nov.12 - please let me know whether Mrs.Preston wants to attend the Press Briefing as well.

At 3.30 pm - we could schedule visit to the Crafts Museum here or

leave in the National Museum if you want.

Field Visit:

1.Re Jaipur Visit: Would like to suggest a rescheduling of the sequence after arrival at Jaipur as follows:

9.10 - 9.25	En route from the airport stop at Jawahar Kala Kendra, Rajasthan Institute for Arts and Culture (10 mins. for a quick walk through)
9.35	Anokhi
10.00-11.15	Visit Jantar Mantar and City Palace and tea with the Maharani (Mr.Preston will join her here for drive back to Airport)

2.Re Jodhpur : FYI one small addition has been added:

After the lunch at the Fort, the Preston's will view a traditional Rajasthani pageant enroute to the airport (without any change in the time of departure).

3.Bombay: As suggested by you, we have arranged that Mrs.Preston accompany Mr.Preston on his visit to Charkop on Sat Nov.14 at 3 pm.

4. Calcutta: Re Visit to Mother Teresa: This has been confirmed. However, there is a slight revision in timings because of having to prepone Mr.Preston's meeting with the Chief Minister of West Bengal since the Chief Minister has to leave town that day as well.

Thanks and Best regards

Bim

2127/I

discussed at LTP prior to India trip

THE WORLD BANK
FACSIMILE TRANSMITTAL FORM

Date: November 2, 1992

Number of Pages: 13

From: Oktay Yenal, COM, New Delhi Office

To: Mr. A. Karaosmanoglu (Dept.Code) FXC Room No. E 1227
(477-6858)

Fax Number: 2127

Subject:

COMMENTS:

Attached are examples of how good sector work influences policy discussions at the highest levels.

Regards,

Oktay

Encl:

Authorized by Oktay Yenal (Signature)

Oktay Yenal (Name)

R A J Y A S A B H A

STARRED QUESTION NO.160 (H)
TO BE ANSWERED ON 17TH JULY,199
ASADHA 26, 1914 (SAKA)

CONCERN OVER LARGE DROP-OUTS IN SCHOOLS

SHRIMATI SUSHMA SWARAJ:
SHRI RAM JETHMALANI:

+*160. Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether Government's attention has been drawn to a news-item captioned 'High drop-out rate blamed for literacy', which appeared in the Economic Times dated the 16th June, 1992;

(b) if so, whether in the study report of the World Bank serious concern has been expressed over a large number of drop-outs in the primary and secondary schools in the country;

(c) whether it is a fact that recommendations for allocation of more funds for this sector have also been made in that report; and

(d) if so, what is Government's reaction thereto?

A N S W E R

MINISTER OF HUMAN RESOURCE DEVELOPMENT
(SHRI ARJUN SINGH)
मानव संसाधन विकास मंत्री (श्री अर्जुन सिंह)

(a) to (d) : A statement is laid on the table of the Sabha.

STATEMENT TO BE LAID ON THE TABLE OF THE RAJYA SABHA IN REPLY TO PARAS (a) TO (d) OF STARRED QUESTION NO.160 BY SMT. SUSHMA SWARAJ AND SHRI RAM JETHMALANI REGARDING CONCERN OVER LARGE DROP OUTS IN SCHOOLS

212-713

(a) A report with the caption 'High Drop out Rates – blamed for illiteracy' appeared in the Economic Times dated 16th June 1992.

(b)&(c) The World Bank Regional and Sectoral Study "Education in Asia – A comparative study of cost and financing" (1992) refers, among other things, to the problem of drop outs in primary and secondary schools and analyses the efficiency of expenditure in this sector while underlining the need for adequate allocation.

(d) The drop out rates have shown appreciable decrease over the years. From 58.8% at primary and 72.7% at upper primary in 1979-80, it has come down to 48.97% and 62.29% respectively in 1987-88. The drop-out rate at secondary stage in 1987-88 was 75.30%. Sustained efforts have been initiated to ensure children's retention at schools. Subsequent to implementation of National Policy on Education 1986, provision of teaching learning equipment, additional teachers and suitable buildings have been made under the scheme of Operation Blackboard. A programme of non-formal education is being implemented on a large scale. Emphasis is laid on child-centred, activity oriented learning and the textual materials have been prepared by NCERT accordingly. An effective programme of in-service and continuing education of school teachers have been planned.

Allocation for Elementary Education has been increased from 30% in the 5th Plan to 38.7% in the 8th Plan. Presently, Rs. 2,880/- crores have been allocated and additional funds may also be provided during the Plan period by making adjustments in other related sectors. Rs. 1519/- crores have been earmarked for Secondary Education in the 8th Plan.

.....

RECEIVED
29 JUL 1992
REPRESENTATIVE
(INDIA COUNTRY OFFICE)

2127/4

LOK SABHA

STARRED QUESTION NO.301
TO BE ANSWERED ON 28TH JULY, 1992
SRAVANA 6, 1914 (SAKA)

UNIVERSALISATION OF PRIMARY EDUCATION

*301. SHRI MURUL WASNIK :
SHRI BASUDEB ACHARIA :

Will the Minister of HUMAN RESOURCE DEVELOPMENT
मानव संसाधन विकास मंत्री be pleased to state:

(a) the latest figures in respect of enrolment, retention and dropouts of children at the primary level of education, State-wise and sex-wise;

(b) the allocation made by the Government for primary education, State-wise;

(c) the present teacher-pupil ratio at the primary level, State-wise;

(d) whether there is any proposal to call a national conference for achieving universalisation of primary education expeditiously;

(e) if so, the details thereof; and

(f) the steps being taken by the Government in this regard?

A N S W E R

MINISTER OF HUMAN RESOURCE DEVELOPMENT
(SHRI ARJUN SINGH)
मानव संसाधन विकास मंत्री (श्री अर्जुन सिंह)

(a) to (f) : A statement is laid on the table of the Sabha.

2127/15

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO.301 FOR 29TH JULY, 1992 BY SHRI MUKUL WASNIK AND SHRI BASUDEB ACHARIA REGARDING UNIVERSALISATION OF PRIMARY EDUCATION.

The latest figures in respect of enrolment, drop-out rate and teacher-pupil ratio at primary stage are as follows :-

Enrolment (1990-91)

Boys	Girls	Total
580.94 lakhs	410.23 lakhs	991.18 lakhs

Drop-out rate (1987-88)

Boys	Girls	Total
43.35%	49.42%	46.97%

Teacher Pupil Ratio (1990-91)

1:42

The State-wise details for enrolment, drop out rates and teacher-pupil ratio are given in Annex - I, Annex.II and Annex. III respectively.

2. Data relating to retention is not collected separately and it is presumed that those who have not dropped out remain in the school system.

3. The State-wise financial outlays earmarked for 1992-93 for Elementary Education (Classes I-VIII) are given in Annex IV. Rs.284 crores have been allocated for centrally sponsored schemes of Elementary Education for the year 1992-93 The allocations among States/UT Administrations will be decided on the basis of project proposals received and their past performance.

...2/-

4. In pursuance of the revised policy formulations tabled in the Parliament on 7th May, 1992, a resolve has been made to ensure "that free and compulsory education of satisfactory quality is provided to all children upto 14 years of age before we enter the 21st century". The revised programme of action is proposed to be discussed in a meeting of the Central Advisory Board on Education, which is an appex advisory body on education. This meeting is scheduled to be held on 8th August 1992 to be preceded by a meeting of Education Secretaries and Directors of Education of all States and Union Territories.

ANNEX I

2127/7

ENROLMENT AT PRIMARY STAGE (Classs I-V)

1990-91

(In lakhs)

State/UT	Boys	Girls	Total
1.	2.	3.	4.
Andhra Pradesh	43.02	32.34	75.36
Arunachal Pradesh	.65	.47	1.12
Assam	18.93	16.56	35.50
Bihar*	57.23	28.41	85.65
Goa	00.71	00.64	1.35
Gujarat	32.22	24.50	56.80
Haryana	9.54	7.34	16.89
Himachal Pradesh*	3.71	3.19	6.90
Jammu & Kashmir**	4.50	2.88	7.38
Karnataka	30.64	26.17	56.82
Kerala	16.23	15.32	31.55
Madhya Pradesh	48.63	31.31	79.94
Maharashtra	53.97	46.24	100.22
Manipur	1.43	1.21	2.64
Meghalaya	1.24	1.19	2.42
Mizoram	00.63	00.57	1.20
Nagaland	00.78	00.65	1.45
Orissa	21.74	14.46	36.20
Punjab*	11.08	9.47	20.55
Rajasthan	31.41	13.71	45.13
Sikkim	00.38	00.33	00.72
Tamil Nadu	41.82	35.81	77.63
Tripura	2.21	1.81	4.02
Uttar Pradesh	88.89	50.50	139.40
West Bengal**	53.13	39.50	92.74
A & N.Islands	00.21	00.18	00.39
Chandigarh	00.26	00.23	00.49
Dadra & Nagar Haveli	00.09	00.07	00.16
Daman & Diu	00.05	00.04	00.09
Delhi	4.90	4.30	9.20
Lakshadwesp	00.04	00.04	00.08
Pondicherry	00.55	00.50	1.05

* Figure relates to 1989-90. ** Figure relates to 1988-89.

Source: Selected Educational Statistics 1990-91 Ministry of Human Resource Development.

ANNEX II.

DROP-OUT RATES IN CLASSES I TO V. (1987-88) 2127/2

State/UT's	Boys	Girls	Total
1.	2.	3.	4.
Andhra Pradesh	52.42	58.52	55.03
Arunachal Pradesh	58.75	58.43	58.63
Assam	51.59	59.47	55.01
Bihar	63.88	68.93	65.585
Goa	2.19	8.78	5.33
Gujarat	39.06	46.97	41.92
Haryana	24.35	31.01	27.32
Himachal Pradesh	29.08	29.32	28.65
Jammu & Kashmir	28.08	41.45	33.44
Karnataka	43.28	57.36	50.16
Kerala	- 5.12	- 3.62	- 4.39
Madhya Pradesh	36.64	46.04	41.04
Maharashtra	34.69	45.71	39.82
Manipur	71.35	72.04	71.67
Meghalaya	31.43	33.40	82.35
Mizoram	37.28	38.72	37.98
Nagaland	37.22	33.43	35.45
Orissa	40.05	37.32	38.97
Punjab	36.81	87.81	37.27
Rajasthan	53.12	60.75	52.25
Sikkim	60.19	58.51	59.85
Tamil Nadu	19.44	24.46	21.70
Tripura	59.14	58.02	58.66
Uttar Pradesh	47.84	47.24	47.65
West Bengal	62.35	65.76	63.81
A & N Islands	18.60	22.74	20.54
Chandigarh	21.00	24.41	4.78
Dadra & Nagar Haveli	29.37	45.58	36.14
Daman & Diu	2.24	8.92	5.34
Delhi	14.40	25.40	19.75
Lakshadweep	- 2.95	11.38	4.02
Pondicherry	-11.55	0.53	- 5.59
INDIA	43.26	49.42	46.97

$$\text{Drop out rate in year } x = \frac{\text{Enrolment in class I in year } (x-4) - \text{Enrolment in class V in year } x}{\text{Enrolment in class I in year } (x-4)} \times 100$$

$$Ry = \frac{En\ x-4 - EN\ x}{En\ x-4} \times 100$$

Source : Selected Education Statistics 1987-88, Ministry of Human Resource Development.

ANNEX - III.

2127/9

TEACHER-PUPIL RATIO AT PRIMARY STAGE (CLASSES I-V) 1990-91

S.No.	State/UTs	Ratio
1.	Andhra Pradesh	53
2.	Arunachal Pradesh	29
3.	Assam	40
4.	Bihar*	60
5.	Goa	21
6.	Gujarat	36
7.	Haryana	45
8.	Himachal Pradesh*	41
9.	Jammu & Kashmir**	31
10.	Karnataka	40
11.	Kerala	32
12.	Madhya Pradesh	42
13.	Maharashtra	39
14.	Manipur	18
15.	Meghalaya	35
16.	Mizoram	28
17.	Nagaland	22
18.	Orissa	35
19.	Punjab *	39
20	Rajasthan	42
21.	Sikkim	15
22.	Tamil Nadu	45
23.	Tripura	27
24.	Uttar Pradesh	51
25.	West Bengal *	41
26.	A & N. Islands	21
27.	Chandigarh	21
28.	Dadra & Nagar Haveli	45
29.	Daman & Diu	35
30.	Delhi	31
31.	Lakshadweep	31
32.	Pondicherry	26
	INDIA	42

*Figure relates to 1989-90 ** Figure relates to 1988-89.

Source : Selected Educational Statistics 1990-91 Ministry of Human Resource Development.

2127/10

ANNEX IV.

STATEMENT SHOWING OUTLAY EARMARKED FOR 1992-93 (State Sector)

FOR ELEMENTARY EDUCATION

(Rs. in lakhs)

S.No.	State/UT	Elementary Education
1.	Andhra Pradesh	2377.00
2.	Arunachal Pradesh	2280.00
3.	Assam	7689.00
4.	Bihar	9040.00
5.	Goa	540.00
6.	Gujarat	1537.96
7.	Haryana	3440.00
8.	Himachal Pradesh	1626.00
9.	Jammu & Kashmir	3000.00
10.	Karnataka	7194.00
11.	Kerala	436.00
12.	Madhya Pradesh	11708.00
13.	Maharashtra	3946.00
14.	Manipur	502.12
15.	Meghalaya	1680.00
16.	Mizoram	457.00
17.	Nagaland	306.00
18.	Orissa	3000.00
19.	Punjab	853.00
20.	Rajasthan	9995.00
21.	Sikkim	644.00
22.	Tamil Nadu	3050.00
23.	Tripura	1500.00
24.	Uttar Pradesh	9992.00
25.	West Bengal	4540.00
	Total - (States)	91613.08
	UNION TERRITORIES	
26.	A & N Islands	438.00
27.	Chandigarh	132.20
28.	Dadra & Nagar Haveli	90.00
29.	Daman & Diu	86.37
30.	Delhi	5262.70
31.	Lakshadweep	34.21
32.	Pondicherry	215.00
	TOTAL - (UTs)	6258.98
	TOTAL - (STATES & UTs)	97872.06

Source : Planning Commission.

RAJYA SABHA

2127/11

UNSTARRED QUESTION NO. 919

TO BE ANSWERED ON 17.7.1992
ASADHA 26, 1914 (SAKA)

LITERACY BY THE END OF 8TH FIVE YEAR PLAN

† 919. SHRI RAM NARESH YADAV:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) what is the number of States in which the target of cent percent literacy is likely to be achieved at the end of 8th Five Year Plan; and

(b) the amount likely to be spent on each State for the purpose and what would be the contribution of Central Government therein?

ANSWER

DEPUTY MINISTER FOR EDUCATION & CULTURE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT

(Km. SELJA)

मानव संसाधन विकास मंत्रालय में शिक्षा तथा संस्कृति उप-मंत्री (कु० सैलजा)

(a): Universalisation of elementary education, the program of non-formal education for the school dropouts and the National Literacy Mission (NLM) which aims at imparting functional literacy to 80.00 million adult illiterates in t age-group 15-35 form part of a larger programme of eradicat of illiteracy in the country. As the main responsibility f identification of areas/districts for total literacy, proje formulation and implementation of projects rests with the state governments/UT Administrations and various other

.../...

2127/12

RAJYA SABHA

UNSTARRED QUESTION NO.916
TO BE ANSWERED ON 17TH JULY,199
ASADHA 26, 1914 (SAKA)

FREE EDUCATION FOR CHILDREN UPTO THE AGE OF FOURTEEN

+916. SHRI RAMSINH RATHWA :

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether Government propose to impart free education to the children upto the age of 14 years; and

(b) if so, what are the details thereof?

ANSWER

DEPUTY MINISTER FOR EDUCATION & CULTURE
IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT

(Km. SELJA)

मानव संसाधन विकास मंत्रालय में शिक्षा और
संस्कृति उप मंत्री (कु. सैलजा)

(a) & (b) : All State Governments have abolished tuition fees in Government schools atleast upto upper primary level in the endeavour to increase enrolment and to achieve the target of Universalisation of Elementary Education. Educati in schools run by local bodies and private aided institutio is mostly free in these States; however, in private unaided schools which constitute 3.7% of the total elementary schoo in the country, some fee is charged. Other costs of edu- cation, such as textbooks, uniforms, school bags, transport etc. are not borne by States except in a very few cases by way of incentives to children of indigent families or those belonging to SC/ST categories. The reasons why the State Governments are unable to bear this additional expenditur is that 96% of expenditure on elementary education goes in meeting the salaries of teaching and non-teaching staff.

.....

government and non-governmental organisations, it would be difficult to make any assessment regarding the number of States/UTs which will achieve cent per cent literacy by the close of the VIII Five Year Plan. Under the NLM, total literacy campaigns would be launched in about 350 districts in the country (including 156 districts as of now) to cover 80.00 million adult illiterates by the close of the 8th Five Year Plan. In areas/districts, where it is not possible to take up total literacy campaigns because of one reason or the other, literacy and adult education programme will be taken up by the voluntary agencies, educational institutions and Nehru Yuva Kendras etc. It is expected that as a result of combined efforts to be made in the field of universalisation of elementary education, non-formal education and adult education, the overall literacy rate in the country by the close of the VIII Five Year Plan would reach between 70-75%, a stage considered crucial for achieving total literacy in the subsequent 2-3 years.

(b): In the Central Sector, a tentative allocation of Rs. 2880.00 crores and Rs. 1400.00 crores has been made for programmes relating to elementary education and adult education respectively during the 8th Five Year Plan.

.....

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: November 2, 1992 01:26pm

TO: Gisu Mohadjer (GISU MOHADJER)
TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Gregor Dolenc, SA2CI (GREGOR DOLENC)

EXT.: 80351

SUBJECT: Mr. and Mrs. Preston's itinerary in Calcutta - New Developments

Gisu,

Bim forgot to put you name on the distribution list. Please note what she is now proposing for Mrs. Preston.

However, please disregard for the moment Bim's suggestions regarding Mr.Preston's itinerary in Calcutta. THe Department does not think that the proposed changes are a good idea as far as the use of President's time is concerned. I see two alternatives now, one of which should be agreed by NDO by tomorrow morning Washington time:

a) Visit to one of the Calcutta hospitals/health centers financed under the health component of the Bank-supported "Calcutta Urban Development Project", which a very interesting, and a successfull, project; or

b) A luncheon hosted by the Indian Chambers of Commerce of Bengal (in lieu of a lunch with the Chief Minister of Bengal, for which the invitation has been withdrawn ; a meeting at the CM's residence has been scheduled instead).

Regards, Gregor

CC: Richard Skolnik (RICHARD SKOLNIK)
CC: Richard Skolnik (RICHARD SKOLNIK)
CC: Richard Skolnik (RICHARD SKOLNIK)

A L L - I N - 1 N O T E

DATE: 27-Oct-1992 10:57am

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: India Visit

Gisu,

Some further developments on the India trip .....

1) N.K. spoke with Heinz this morning and indicated that a direct Pakistan aircraft flight into Agra will not be possible due to Defence considerations. He (N.K.) is setting up arrangements for the party to fly from Karachi to Delhi where Immigration/Customs procedures will be completed, with a military plane standing by for the connection to Agra and return to Delhi later that day. An arrival time in Delhi of about 10:30 am is being planned. The main baggage can be transferred directly from Delhi airport to the hotel so that the Prestons (and you) can take to Agra only what is needed for the day. Joe will not be making the Agra trip. I have called Hoda in the ED's office to seek confirmation that the flight arrangements from Karachi are being made by GOI.

2) For the Haryana field trip (Nov 11) a 4 seater helicopter is being provided. Would you be going on the trip? If so, the party would include Mr. Preston, Mr. Wood, one of our agriculture staff from NDO and you. If you are not going, the chief of our agriculture unit in NDO would probably join the party or the extra seat would go to the GOI representative (who, otherwise, will make independent travel arrangements).

3) Oktay, after consulting with GOI, has recommended against the "Eyewitness" interview on Nov 12. Unless you object we will drop this from the itinerary.

4) The proposed fashion parade would have been in Bombay, not Delhi. However, as previously indicated, we strongly recommend dropping this because of the inappropriate tone it would give to the visit and the probability of negative press coverage, and also because the host, Reliance Industries, is a highly controversial business group.

Steve

CC:	D. Joseph Wood	(JOE WOOD)
CC:	Heinz Vergin	(HEINZ VERGIN)
CC:	Javad Khalilzadeh-Shirazi	(JAVAD KHALILZADEH-SHIRAZI)
CC:	OKTAY YENAL	(OKTAY YENAL @A1@DELHI)
CC:	BIMLA N BISSELL	(BIMLA N BISSELL @A1@DELHI)
CC:	Gregor Dolenc	(GREGOR DOLENC)
CC:	Eileen Sullivan	(EILEEN SULLIVAN)
CC:	George Park	(GEORGE PARK)

A L L - I N - 1 N O T E

DATE: 26-Oct-1992 02:51pm

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: India Visit

Gisu,

I'm FAXing separately the latest version of Mr. Preston's itinerary, which still has a few things in it to be finalized, and Table of Contents. Heinz will be discussing them with Joe Wood today. We are waiting for N.K.'s recommendations regarding the suggested press discussion and video interview in Delhi and the press briefing in Bombay. Do you have any thoughts on the proposals?

Re the Calcutta stopover, there is insufficient time for both a lunch with the Chief Minister and Mother Teresa. A separate visit by Mrs. Preston to Mother Teresa would make her hostage to Calcutta traffic and the possibility of a delayed arrival in Dhaka.

We strongly recommend against the proposed fashion show for Mrs. Preston in Delhi. This would be seen as giving a highly inappropriate focus to the visit and could generate very unfavorable press. It would be preferable to include more visits such as those to the Spastic Center (Delhi), and the children's welfare home (Bombay).

Steve

CC: Heinz Vergin (HEINZ VERGIN)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)
CC: OKTAY YENAL (OKTAY YENAL @A1@DELHI)
CC: BIMLA N BISSELL (BIMLA N BISSELL @A1@DELHI)
CC: Gregor Dolenc (GREGOR DOLENC)
CC: Eileen Sullivan (EILEEN SULLIVAN)

A L L - I N - 1 N O T E

DATE: 20-Oct-1992 12:59pm

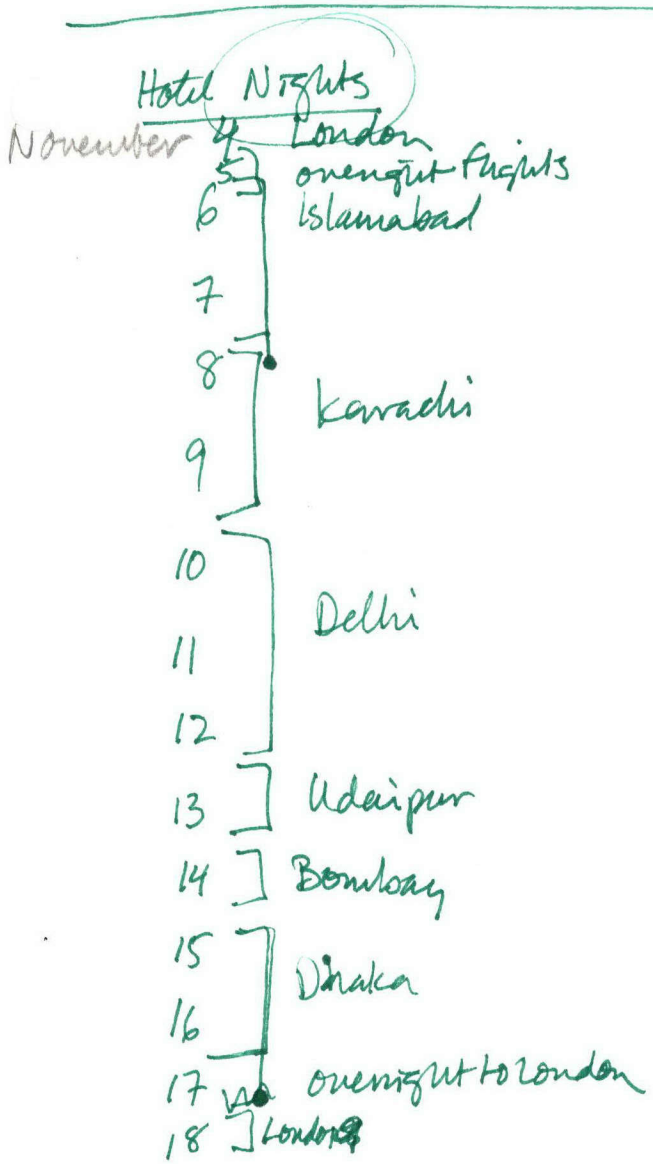
TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Ernest Stern, EXC (ERNEST STERN)

EXT.: 82004

SUBJECT: India Trip

When in Delhi, Mrs. Preston might want to see the All India Institute of Medical Sciences, if there is time.



The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE:

TO: BIMLA N BISSELL (BIMLA N BISSELL @A1@DELHI)
TO: Steve Talbot (STEVE TALBOT)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: Program in India

I am eager to see the program in India - I have not seen the revised program based on our discussions on Tuesday. Specifically, I am interested in: i) Mr. Preston's program for the entire visit; and ii) suggestions for Mrs. Preston's programs in the various cities, including an expanded list of suggestions for Delhi.

Please fax or em the latest drafts of these programs tomorrow morning.

CC: Heinz Vergin (HEINZ VERGIN)

A L L - I N - 1 N O T E

DATE: 14-Oct-1992 04:19pm

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: India Visit

Gisu,

Here is the outgoing EM to Bim Bissell of yesterday. The field trip to Haryana is being set up for Nov 11 - not Nov 12 as indicated in the attached EM.

Steve

A L L - I N - 1 N O T E

DATE: 13-Oct-1992 06:35pm EST

TO: BIMLA N BISSELL (BIMLA N BISSELL @A1@DELHI)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: Mr. Preston's Visit

Bim,

I'll be talking with Heinz shortly re the overall itinerary, taking into account the information in your EM, the outcome of a meeting Heinz and I had with Gisu this afternoon and Mr. Wood's meeting with Mr. Preston (which had taken place before your EM arrived). I'll let you know the outcome at the end of this EM.

Meanwhile, a number of things came out of the meeting with Gisu re Mrs. Preston's itinerary. First, we understand that N. K. Singh has been working on her itinerary so I assume you are liasing with him. Second, Gisu has indicated that Mrs. Preston has some interest in visiting some Bank project sites (e.g., social sectors) around Delhi (separately from Mr. Preston's itinerary) - so long as the visits are not too long or repetitious. [She is definitely interested in having shopping time as well!] Third, who is escorting Mrs. Preston during the visit - from the Government side and from the Bank?

Do you have a tentative list of invitees to the FM's dinner, PM's lunch and the party/reception in Delhi? What about the lunch and dinner in Bombay?

Back to the itinerary. Heinz has just spoken with Hoda who will be contacting N.K. The latest idea is to see whether Mr. Preston could have his rest day on Nov 10 and fly directly into Agra from Karachi and arrive in Delhi for the formal beginning of his visit on the evening of Nov 10. This would permit him to keep essentially to the originally itinerary with which we were working. We are, however, trying to fit in a field visit (by helicopter) to an irrigation project in Haryana on the morning of Nov 12 - responding to senior management's insistence that he see agriculture/irrigation projects during his visit. Needless to say things are still very much in flux here. Will keep you informed of developments.

Regards,

Steve

CC:	Heinz Vergin	(HEINZ VERGIN)
CC:	Javad Khalilzadeh-Shirazi	(JAVAD KHALILZADEH-SHIRAZI)
CC:	OKTAY YENAL	(OKTAY YENAL @A1@DELHI)
CC:	Eileen Sullivan	(EILEEN SULLIVAN)

A L L - I N - 1 N O T E

DATE: 14-Oct-1992 01:48pm

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: India Visit

Gisu,

Please see attached from Bim Bissell. We are working with the Pakistan division and through the Indian EDs office to try to firm up the Karachi/Agra flight on Nov 10. Since Agra is not an international airport (hence no Immigration/Customs facilities) GOI will need to get back to us on whether it is feasible. Alternatively, an earlier departure from Karachi with a quick change of planes in Delhi is being looked at as a back-up.

I have just left a draft revised itinerary with Heinz. Once it is cleared I'll send you a copy.

Re Mrs. Preston's itinerary, Bim seems to be waiting for your response to her earlier suggestions (which I gave you last Friday) before firming things up. I'll leave it to you to give her the go ahead.

Can I go ahead and confirm that your office will pay for the Bombay - Calcutta - Dacca charter at about $10,000? I'll remind Bim in my response that arrival time in Dacca should be no later than 3:00 pm.

Steve

CC: Heinz Vergin (HEINZ VERGIN)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)
CC: Eileen Sullivan (EILEEN SULLIVAN)

A L L - I N - 1 N O T E

DATE: 14-Oct-1992 07:07am EST

TO: Steve Talbot (STEVE TALBOT@A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: RE: Mr. Preston's Visit

Steve:

Thank you for keeping me informed on the latest. I am waiting to hear from you post your discussions with Mr Vergin re overall itinerary.

Gisu called me last night and I have told her that we have sent you some suggestions. She will be checking with you and hopefully you both can let us know what has been decided.

To answer some of the queries in your em:

Yes, we are liaising with Mr.N.K.Singh and Mr.Neeraj Prasad in DEA.

Re Mrs.Preston's interest in visitng Bank Project sites, I am meeting with Mr Skolnik tomorrow and will get back to you with some suggestions. Point about shopping noted. I will be sending a list of possible places Mrs.Preston could visit in Delhi, Jaipur, Udaipur and Bombay to Gisu with a copy to you.

From the Government side, Mr.N.K.Singh tells us that Ms Savitri Kunadi, Joint Secretary, Ministry of External Affairs (in charge of UN) will be accompanying Mr.& Mrs.Preston from the Government side. Mr.Yenal has suggested that I accompany Mrs.Preston from the Bank.

We hope to get the list of invitees for the lunch and dinner from the Government and will send these to you.

Re your last para, Mr.Yenal has spoken with Mr.N.K.Singh and they are trying to work out a direct flight from Pakistan to Agra for Mr.& Mrs.Preston on Nov.10. He could then be in Delhi in time to follow his official program starting Nov.11.

Please let us know when you would like to fit in the field v[illegible] in Haryana.

Indications from DEA are that they have been able to arrange a Boeing for Mr.Preston's flight from Bombay to Dacca on Nov.15 with a lunch stopover in Calcutta with the Chief Minister of West Bengal and

then onward to Dacca for a late afternoon arrival. The cost will be approx.US $10,000 for three hours flying time. Please confirm that we can go ahead with this arrangement and that the Bank will pay for the travel.

Best regards

Bim Bissell

10th 13 days all in Delhi / Rajasthan trip

10/13/92.

Meeting w/ Steve on India Trip

Bruce Bussell – proposed program for Rajasthan
ed/health/
(East Bank projects only)

Bombay – museum

Delhi – shopping – jewelry old. + new
@ hotel or @ store
Chance into bazaar + people @ hotel

Udaipur extra day

delegates – more
new ideas

2 cars to Steve Talbot
12 noon lunch on 12th
call on Pres @ 5:30 pm

Baijal → call – a trip CTP would put interesting
(call ES if problem)
→ from ES → can't have political entrapment of program

list of irrigation projects / ag projects
w/in 300 miles of Delhi
Bombay

area by charter
Rajasthan Canal area

"help do an trip not their trip"

10/13/92
phone call w/
Bim Bissell

5. ~~Sim~~ Hem.

Pakistan – India on 9th/10th stay off Monday

Jodhpur Udaipur
11th Udaipur Jaipur → Delhi moved?
on 11th afternoon 3:00 pm
12th PM / President
13th Delhi

15th Bangla

MusP
lunch w/ Mrs. Kenal
~~crafts~~ complex, Oberoi school
gallery w/ 5 designers

free morning
~~Rec~~ breakfast Mrs. Singh
3-4:30 cottage industry
Santushti
tea w/ President
cultural show @ 7:00
8:30 dinner

A L L - I N - 1 N O T E

DATE: 09-Oct-1992 05:38am

TO: STEVE TALBOT (STEVE TALBOT @A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: Mr.Preston's Visit

Mr Talbot:

Many thanks for your EM. We will, for the future, route everything through you. On the other hand all arrangements are being finalized after consultation with Mr Yenal and with his clearance.

However, we have already responded informally to some queries re climate wardrobe etc for Mrs.Preston. I'm copying these to you via fax. I had also asked Gisu to contact me on logistical queries such as the above. If she gets in touch with me after her return from London, I will keep you informed.

One quick reaction on the Press Briefing. Since the main economic editors are Delhi based you may wish to consider a briefing-cum-discussion with Mr.Preston with some of the key economic w ers and editors in Delhi. I would recommend the following:

- Mr.Swaminathan Aiyer - Editor, Economic Times
- Mr.T.N.Ninan - Consultant Editor, Business Standard and Business World
- Mr Aroon Purie - Publisher India Today Group of Publications and Editor, Business Today
- Mr.A.M.Khusroo - Editor-in-Chief, Financial Express
- Mr.Suman Dubey - Correspondent, Asian Wall Street Journal Consultant Editor, India Today
- Mr.Stefan Wagstyl - Correspondent, The Financial Times
- Mr.Amit Mitra - Director, Policy Unit, Business India

Mr Neeraj Prasad informs me that the GOI is planning to have daily briefings for the press by the Principal Information Officer/GOI on the Preston visit.

We have had 2 requests for interviews with Mr Preston. 1. Business India (which is head-quartered in Bombay) and 2. from Eyewitness Video magazine (copy of letter being faxed to you). FYI, E itness is one of two newly created monthly video-magazines in the c try. These cover political, economic and social issues and

specialize in chat-show type interviews with national and
i rnational personalities.

Please let me have your reactions to the above.

With reference to para 1 of your Oct.6 fax to Mr.Yenal:

The following suggestions for Mrs.Preston's program are being discussed. Please let me know which of these you think may interest her. Thank you.

1. DEA tells me that they have proposed that Mrs Manmohan Singh have a lunch for Mrs Preston. Assume that if this works out it will be on Nov 11.

2. Mrs Yenal will host Lunch in honour of Mrs.Preston at 12:30 on November 12 at 11 A Prithviraj Road.

3. FYI the call on the Indian President may involve Mrs.Preston.

4. Would there be any interest in a visit to the school run by the Spastic Society in Delhi? Mrs.Bimal Jalan, wife of the ED designate to the Bank is one of the founder members of the institution.(Approx 1 hr)

4. Visit to the Crafts Complex in Delhi. This includes a crafts museum and craftsmen from various parts of India working in the c lex. (Approximately one and a half hours).

5. Visit to the Carma Gallery which exhibits haute couture fashions by 5 young Indian designers. This gallery is housed in the 11th century Qutab Minar Complex, and is an old carriage house which has been converted into a gallery. Quite charming. (Approximately 1 hour).

6. Visit to the National Museum.

7. Shopping - Cottage Industries, Kashmir Emporium and the Santushti Shopping Complex. (Approximately two and a half hours).

Re project visits - I'm liaising with Mr.Neeraj Prasad in DEA and have passed on your ideas for the Bombay and Rajasthan visits. Will get back to you ASAP.

I have one other suggestion on the Presidents schedule for thursday - I would recommend an early start to visit Red Fort, Old Delhi and the Lotus Temple a) because it will be less crowded and less of a security hassle for the Government and b) it is much more pleasant to sight see in the early morning.

Best regards

Bim Bissell

CC: BIMLA N BISSELL (BIMLA N BISSELL AT A1 AT DELHI)
CC: Hilla Sidhwa (HILLA SIDHWA AT A1 AT DELHI)
CC: Oktay Yenal (OKTAY YENAL AT A1 AT DELHI)

A L L - I N - 1 N O T E

DATE: 08-Oct-1992 06:59am

TO: D. Joseph Wood (JOE WOOD)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: On the India Trip

Attached is my response to Steve Talbot about a question he had asked on whether to schedule a lunch with the Chief Minister of West Bengal or a meeting with ministers in Dhaka. He had asked this question, and I had responded that it should wait until my return on Friday. He then sent another em requesting an immediate answer.

To some extent this is the wrong question. The program is changing, as you and I had discussed. In addition, there is a strong feeling that it is necessary to take a break half way through the trip. The suggestion is to start the India program earlier than originally scheduled, and to take a full day off at the Udaipur Lake Palace Hotel, after the palace visit day.

I understand from Steve that you are meeting to discuss the trip today. Could you probe the country team about whether it would be possible to take a direct flight by charter or Government plane from India to Bangladesh (unless of course you think we should make a stop in Calcutta)? I have the feeling that a call from Heinz or Javad to N.K. would do the trick. As you said, we should avoid the puddle-hopping.

As you review the program, could you please send the signal that early mornings are to be avoided whenever possible, and certainly several days in a row? Peter Nicholas asked me and I sent him a note saying that we shouldn't have breakfast meetings, and that 7:30 departures were OK if used in moderation. But, a signal from you would go a long way.

I'll be back in the office tomorrow, and will be meeting with the country officers at 9:30. Cheers from London!

A L L - I N - 1 N O T E

DATE: 08-Oct-1992 06:38am EST

TO: Steve Talbot (STEVE TALBOT)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: India Trip

Steve,

I tried to call you from Bonn without success, so I left a message on Jane's voice mail to forward to you. Let me give you some reactions to the proposal to visit the Chief Minister in Calcutta.

If the program were not changing, I would have the following questions about the meeting with the Chief Minister:

- We are already seeing five Chief Ministers - by my count three at a reception in Delhi, one in Bombay and one in Rajastan - is it necessary to see one more?
- If a stop in Calcutta is unavoidable, wouldn't it be better to visit the Calcutta slums, or to see a project in the area if we were to stop in Calcutta?

But the program is changing. This is why I want to meet with you and George and Peter on Friday.

- We are now leaving Washinton two days ahead of schedule, and arriving in Pakistan two days earlier. This opens up the program, and the suggestion is to go to India sooner than planned.
- In India, we should have a completely free day, with no travel, no sightseeing, no plans. The best day to do this might be the day after the day in Rajastan, at the Udaipur Lake Palace Hotel.
- We should use the easiest way to get to Bangladesh.

See you tomorrow!

Gisu

CC: Heinz Vergin (HEINZ VERGIN)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)

A L L - I N - 1 N O T E

DATE: 07-Oct-1992 05:45am

TO: GISU MOHADJER (GISU MOHADJER @A1@VAX12)

FROM: BIMLA N BISSELL, SA2ND (BIMLA N BISSELL AT A1 AT DELHI)

EXT.: 91 11 617241

SUBJECT: Introduction

Ms.Mohadjer:

May I introduce myself - my name is Bimla Nanda Bissell. I work at the Resident Mission handling what is loosely known as External Affairs. I have been asked by Mr.Yenal to coordinate Mr.& Mrs.Preston's visit to India. I would therefore like to talk with you about how best we can make the visit both interesting and not too tiring for them. You could call me at my office tele # 4628071, 4628072 & 617241 or at my residence tele # 6830097, 636558. Alternatively, since we have a dedicated line to Washington, I can a call you. However, the timings are awkward. It will have to be early morning your time i.e. between 7 and 8 am. Please let me know if this is convenient and where you can be reached.

I look forward to working with you on this project.

Thank you and with best regards

011-91-11

Bimla Bissell

CC: Hilla Sidhwa (HILLA SIDHWA AT A1 AT DELHI)
CC: STEVE TALBOT (STEVE TALBOT @A1@VAX12)

A L L - I N - 1 N O T E

DATE: 02-Oct-1992 09:12pm

TO: Jane Armitage (JANE ARMITAGE)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: India trip, FYI in case it comes up

A L L - I N - 1 N O T E

DATE: 02-Oct-1992 09:12pm EST

TO: D. Joseph Wood (JOE WOOD)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: November Visit

I've discussed the broad outlines of the upcoming visit with Messrs. Preston, Sandstrom and Karaosmanoglu. I indicated that the proposals were very preliminary, and were a result of discussions I had held with the country officers. Their comments were as follows:

Pakistan: Kirmani would be a good person to meet in Pakistan, if he is there at the time. It is unclear if a meeting with the opposition is necessary (in Pakistan or elsewhere), and it is up to the region to decide. If there is an extra day as a result of a Wednesday departure from the US, it might be preferable to go to India a day early rather than to go to Lahore.

India: As with Pakistan and Bangladesh, a meeting could be arranged with the academics and intellectuals. The calls on Ministers should be kept down to the essential, and more time spent on project visits. An informal stop could be arranged in the slums in Bombay.

Bangladesh: Given that the decision has been made on the Jamuna Bridge, is it really necessary to visit it's site? No breakfast meetings.

I hope these comments are helpful in your discussions with your staff. As you see, Mr. Stern was not in town for the discussion, but I'm sure you are in touch with him.

I will be back in the office next Friday. I will be in touch with the country officers, but do let me know if I can help you with anything.

A L L - I N - 1 N O T E

DATE: 30-Sep-1992 05:58pm

TO: Steve Talbot (STEVE TALBOT)

FROM: Peter Nicholas, SA1CI (PETER NICHOLAS SA1CI)

EXT.: 80420

SUBJECT: RE: Mr. Preston's Visit

Thanks. Mr. Kraske wondered whether Mr. Preston et. al. could fly out of Bombay to Calcutta on Saturday night. (He suggested a helicopter to Bombay airport).

CC: Eileen Sullivan (EILEEN SULLIVAN)
CC: Gisu Mohadjer (GISU MOHADJER)

A L L - I N - 1 N O T E

DATE: 30-Sep-1992 05:51pm

TO: Peter Nicholas (PETER NICHOLAS SA1CI)
TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: Mr. Preston's Visit

The absence of a viable Bombay - Calcutta flight (or a Delhi - Calcutta flight) has been confirmed from our end. Also the option of a Bangkok connection doesn't work. I have a call in to the Indian ED's office to request that they follow up with MOF in Delhi on the prospects of a charter flight direct from Bombay to Dhaka. I'll update you tomorrow.

CC: Eileen Sullivan (EILEEN SULLIVAN)

A L L - I N - 1 N O T E

DATE: 30-Sep-1992 03:44pm

TO: Gisu Mohadjer (GISU MOHADJER)
TO: Steve Talbot (STEVE TALBOT)

FROM: Peter Nicholas, SA1CI (PETER NICHOLAS SA1CI)

EXT.: 80420

SUBJECT: Mr. Preston's Visit to India/Bangladesh

As I read it, the next flight Bombay-Calcutta on that day leaves 16:00 and arrives 18:15, which would get Mr. Preston into Dhaka too late. So it looks like we will have to look into the charter option, perhaps as a backup to the Bangladesh Biman flight which leaves Bombay 07:40 and arrives Dhaka 10:50 a.m.. (The flight time on this DC10 seems to be 2 hours 40 minutes, less than I remembered).

I cannot see any Delhi-Dhaka flights listed -- there have never been any, and I certainly haven't heard of any starting up.

Thanks.

A L L - I N - 1 N O T E

DATE: 30-Sep-1992 03:39pm

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: Discussion with POH

I spoke with Ms. O'Hara and asked to meet with her tomorrow afternoon to go over the India trip. She declined, saying there isn't anything to discuss. She says she has sent everything she has to Evelyn to give to Joe Wood, and is waiting for a reply from him. She doesn't think there's any reason to discuss the trip.

A I L - I N - 1 N O T E

DATE: 29-Sep-1992 10:28am

TO: Patricia O'Hara (PATRICIA OHARA)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: Mr. Preston's Travel

I understand you'll be meeting with George Park tomorrow at 11 AM to discuss travel for Mr. Preston's upcoming S. Asia visit. I probably won't be able to join you, but our understandings about the India portion of the visit are as follows (subject to confirmation by Oktay Yenal today):

November 11 (Wed)

7:00 a.m. Leave Karachi

9:20 a.m. Arrive Delhi

Stay at Oberoi Hotel

November 13 (Fri)

9:00 a.m. Depart Delhi for Jaipur
(Special aircraft to be provided by GOI)

3:40 p.m. Depart for Jodhpur
(Special aircraft - GOI)

Stay at Udaipur Lake Palace Hotel (arangements by GOI)

November 14 (Sat)

a.m. Depart for Bombay
(Special aircraft - GOI)

Stay at Taj Mahal Hotel

November 15 (Sun)

5:40 a.m. Depart for Calcutta (commercial aircraft)

Stay at (?) Hotel

4:00 p.m. Depart Calcutta for Dhaka (GOI aircraft)

As indicated, travel arrangements from Delhi to Jaipur to Jodhpur to Bombay, as well as accommodation in Udaipur, will be taken care of by GOI. Transportation within Delhi would probably

also best be handled by GOI, for security reasons.

Our New Delhi office can probably take care of the hotel arrangements in Delhi, Bombay and Calcutta and the commercial flight from Bombay to Calcutta.

I'll get back to you later today with confirmation on the above.

CC: George Park (GEORGE PARK)
CC: Peter Nicholas (PETER NICHOLAS SA1CI)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)

A L L - I N - 1 N O T E

DATE: 28-Sep-1992 06:54pm

TO: Patricia O'Hara (PATRICIA OHARA)

FROM: Evelyn S. Castro, SASVP (EVELYN CASTRO)

EXT.: 81428

SUBJECT: Dept. Coordinators for Mr. Preston's trip

Pat,

Here are the names of the Sr. Country Officers who will be coordinating Mr. Preston's trip. Please refer any queries you might have directly to them; they will in turn be in touch with you regarding these arrangements.

	Name	Ext.	Room #	Fax #
Pakistan	George Park	82367	D10-097	72612
India	Steve Talbot	80354	G-3117	74510
Bangladesh	Peter Nicholas	80420	D9-101	77364

CC: D. Joseph Wood (JOE WOOD)
CC: Gisu Mohadjer (GISU MOHADJER)
CC: George Park (GEORGE PARK)
CC: Steve Talbot (STEVE TALBOT)
CC: Peter Nicholas (PETER NICHOLAS SA1CI)

please file in India Trip file

A L L - I N - 1 N O T E

DATE: 25-Sep-1992 11:28am

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Steve Talbot, SA2CI (STEVE TALBOT)

EXT.: 80354

SUBJECT: Mr. Preston's Visit to S. Asia

I have been asked to coordinate Mr. Preston's visit to India on behalf of SA2. Perhaps we could meet early next week, together with SA1 and SA3, to resolve any outstanding issues associated with the itinerary and to coordinate a common approach to presentation of briefing materials.

CC: Fred Kilby (FRED KILBY)
CC: Peter Nicholas (PETER NICHOLAS SA1CI)
CC: Manuel Penalver (MANUEL PENALVER)
CC: George Park (GEORGE PARK)
CC: June Nemeyer (JUNE NEMEYER)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)
CC: Eileen Sullivan (EILEEN SULLIVAN)

A L L - I N - 1 N O T E

DATE: 24-Sep-1992 12:52pm

TO: June Nemeyer (JUNE NEMEYER)
TO: Gisu Mohadjer (GISU MOHADJER)

FROM: Javad Khalilzadeh-Shirazi, SA2CI (JAVAD KHALILZADEH-SHIRAZI)

EXT.: 80352

SUBJECT: India Trip

According to the Pakistan Department, Mr. Preston can be booked to leave Karachi on November 11 at 7:00 a.m. to arrive in New Delhi at about 9:20 a.m. (there is no other direct connection).

He would leave Bombay for Dhaka on Sunday, Nov. 15 at 5:40 a.m. (no other viable option, unfortunately); he would go to Calcutta on a commercial airline and then be transported to Dhaka on a government aircraft.

We have committed ourselves to New Delhi and Bombay as the cities to visit. He will also suggest Rajasthan, which is fine with us.

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
President Lewis T Preston Travel - Gisu Mehadjer - India - November 10 - 14, 1992 - Correspondence - Book 2 of 3	1483010

Document Date	Document Type	
10 July, 1992	Board Record	

Correspondents / Participants

Subject / Title

Executive Directors' Meeting - July 9, 1992 - India Consortium Meeting
Statement by Mr. Wood

Exception(s)

Additional Comments

Declassification review of this record may be initiated upon request.

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

Withdrawn by	Date
Chandra Kumar	27-Mar-15

PRESS

FORM NO. 75
(6–83)

THE WORLD BANK/IFC

ROUTING SLIP	DATE: Nov 12. 1992

NAME	ROOM NO.
Ms. M. Eisen	

	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	CLEARANCE		PER OUR CONVERSATION
	COMMENT		PER YOUR REQUEST
	FOR ACTION		PREPARE REPLY
✓	INFORMATION		RECOMMENDATION
	INITIAL		SIGNATURE
	NOTE AND FILE		**URGENT**

REMARKS:

FROM:	ROOM NO.:	EXTENSION:
Ulla Brundell	.	

Telegraph, NOV 12, 1992

The World bank president, Mr Lewis Preston, discussing a point with the Union finance minister, Dr Manmohan Singh, in New Delhi on Wednesday. A Telegraph picture by Jagdish Yadav

India to get $9 bn World Bank loan

New Delhi, Nov. 11: India is likely to get a fast disbursal assistance of upto $9 billion from the World Bank and other agencies during the next three years.

The assurance came after an hour-long "constructive and positive" discussion between the World Bank president, Mr Lewis Preston, and the Union finance minister, Dr Manmohan Singh, here today.

The assistance would be apart from the external aid India was seeking for carrying out its ongoing structural reform programmes.

The government is already negotiating a $7.5 billion to $9 billion loan from the IMF under the extended fund facility and the structured adjustment facility, the soft lending arm of the IMF, during the next three years.

Soon after the crucial meeting today, Mr Preston assured India of the Bank's full support to meet its exceptional financial needs. He said India's economic reform programmes were on track and the World Bank was looking forward to "future modifications."

Dr Singh said there was no concern at all on the pace of the reforms and Mr Preston realised that the reform efforts were on target. The discussions were "cooperative, constructive and positive," Dr Singh added.

Mr Preston later met the agriculture, power, commerce and industry ministers and a cross section of the industry to get a first hand knowledge of the progress made in several World Bank-aided projects and the country's future needs.

Mr Preston told the power minister, Mr Kalpanath Rai, that the Bank was keen to help India but the country needed to improve its recovery through self sustainable systems. Mr Rai had sought the Bank's help in setting up joint and private sector power projects.

The agriculture minister, Mr Balram Jakhar, said a quantum jump was needed in the Bank's assistance to agricultural projects.

He told Mr Preston that agriculture accounted for nearly $5 billion out of the total $35 billion advanced by the Bank.

Mr Preston also visited some of the World Bank-aided irrigation and agricultural developmental projects and rural drinking water supply schemes in Rohtak.

He is scheduled to call on the President, Dr Shankar Dayal Sharma, and the Prime Minister, Mr P.V. Narasimha Rao, tomorrow.

Business Standard
NOV 12, 1991

Modifications sought in reforms programme

Preston agrees to $9bn in quick aid

FROM OUR SPECIAL CORRESPONDENT

NEW DELHI, NOV 11 — World Bank president Lewis Preston today assured India of full support in meeting exceptional finance needs of about $9 billion over the next three years, but said he was looking forward to certain modifications in the reforms programme.

He also promised support for creating a social safety net under the National Renewal Fund and loans for the hydrocarbon and financial sectors.

During his meeting with finance minister Manmohan Singh, the Bank president reviewed the progress of the reforms.

Manmohan Singh said the $9-billion aid would be fast disbursal in nature and was in addition to the assistance sought by India for the structural readjustment programme.

Preston recognised the need to improve disbursement of aid for World Bank projects. The quantum of aid released has been less than committed because of the inability of India, especially the state governments, to come up with matching rupee grants.

The Bank president was appreciative of the fiscal adjustment process initiated by the government and acknowledged that only a modest additional amount was required for the programme.

Preston urged the government to take immediate steps to tackle the problem of unutilised aid, totalling nearly $20 billion, from bilateral and multilateral sources.

The finance minister expressed the government's gratitude to the World Bank for continuing assistance to the Narmada hydroelectric project "in spite of opposition from major powers".

Reiterating the need for quick-disbursing aid of $3 billion a year for the next three years, Singh said he was hopeful that the reforms could be carried out without imposing any additional burden on the poorer sections.

The finance minister informed the Bank chief of the government decision to pass on the entire aid for state projects to the governments concerned.

Manmohan Singh said in spite of its considerable technical expertise, the National Thermal Power Corporation (NTPC) faced serious financial difficulties because of the low rate of recovery of dues from the state

More IFC funds likely: Page 8

electricity boards. If the disbursement of Bank aid improved, such problems could be eased, he said.

Later, at a meeting with minister of state for power Kalpnath Rai, Preston underlined the need for a sustainable system of recovery of arrears from state electricity boards by the central power corporations. He made it clear the Bank would fund only "viable and commercialpropositions".

Agriculture minister Balram Jakhar also met Preston and sought more assistance for farm sector projects. Pointing out that the performance of agriculture was better than the other sectors funded by the Bank, Jakhar argued that enhanced support can step up agricultural capital formation and help alleviate unemployment and poverty.

The minister sought the extension of Bank aid to the rural credit system, agro-industries and horticulture. He described the steps taken by the Centre to improve farm sector efficiency, such as the slashing of subsidies.

The World Bank president, who is on a six-day visit to India, is scheduled to have discussions with President Shankar Dayal Sharma, Prime Minister P V Narasimha Rao and minister of state for environment Kamal Nath tomorrow.

[EIGHT]
BUSINESS STANDARD
THURSDAY 12 NOVEMBER 1992

Preston hints at more IFC funds for projects

FROM OUR STAFF CORRESPONDENT

NEW DELHI, NOV 11 — In the first positive indication for India after the election of Bill Clinton as US president, World Bank president Lewis Preston told corporate leaders today that the Uruguay round was 'politically motivated' to help the George Bush administration.

The comment reveals that there is a chance that the Clinton administration does not pursue the hardline on intellectual property rights (IPRs).

The World Bank president told business leaders that while the Bank's constitution did not permit investment in the private sector, he assured help through the private sector lending window, the International Finance Corporation.

Addressing the press after their meeting with Preston, Ficci president Kanti Kumar Podar and Assocham chief N M Dhuldoya said, after much questioning on the issue, that Preston had indicated that the IFC would face no financial constraints in funding private sector projects.

IFC funding is limited to medium-scale projects and it is not involved in infrastructural development.

The World Bank president was responding to a specific question from Ratan Tata, on whether the World Bank would continue to financeonly government projects.

Tata felt that with the expansion of the private sector role in the infrastructure area, the Bank's lending programmes should include private sector projects.

Preston expressed concern over the neglect of the infrastructure sector, particularly power and transport.

According to industrialist Sanjiv Goenka, who attended the meeting and proposed the vote of thanks, Preston appreciated the reform process, but sought more reforms in the financial sector and trade policy.

Preston said that the Bank was waiting for the reforms that are likely to unfold in the financial, trade, oil and power sectors. He said that the performance on the export front had been good considering the world-wide recession and the abrupt loss of the Soviet market.

In his welcome address Ficci president Podar tried to assuage international feeling that some sections of Indian industry was averse to direct foreign investment.

Assocham president Dhuldoya pointed out the anamolies in the Indian tax system to Preston, where raw materials are often taxed higher that intermediates or finished products.

Other industralists who attended the meeting, which was coordinated by former Ficci secretary general B H Pai Panandikar, included K N Modi, Raunaq Singh, S K Birla, G P Goenka, K L Chugh, B M Khaitan (from Ficci), H S Singhania, Bharat Ram, H P Nanda, L M Thapar, N Sankar, G H Singhania, Devender Singh, Sanjay Dalmia, S M Datta (Assocham), Rahul Bajaj, Godrej, C K Birla, Sanjeev Goenka and R C Bhargava.

India likely to get $9b fast disbursal WB aid

INDEPENDENT, NOV 12, 1992

NEW DELHI: India is likely to get fast disbursal assistance up to $9 billion from the World Bank and other agencies in the next three years, reports PTI.

This became evident after an hour-long "constructive and positive" discussion between World Bank President Lewis Preston and Finance Minister Manmohan Singh in New Delhi yesterday.

The assistance would be apart from the external aid India was seeking for carrying out its ongoing structural reform programmes.

The government was already negotiating a $7.5 to 9 billion loan from the International Monetary Fund under the extended fund facility and extended structural adjustment facility, the soft lending arm of the IMF in the next three years.

Soon after the crucial meeting yesterday, the World Bank president assured India of full support to meet its exceptional financial needs of $7 to 9 billion in the next three years for the success of the reforms programme.

Preston said the World Bank was convinced that India's economic reform programmes were on track and the World Bank was looking forward to "future modifications."

Singh said there was no concern expressed at all on the pace of the reforms and Preston realised that the reform efforts were on target. The discussions were "cooperative, constructive and positive," Singh added.

Preston later met the agriculture, power, commerce and industry ministers and a cross-section of the industry to apprise himself of the progress made in several World Bank-aided projects and the country's future needs.

He told Power Minister Kalpanath Rai that the World Bank was keen to help India but the country needed to improve its recovery through self-sustainable systems. Rai sought the Bank's help in setting up joint and private sector power projects.

Agriculture Minister Balram Jakhar sought a quantum jump in the World Bank assistance to agricultural projects. He told Preston that agriculture accounted for nearly $5 billion out of the total of $35 billion advanced by the bank since its inception to various sectors.

Preston visited some of the World Bank-aided irrigation and agricultural development projects and rural drinking water supply schemes in Rohtak and Bhiwani in Haryana yesterday.

He is scheduled to call on President Shankar Dayal Sharma, and Prime Minister P V Narasimha rao, today.

After the meeting in North Block, the finance minister said the World Bank assistance would be quick disbursal in nature and detailed negotiations would follow soon.

Singh said the World Bank was aware of India's needs and what the country was seeking was a modest quick disbursal assistance of three billion dollars annually for the implementations of its structural reforms.

Singh said Preston had told him that the World Bank would be "very supportive" to India's requirements and promised full support for the difficult economic reconstruction programmes started by the government last year.

The finance minister said the assistance would also meet part of the financial requirements for the national renewal fund aimed at providing social safety net for the employees of the sick public sector undertakings.

Singh said the problem of undisbursed assistance was mostly in the power and irrigation sectors. Regarding Narmada Valley Project, Singh said he had thanked the World Bank for the support extended to the project despite oppostion by several world fora.

The finance minister reiterated India's commitment to take all necessary steps to protect the environment while implementing the prestigeous project.

Replying to a question, Singh said no concerns were expressed at all during the discussions. The World Bank president had realised that there were no truth in the reports that the reform programmes were getting slowed down. He found it to be on target, Singh added.

The finance minister was assisted among others by Finance Secretary K P Geethakrishnan, Economic Affairs Secretary Montek Singh Ahluwalia and Joint Secretary Fund Bank N K Singh.

INDIA

VISIT OF MR & MRS PRESTON: NOVEMBER 10-15, 1992

STATEMENT TO THE PRESS

(Saturday, November 14, 7.00 pm)

(Pre-meeting briefing by Messrs. Vergin, Yenal)

1. Ladies and gentlemen, this is my first trip to India, and I would like to begin my remarks by expressing something of the pleasure and gratitude that Mrs. Preston and I feel for the warmth and hospitality with which we have been welcomed to this country. I am sure that we will carry memories of this visit with us for many years to come.

2. As you all know, the World Bank has had a partnership in India's development for over forty years. During this period, India has not only made important strides towards many of its development goals, but has operated democratic institutions which have assured a remarkable degree of political and religious freedom for its people and have provided an important example for many other countries of the world. We at the Bank have been very heartened by the impressive measures adopted by the Government over the past eighteen months to stabilize and reform the economy, and to attune India's development strategy better to the challenges and opportunities of the changing domestic and international environment. The new emphasis on private initiative as the engine of growth, on openness to international competition, capital and technology, and on the role of government in realizing the considerable potential of India's human resources are likely to help India to enter the twenty-first century as one of the most dynamic nations of the developing world.

3. The Bank's experience in other countries indicates clearly that early and decisive action to deepen the process of reform is required if a prompt and buoyant supply response is to be forthcoming, and growth and progress in poverty alleviation are to be sustained. During this visit, I have had a number of very important meetings with the Prime Minister and other cabinet members, and have assured them of the Bank's commitment and readiness to assist India to consolidate and strengthen the gains achieved to date through continued fiscal adjustment and major, coordinated structural and sectoral reforms in key areas of the economy.

4. The Bank also shares the Government's concern that the poorest segments of society should not bear a disproportionate share of the burden of adjustment. In this context, we expect to provide direct support to the Government's efforts to strengthen India's social safety nets through an IDA adjustment credit. The credit which is at an advanced stage of preparation, will contribute to core social programs - including primary health and education, nutrition, and communicable disease control as well as to the National Renewal Fund.

(Revised Statement to the Press)

Bombay Nov 14
7.00 P.M

for Mr. Preston's visit reader, Bombay

Please change in IV. (P) and discard earlier version

Thanks

5. I have also met with industrialists and businessmen in order to assess the extent to which the impact of the Government's industrial and trade reforms have percolated down to the working levels. These meetings have been particularly useful in helping me to better understand what more needs to be done to provide an enabling environment that can facilitate private sector expansion and increased export growth.

6. During the rest of my visit, I will meet with the Chief Ministers of Maharashtra, Rajasthan, and West Bengal, and will discuss with them the challenges faced by the states in contributing to the overall development and reform effort.

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1. Ladies and gentlemen, this is my first trip to India, and I would like to begin my remarks by expressing something of the pleasure and gratitude that Mrs. Preston and I feel for the warmth and hospitality with which we have been welcomed to this country. I am sure that we will carry memories of this visit with us for many years to come.

2. As you all know, the World Bank has had a partnership in India's development for over forty years. During this period, India has not only made important strides towards many of its development goals, but has operated democratic institutions which have assured a remarkable degree of political and religious freedom for its people and have provided an important example for many other countries of the world. We at the Bank have been very heartened by the impressive measures adopted by the Government over the past eighteen months to stabilize and reform the economy, and to attune India's development strategy better to the challenges and opportunities of the changing domestic and international environment. The new emphasis on private initiative as the engine of growth, on openness to international competition, capital and technology, and on the role of government in realizing the considerable potential of India's human resources are likely to help India to enter the twenty-first century as one of the most dynamic nations of the developing world.

3. The Bank's experience in other countries indicates clearly that early and decisive action to deepen the process of reform is required if a prompt and buoyant supply response is to be forthcoming, and growth and progress in poverty alleviation are to be sustained. During this visit, I have had a number of very important meetings with the Prime Minister and other cabinet members, and have assured them of the Bank's commitment and readiness to assist India to consolidate and strengthen the gains achieved to date through continued fiscal adjustment and major, coordinated structural and sectoral reforms in key areas of the economy.

4. The Bank also shares the Government's concern that the poorest segments of society should not bear a disproportionate share of the burden of adjustment. In this context, we expect to provide direct support to the Government's efforts to strengthen India's social safety nets through an IDA adjustment credit. The credit which is at an advanced stage of preparation, will contribute to core social programs - including primary health and education, nutrition, and communicable disease control as well as to the National Renewal Fund.

5. I have also met with industrialists and businessmen in order to assess the extent to which the impact of the Government's industrial and trade reforms have percolated down to the working levels. These meetings have been particularly useful in helping me to better understand what more needs to be done to provide an enabling environment that can facilitate private sector expansion and increased export growth.

6. During the rest of my visit, I will meet with the Chief Ministers of Maharashtra, Rajasthan, and West Bengal, and will discuss with them the challenges faced by the states in contributing to the overall development and reform effort.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Press Discussion with Senior Economic Editors
(Thursday, November 12, 8:45 am)

[Pre-Meeting Briefing by Messrs: Vergin, Yenal]

Background

This will be an informal, background discussion with 4/5 (?) senior economic editors of the Indian press (ref. attached bio-data).

Talking Points

You are likely to be asked about the key objectives of your visit. Your reply should focus on the points made in the Statement of Trip Objectives (TAB II). In particular, you should emphasize the Bank's support for the Government's stabilization and adjustment program and commend the progress already made. However, you should stress the need for decisive and early action to accelerate the pace of reform in the key areas of: (i) taxes; (ii) trade; (iii) the financial sector; public enterprises; and (v) labor market regulations preventing firms from flexibly determining their employment levels. You should also stress the Bank's concern that special care should be taken to ensure that the poorest segments of society do not bear a disproportionate share of the burden of adjustment and mention the support to be provided in this area through the Social Safety Nets Adjustment operation, scheduled for consideration by the Bank's Board of Executive Directors in December.

You should also emphasize the focus of your visit on better understanding the extent to which the impact of the industrial and trade reforms has percolated down to the grass roots level of the private and public sectors and your interest in exploring what more needs to be done to provide an enabling environment that can facilitate private sector expansion and increased export growth.

You should also point out that you will be meeting with a number of Chief Ministers (Rajasthan, Maharashtra and West Bengal) and will be discussing with them the impact of the reforms at the state level and how the states are carrying through the reform process within their own areas of responsibility.

Aroon Purie

Editor and Publisher of India Today - India's equivalent of Time and Newsweek. India Todya now prints in 5 major regional languages and the group has recently started a monthly business magazine - Business Today. In addition they have a children.s magazine the Target, and a popular monthly video Magazine NEWSTRACK. The family owns Thomson press and are currently in negotiation with time magazine for publication in India. Studied at the LSE.

A.M. Khushro

Editor, The Financial Express - the second of India's economic dailies - belonging to the Express group of newspapers, the largest newspaper network in the country. Earlier, a Member of the Planning commission, and India's Ambassador to West Germany. Dr. Khusro has also been Vice Chancellor of the Aligarh Muslim University. A Ph.D. in Economics, he has made a notable contribution in agriculture.

Swaminathan S.A. Aiyer

Editor of the Economic Times - India.s leading economic and financial daily; India Correspondent for the Economist. Worked with the World Bank in Washington in the Research Division with Anne Krueger and Deepak Lal. He also edited the Banks Research News. Studies economics at Oxford

T.N. Ninan

Now Consulting Editor with the Business Standard Group of publications which is the largest group in Eastern India. Business Standard is one of India's three leading financial and economic dailies. Till recently Ninan was the Editor of The Economic Times. Currently he is also a TV Commentator on economic matters and has started his own TV company.

Prem Shankar Jha

Now a free lance journalist writing on energy and economic matters. Served as Press Advisor to Prime Minsiter V.P. Singh. Has been a Senior Editor in The Economic Times, The Times of India; Economic Correspondent for the Hindustan Times and has also been the India Correspondent for The Economist. Studies economics at Oxford. married to India's leading advocate of womens' rights.

Suman Dubey

India correspondent for The Asian Wall Street Journal and Consulting Editor India Today. Close friend and confidante of late PM Rajiv Gandhi, he served as his Information Advisor from 1987-89. Studied at Cambridge. Also works with Times Television - a private TV Company and is a Trustee of the Rajiv Gandhi Foundation.

FORM NO. 75
(6–83)

THE WORLD BANK/IFC

ROUTING SLIP	DATE: Nov 12. 1992

NAME	ROOM NO.
Ms. M. Eisse	

	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	CLEARANCE		PER OUR CONVERSATION
	COMMENT		PER YOUR REQUEST
	FOR ACTION		PREPARE REPLY
✓	INFORMATION		RECOMMENDATION
	INITIAL		SIGNATURE
	NOTE AND FILE		**URGENT**

REMARKS:

FROM:	ROOM NO.:	EXTENSION:
Allen Blount		

WB will not fund private sector projects

HINDUSTAN TIMES NOV 12, 1992

NEW DELHI, Nov. 11 (HTC).

World Bank President Lewis Preston today expressed the inability to extend the Bank's lending programme to include private sector projects.

Responding to clarifications sought by the representatives of the three apex chambers of commerce and industry at a meeting with Mr Preston here today, on whether the Bank's funding is limited to the public sector, the World Bank President said the articles of association of the Bank does not allow funding of private sector projects.

Briefing the Press on the deliberations and discussions at the industry-Bank meet, various chambers' leaders later said Mr Preston assured that the Bank would provide adequate funds to the International Finance Corporation so that private sector projects also got adequate funding from the Bank's kitty. The IFC is the World Bank's arm for funding of private sector projects.

The meeting was attended by representatives of the Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry (ASSOCHAM) and the Confederation of Indian Industry (CII).

Later, addressing the Press, FICCI president Kantikumar R. Poddar, ASSOCHAM president N. M. Duldhoya and J. Godrej of CII expressed satisfaction at the discussions.

The industry leaders said Mr Preston praised India for its economic reforms and that India had done fairly well, even better than expected. They quoted Mr Preston as saying World Bank watching the reforms which are likely to unfold in the financial, trade, oil and power sectors.

Mr Preston was quoted as having said that the performance of the Government on the trade front has been good given the state of the world economy and the decline of the former Soviet Union as a major trading partner of India. To attract more foreign investment India required to build further on the liberalisation process, he is reported to have observed.

STATESMAN
NOV 12.1992

World Bank to give full support

The World Bank has assured India of full support in meeting its exceptional financial needs of $7-9 billion over the next three years, reports PTI.

The assurance came during an hour-long meeting on Wednesday between the visiting World Bank president, Mr Lewis Preston, and the Finance Minister, Dr Manmohan Singh.

Soon after the crucial meeting, Dr Manmohan Singh told reporters this would be apart from the external assistance India was seeking to ensure success of the ongoing structural reform programmes.

Both Dr Singh and Mr Preston described the meeting as fruitful. While the World Bank president said the discussion was "constructive and worthwhile", Dr Singh considered it as "very cooperative, constructive and positive."

Asked about the focus of the discussions, Mr Preston said he had deliberated on the economic reform programmes in India which was proceeding on schedule.

"The World Bank was looking forward to future modifications," he added.

The Finance Minister said the assistance would be quick disbursal in nature and added detailed negotiations would follow soon.

Dr Singh said the World Bank was aware of India's needs and what the country was seeking was a modest quick disbursal assistance of $3 billion annually for the implementation of its structural reforms.

Dr Singh said Mr Preston had told him that the World Bank would be "very supportive" to India's requirements and promised full support for the difficult economic reconstruction programmes started by the Government last year.

WB backs efforts for 'safety net'

TIMES OF INDIA
NOV 12, 1992

The Times of India News Service

NEW DELHI, November 11.

THE World Bank (WB) president, Mr Lewis T. Preston, has assured the government that the Bank would fully support its efforts to ensure that the burden of fiscal adjustment and structural changes did not fall on the poor.

The Bank's assistance would be readily available for devising an "effective safety net" in the form of lendings for increasing the size of the National Renewal Fund (NRF), structural changes in the hydro-carbon sector and reforms in the financial sector.

In his hour long discussions with the finance minister, Dr Manmohan Singh, today, Mr Preston was given an overview of the progress of reforms in India. He was appreciative of the fiscal and structural adjustment already carried out. He told the finance minister that the Bank would stand by India in continuing the process of economic reconstruction.

WORTHWHILE TALKS: Official sources said the discussions were "constructive and worthwhile" and Mr Preston was satisfied with the pace of the reform programmes. He said he was looking forward to future modifications in the programmes.

Dr Singh told Mr Preston that India's need for exceptional financing to the balance of payment deficit was modest. India would need about $ 3 billion annually for the next three years.

The issue of non-utilisation of WB assistance due to slow pace of implementation of projects was raised by the Bank president. While recognising the need to improve disbursement of the Bank loans, Dr Manmohan Singh explained the financial crunch the states were facing and their incapacity to generate matching rupee funds.

HELP TO STATES: Dr Singh told the WB president that the Centre had done all it could to improve the states' finances. As against 70 per cent of assistance from the Bank given to the states till last year, the Centre would now pass on to them 100 per cent assistance. Also, the earlier practice of reimbursing the states their actual expenditure had been given up. The Centre would give the states funds in advance to spend on projects so as to improve the disbursement of WB assistance.

The finance minister told Mr Preston that the problem of poor disbursement was mainly in the sectors of power and irrigation. A number of state electricity boards were not following a viable pricing policy. Thus the National Thermal Power Corporation (NTPC), top-class organisation which India was proud of, was facing a liquidity problem as it was unable to collect its dues from these boards. The states would have had more resources if the electricity boards had been run efficiently. The disbursement of the Bank assistance would also increase.

Preston disappoints Indian industrialists

By Business Times Staff

NEW DELHI, November 11: If the captains of Indian industry were expecting some goodies from today's meeting with the World Bank president, Mr Lewis Preston, they were disappointed.

Their impassioned pleas to Mr Preston to reconsider the Bank's policy of providing funds only to the public sector or the government was gently brushed aside by the point that funds for private sector projects were available through its arm– International Finance Corporation (IFC).

It is quite clear from the brief and the presentations made by the representatives of the three leading industry associations–Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry (ASSOCHAM) and Confederation of Indian Industry (CII)–that this was the ticklish issue for them.

Mr Ratan Tata, the leader of the CII team, had a brief to specifically seek a clarification from the World Bank chief on this contentious issue. Similarly, Mr Kantikumar Podar, president FICCI, said that he would welcome "World Bank's assistance to the private sector in setting up projects." According to him, "India would require assistance from the Bank and the IMF (International Monetary Fund) to the tune of $ 12-13 billion over the next three years".

Mr Sanjiv Goenka, a leading industralist, while giving a vote of thanks, also repeated that the Indian industry would "appreciate that this (World Bank's) support is now extended to private sector as well."

Although the Indian government has opened the area of infrastructure to the private sector, the latter's ability to raise funds for the purpose is suspect.

The only redeeming factor, as claimed by the industy representatives, was Mr Preston's promise that there would be no shortage of funds available to IFC for this purpose.

However, in an informal discussion with *Business Times*, one of those who attended the meeting with the World Bank chief admitted that there is nothing new in this assurance.

TIMES OF INDIA
NOV 12. 1991

WB watching Indian reforms

ENS ECONOMIC BUREAU

NEW DELHI – The World Bank is waiting and watching the Indian economic reforms which are likely to unfold in the financial, trade, oil and power sectors, the World Bank President Mr Lewis Preston said here on Wednesday.

In a meeting with the three apex chambers -, Federation of Indian Chambers of Commerce and Industry, (FICCI), Associated Chambers of Commerce and Industry, (Assocham) and Confederation of Indian Industry, (CII) here, Mr Preston said that while India had done fairly well with the economic reforms, it requires to build on further on the liberalisation process if it wants to attract more foreign investment.

The World Bank President said that the performance on the trade front had been good in the present state of the world economy and the decline of the former Soviet Union as a leading trading partner for India.

He said that more emphasis needs to be given to the private sector which would be the key to further success. Mr Preston praised the achievements of the Indian private sector and said he was open to having close ties with private sector also.

He however, turned down the demands of the industry for direct World Bank financing of private sector projects in lines of public sector ones. He stated that this was being looked into by its fully owned subsidiary International Finance Corporation, (IFC). However, if there is ever a resource or financial crunch at IFC, the bank would be ready to supply funds to IFC for its projects, Mr Preston said.

The World Bank President said that while the bank was studying the pace and progress of the economic reforms, India should look into the aspect of environment protection while making any new investment.

INDIAN EXPRESS
NOV 12.1991

World Bank assures $ 9 b aid over 3 years

INDIAN EXPRESS, NN 12.1991

ENS ECONOMIC BUREAU

NEW DELHI

THE World Bank President, Mr. Lewis T. Preston, has expressed satisfaction over the pace of economic reforms but expects India to make suitable modifications in the programmes.

At an hour-long meeting with the Finance Minister, Dr. Manmohan Singh, here on Wednesday, Mr. Preston assured him that the Bank would support the Government's efforts to protect the poor from the adverse effects of structural changes in the economy. He offered full assistance to Dr. Singh in devising an effective social safety net for the people likely to be affected by the economic reforms. He also supported India's requirement for an annual quick-disbursing aid of $ 3 billion from different sources over the next three years to meet the exceptional financing requirments.

After the meeting, Mr. Preston told newsmen that he had a constructive and worthwhile discussions with Dr. Singh.

Later, addressing a meeting of villagers and Haryana Government officials at Bapoda village in Bhiwani district, Mr. Preston appreaciated Haryana's performance in implementing the Bank-financed projects. He was presented a Haryanvi pagri at the meeting.

Mr Preston also held separate meetings with the Agriculture Minister, Mr. Balram Jakhar, and the Minister of State for Power, Mr. Kalp Nath Rai. He is understoood to have reviewed the progress of respective sectoral projects with these Ministers and the pace of sectoral reforms linked with the project funding.

At the crucial meeting with Dr. Singh, Mr. Preston expressed concern over the massive pile-up of unutilised Ban aid. The Finance Minister apprised him of several steps taking during the last few months to expedite the use of undisbursed loans. He said a large chunk of accumulated loans were for the power and irrigation projects which faced many problems.

Dr. Singh gave a detailed account of series of liberalisation measures and fiscal adjustment undertaken by the Government. He told Mr. Preston that India's exceptional financing requirement of $ 9 billion over the next three years formed a small part of total aid given by the development world through the multilateral and bilateral mechanism. The sanction of this quick-disbursing aid would ensure successful implementation of structural reforms without putting undue burden on the poorest segment of the population. The Indian economy would become stronger after the completion of structural reforms, he affirmed.

As regards power sector, Mr. Preston pointed out that the Government was not making requisite efforts to solve the problems. Mr. Singh admitted that many State Electricity Boards were not pursuing correct price policies and were, thus, in deep red. If this problem was solved, the utilities could raise funds internally as well as externally, particularly from the World Bank.

Mr. Preston was assisted by Mr. Wood, Vice-President of World Bank, and Mr. Vergin, Director (Asia), World Bank. The Finance Secretary, Mr. K.P. Geethakrisnan, Economic Affairs Secretary, Dr. Montek Singh Ahluwalia and Expenditure Secretary were also present in the meeting.

World Bank will help meet exceptional financing needs

PIONEER, NOV 12, 1992

UNI

New Delhi

THE WORLD Bank President Lewis T Preston on Wednesday, assured India of full support in meeting its exceptional financing need about nine billion dollars the next three years and con- ed backing for its economic reforms programme.

At a meeting with Finance Minister Manmohan Singh, he also urged the Government to take immediate steps to tackle the problem of unutilised aid, totally nearly $ 20 billion from bilateral and multilateral sources.

Mr Preston broadly reviewed the progress in the implementation of the economic reforms at the hour-long meeting with Dr Manmohan Singh, who briefed him of the detailed account of the steps taken by the Government for fiscal and structural adjustment.

Mr Preston also met Minister of State for Power Kalp Nath Rai and underlined the need for a sustainable system of recovery of arrerars from State Electricity Boards to the central power utilities. He made it clear the bank would fund only "viable and commercial propositions."

The Agriculture Minister Balram Jakhar urged Mr Preston to provide substantially increased aid from the World Bank for agricultural projects to tackle problems of unemployment and poverty. Mr Preston, on a six-day visit to India, also visited various World Bank-aided projects in Haryana on Wedensday morning.

After his meeting with the Finance Minister, Mr Preston told reporters that the economic reforms programme was proceeding on schedule and that the Bank was looking forward to future modifications. "All in all, I think it was a very constructive and worthwhile discussion," he remarked.

Dr Manmohan Singh said Mr Preston assured India of his and the Bank's continued support for the difficult task of economic reforms. He said Mr Preston recognised India needed a "modest additional amount" over the next three years.

Mr Preston said the success of the reforms would prove good not not only for India but the rest of the world also. Dr Manmohan Singh said India was seeking quick disbursing assistance of about $ 3 billion dollars a year for the next three years from various sources, including the World Bank, the International Monetary Fund and the Asian Development Bank.

If this assistance came through, he was confident the reforms programme would be successful, without casting undue burden on the vulnerable sections, and that India would emerge from the present difficulties as a stronger economy.

Mr Preston assured Dr Manmohan Singh that the World Bank would support programmes aimed at reducing the burden of adjustment on the poor. In particular, he promised all help for the Government's proposed social safety net programme, which includes the national renewal fund (NRF).

Apart from the NRF, India hopes to get quick disbursing aid from different sources for structural adjustment, financial sector reforms and trade policy reforms, among other things. The Asian Development Bank has already sanctioned a loan for the hydrocarbon sector.

Dr Manmohan Singh said the question of the huge amounts of undisbursed aid also came up at the meeting. He said India recognised the need to improve utilisation of aid but pointed out that many states, faced with economic difficulties, were unable to come up with counterpart funds, especially for the important sectors of power and irrigation.

The Finance Minister said the Centre had taken various steps to help the states in this regard. The entire amount of assistance is now being passed on to the states, instead of 70 per cent.

Dr Singh thanked Mr Preston for the World Bank's continued support to the prestigious Sardar Sarovar Project inspite of the opposition to it from "major powers".

He assured Mr Preston that the Government took the task of environmental protection very seriously and said that it was in the country's interest to ensure sustainable development.

Dr Manmohan Singh said that India had a very "co-operative, constructive and positive" relationship with the World Bank. He said Mr Preston expressed appreciation for both the direction and pace of the economic reforms in India and felt they were "on target".

The World Bank president, Mr Lewis Preston, meeting Indian industrialists in New Delhi on Wednesday. Facing him are Mr H.S. Singhania, Mr K. Podar and Mr Ratan Tata. — TOI

Preston disappoints Indian industrialists

By Business Times Staff

NEW DELHI, November 11: If the captains of Indian industry were expecting some goodies from today's meeting with the World Bank president, Mr Lewis Preston, they were disappointed.

Their impassioned pleas to Mr Preston to reconsider the Bank's policy of providing funds only to the public sector or the government was gently brushed aside by the point that funds for private sector projects were available through its arm– International Finance Corporation (IFC).

It is quite clear from the brief and the presentations made by the representatives of the three leading industry associations–Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry (ASSOCHAM) and Confederation of Indian Industry (CII)–that this was the ticklish issue for them.

Mr Ratan Tata, the leader of the CII team, had a brief to specifically seek a clarification from the World Bank chief on this contentious issue. Similarly, Mr Kantikumar Podar, president FICCI, said that he would welcome "World Bank's assistance to the private sector in setting up projects." According to him, "India would require assistance from the Bank and the IMF (International Monetary Fund) to the tune of $ 12-13 billion over the next three years".

Mr Sanjiv Goenka, a leading industralist, while giving a vote of thanks, also repeated that the Indian industry would "appreciate that this (World Bank's) support is now extended to private sector as well."

Although the Indian government has opened the area of infrastructure to the private sector, the latter's ability to raise funds for the purpose is suspect.

The only redeeming factor, as claimed by the industy representatives, was Mr Preston's promise that there would be no shortage of funds available to IFC for this purpose.

However, in an informal discussion with *Business Times*, one of those who attended the meeting with the World Bank chief admitted that there is nothing new in this assurance.

WB backs efforts for 'safety net'

TIMES OF INDIA
NOV 12, 1991

The Times of India News Service

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In his hour long discussions with the finance minister, Dr Manmohan Singh, today, Mr Preston was given an overview of the progress of reforms in India. He was appreciative of the fiscal and structural adjustment already carried out. He told the finance minister that the Bank would stand by India in continuing the process of economic reconstruction.

WORTHWHILE TALKS: Official sources said the discussions were "constructive and worthwhile" and Mr Preston was satisfied with the pace of the reform programmes. He said he was looking forward to future modifications in the programmes.

Dr Singh told Mr Preston that India's need for exceptional financing to the balance of payment deficit was modest. India would need about $ 3 billion annually for the next three years.

The issue of non-utilisation of WB assistance due to slow pace of implementation of projects was raised by the Bank president. While recognising the need to improve disbursement of the Bank loans, Dr Manmohan Singh explained the financial crunch the states were facing and their incapacity to generate matching rupee funds.

HELP TO STATES: Dr Singh told the WB president that the Centre had done all it could to improve the states' finances. As against 70 per cent of assistance from the Bank given to the states till last year, the Centre would now pass on to them 100 per cent assistance. Also, the earlier practice of reimbursing the states their actual expenditure had been given up. The Centre would give the states funds in advance to spend on projects so as to improve the disbursement of WB assistance.

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STATESMAN
NOV 12.1991

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Soon after the crucial meeting, Dr Manmohan Singh told reporters this would be apart from the external assistance India was seeking to ensure success of the ongoing structural reform programmes.

Both Dr Singh and Mr Preston described the meeting as fruitful. While the World Bank president said the discussion was "constructive and worthwhile", Dr Singh considered it as "very cooperative, constructive and positive."

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HINDUSTAN TIMES NOV 12, 1992

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Mr Preston was quoted as having said that the performance of the Government on the trade front has been good given the state of the world economy and the decline of the former Soviet Union as a major trading partner of India. To attract more foreign investment India required to build further on the liberalisation process, he is reported to have observed.

ld Bank President Lewis Preston called on Union Finance Minister Manmohan Singh at his office in New Delhi on Wednesday. — HT photo by H. C. Tiwari

HINDUSTAN TIMES NOV 11, 1992

Preston support for $9b loan

HT Correspondent

NEW DELHI, Nov. 11

World Bank President Lewis Preston today assured Finance Minister Manmohan Singh of his full support to India's plea for a $ 9 billion loan from the international financial institutions over the next three-year period to meet the country's exceptional financing needs.

Mr Preston in the course of his hour-long meeting with Dr Singh here however gave enough indications that the present reforms programme of the Narasimha Rao Government would have to undergo some "modifications" for getting the Bank's support. He made special mention of the need to speed up the process of financial sector reforms and the restructuring of the public sector undertakings to make them viable.

Both Mr Preston and Dr Singh described the meeting as very fruitful to newsmen. While the WB President said the discussions were constructive worthwhile, Dr Singh termed the s as "very cooperative, constructive and positive", Mr Preston said the reforms programme in India was proceeding according to schedule and the bank was looking forward to future modifications.

Dr Singh gave to the WB President an account of the fiscal adjustment programme carried out till now and he indicated that the Government would be able to meet the commitments made in the memorandum sent to both International Monetary Fund and the World Bank. Mr Preston fully appreciated the balance of payments needs of India and told the Finance Minister that the additional amount was a modest one and its granting by the international financing bodies would be "good not only for India but for the world also."

The Finance Minister explained to Mr Preston that India was seeking additional assistance to ensure that the burden of adjustment did not fall on the poorest sections of the population. The WB President agreed with the India's approach and pointed out that the bank would also like India to make its economy stronger by insulating the poor from the pains of the adjustment process.

The discussions then centred on the possibilities of creation of a social safety net and Dr Singh mentioned of the steps taken by the Indian Government in setting up the National Renewal Fund.

Mr Preston however underlined the need for taking early action on the follow up measures for restructuring of the industrial sector. It was pointed out that the bank was very much interested in extending loans for NRF but its disbursements would depend on the actual implementation of the policy.

The issue of large undisbursed World Bank loans was the subject matter of detailed scrutiny as the Bank President mentioned of India's inability to make full use of these loans. Dr Singh, on his part mentioned of the measures so far taken by the Centre to speed up the course of disbursal. He however agreed that some more measures would be necessary to correct the situation.

The Finance Minister explained to Mr Preston that the role of the State Governments was crucial in the area of slow disbursal of loans since many of the States could not mobilise matching funds for making use of the loans. He especially mentioned of the power and the irrigation sectors which accounted for largest undisbursed bank loans.

However Dr Singh pointed out to Mr Preston that of late the Centre had changed its disbursement policy to the States by extending to them from this year 100 per cent of the WB loan as against 70 per cent given earlier.

The controversial Narmada Valley project came up in the discussions and Dr Singh thanked Mr Preston for the support extended to this project despite opposition by powerful forces including several world powers. He explained to the Bank President that the Indian Government had been taking all possible measures to protect environment.

Mr Preston had separate meetings during the day with the Agriculture Minister Dr Balram Jakhar, Power Minister Kalpanath Rai and the Industry & Commerce Minister Prof. P. J. Kurien.

The World Bank President, Mr Lewis T. Preston, with the Union Finance Minister, Dr Manmohan Singh, in New Delhi on Wednesday — *Herald photo.*

NATIONAL HERALD, Nov 12. 91

Use unutilised $ 20 b aid, Preston tells India

NEW DELHI, Nov 11 (UNI) — The World Bank president, Mr Lewis T. Preston, on Wednesday assured India of full support in meeting its exceptional financing need about nine billion dollars over the next three years and continued backing for its economic reforms programme.

At a meeting with the Finance Minister, Mr Manmohan Singh, he also urged the Government to take immediate steps to tackle the problem of unutilised aid; totally nearly 20 billion dollars from bilateral and multilateral sources.

Mr Preston broadly reviewed the progress in the implementation of the economic reforms at the hour-long meeting with Dr Manmohan Singh, who gave him a detailed account of the steps taken by the Government for fiscal and structural adjustment.

Mr Preston also met the Minister of State for Power, Mr Kalpnath Rai, and underlined the need for a sustainable system of recovery of arrears from state electricity boards to the central power utilities. He made it clear that the bank would fund only "viable and commercial propositions."

The Agriculture Minister, Dr Balram Jakhar, urged Mr Preston to provide substantially increased aid from the World Bank for agricultural projects to tackle problems of unemployment for agricultural projects to tackle problems of unemployment and poverty.

Mr Preston, on a six-day visit to India, also visited various World Bank-aided projects in Haryana.

After his meeting with the Finance Minister, Mr Preston told reporters that the economic reforms programme was proceedings on schedule and that the bank was looking forward to future modifications.

"All in all, I think it was a very constructive and worthwhile discussion," he remarked.

Dr Manmohan Singh said it was a "very good meeting", with Mr Preston assuring India of his and the bank's continued support for the difficult task of economic reforms.

He said Mr Preston recognised India needed a "modest additional amount" over the next three years. Mr Preston said the success of the reforms would prove good not only for India but the rest of the world also.

Dr Manmohan Singh said India was seeking quick disbursing assistance of about three billion dollars a year for the next three years from various sources, including the World Bank, the Intenational Monetary Fund and the Asian Development Bank.

If this assistance came through, he was confident the reforms programme would be successful, without casting undue burden on the vulnerable sections, and that India would emerge from the present difficulties as a stronger economy.

The Finance Minister said the Centre had taken various steps to help the states in this regard.

World Bank keen on further reforms

HINDU, Nov 12, 91

From Our Special Correspondent

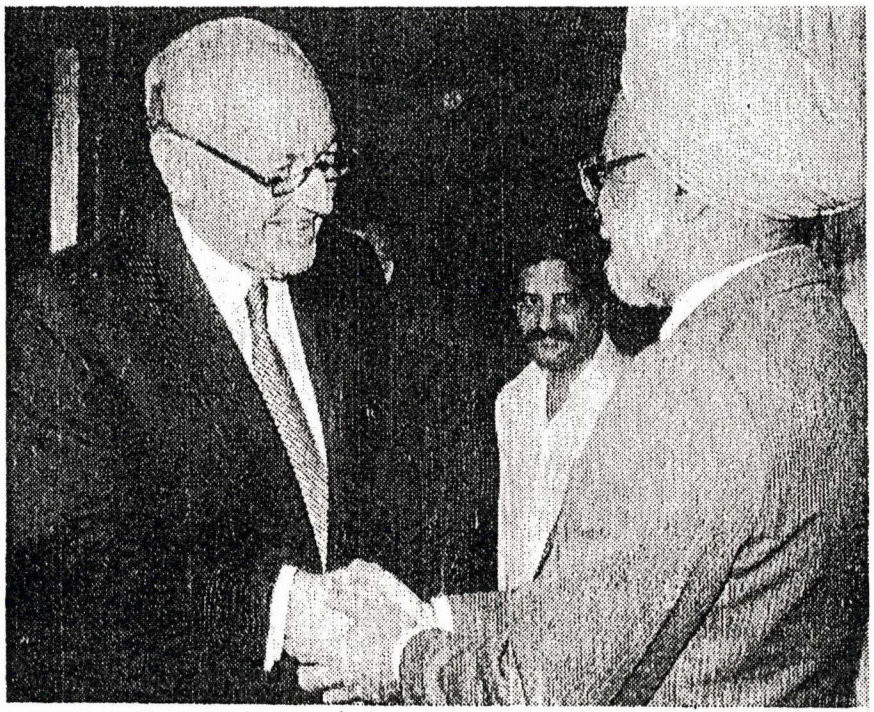
NEW DELHI, Nov. 11.

The World Bank President, Mr. Lewis T. Pre-ston, has assured India of continued support in economic reconstruction but hinted that future assistance would depend much on the new initiatives unfolding on the economic front.

Mr. Preston today had a series of meetings, the highlight being the discussions with the Finance Minister, Dr. Manmohan Singh. His other meetings included those with the Agriculture Minister, Mr. Balram Jakhar, the Minister of State for Power, Mr. Kalpnath Rai, and leading industrialists from the three premier chambers of commerce. Mr. Preston is scheduled to call on the President, Dr. Shankar Dayal Sharma, and the Prime Minister, Mr. P. V. Narasimha Rao, on Thursday. He leaves on Friday for a two-day tour of Rajasthan, from where he will proceed to Bombay and Calcutta before leaving for Bangladesh.

In his hour-long talks with the Finance Minister, Mr. Preston appreciated that the economic reforms programme was on track and said he was looking forward to modifications. Elaborating, he said, at his meeting with industrialists, the Bank was waiting for and watching the reforms that were likely to unfold in the areas of finance, trade, power and petroleum. He even suggested that to attract more foreign investment, India would have to go further with the reforms.

The Finance Minister later said an account of the fiscal and structural adjustments that were carried out was presented to Mr. Preston, who was full of appreciation for what the Government was doing. The Bank President also assured Dr. Singh of continued support for India.



The World Bank President, Mr. Lewis T. Preston, is welcomed by the Union Finance Minister, Dr. Manmohan Singh in New Delhi on Wednesday.

The Minister also clarified that the purpose of the meeting was not to discuss any specific aid commitment. The Bank was well aware of India's needs and was supportive since what was needed was a modest additional amount.

Dr. Singh repeated that India's requirements were well known — it was seeking a quick disbursement assistance of about $ 3 billions per year for the next three years. "I expect if this is forthcoming, our structural reforms would be successfully implemented and we will be able to complete the process with a stronger economy without putting undue burden on the poorest segments of our population."

State's problems: The issue of unutilised aid to India, reported to be about $11 billions, was also raised by Mr. Preston and both sides realised that this had to be improved. The problem, Dr. Singh pointed out, was that most of the States had fiscal difficulties and did not have counterpart funds to finance Bank-aided projects.

Dr. Singh thanked the World Bank President for the support for the Narmada project which came in spite of opposition from major powers.

Mr. Jakhar asked Mr. Preston to enhance the assistance for agriculture, as out of over $35 billions given to India by the Bank since its inception, only $5 billions had been earmarked for this sector. Mr. Preston appreciated the strides made by India in agriculture and expressed the hope that it would continue to take vigorous steps in this direction.

At the meeting with industrialists, a point was made that World Bank assistance should be extended to the private sector as well. Mr. Preston, however, did not yield and suggested that the private sector approach the International Finance Corporation, a Bank affiliate.

rld Bank president Lewis Preston being greeted by Mr Ratan Tata, representing CII, at the beginning of his meeting with the three leading chambers. Others (from left) PHDCCI chief H R Singhania, Assocham president M N Dhuldhoya and FICCI president K K Poddar. ■ OPS

Private sector role vital: Preston

Observer Corporate Bureau

NEW DELHI

AT a meeting with Indian industry here on Wednesday, World Bank president Lewis T Preston said that he was keenly watching the economic reforms in India, especially those in the financial, trade, oil and power sectors.

The meeting was attended by representatives of the three apex chambers of commerce — the Federation of Indian Chambers of Commerce and Industry (FICCI), the Associated Chambers of Commerce and Industry (Assocham) and the Confederation of Indian Industry (CII).

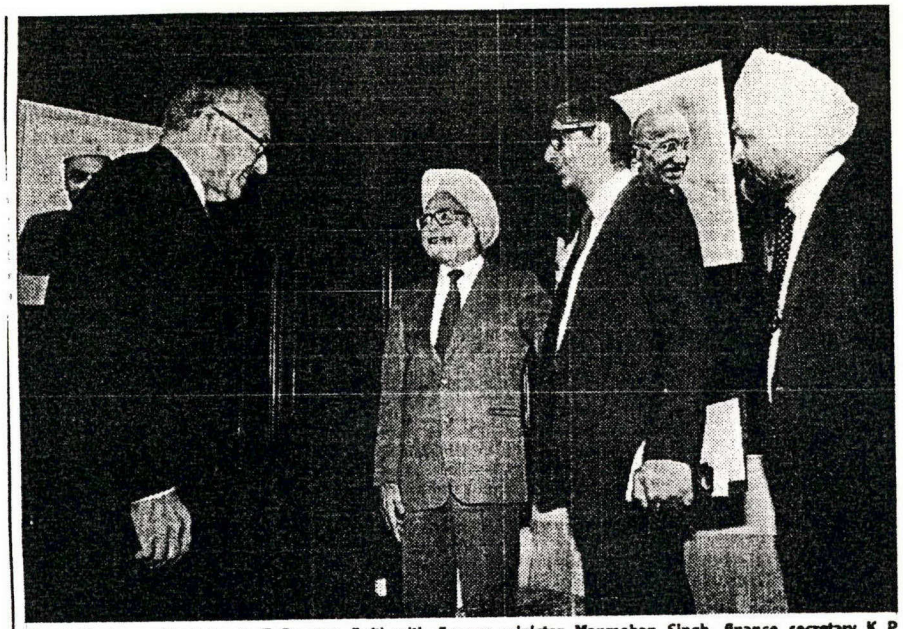
Briefing newsmen after the meeting, FICCI secretary general M M Luther said that Mr Preston laid particular stress on poverty alleviation, without which the development efforts would not be reflected in the statistics of per capita income and living standards.

Mr Preston expressed satisfaction with the economic reforms and said that private sector would be the key to further success. He also expressed satisfaction at India's performance in the export front, in view of the state of the world economy and the decline the former Soviet Union as a trading partner for India.

Mr Preston said that India needs further liberalisation in order to attract foreign investments.

On a query from Mr Ratan Tata, representing CII, as to whether the World Bank only finances government and public sector projects, Mr Preston said that through the International Finance Corporation (IFC), on of its arms, the World Bank does participate in private sector projects.

Speaking at the meeting with Mr Preston, FICCI President Kanti Kumar Poddar said that foreign direct investment could prove to repay external debt. However, in order to encourage Indian entrepreneurs to compete with foreign investors, they should be provided with matching facilities and incentives. He said that in principle Indian industry was in favour of all round-tariff reduction. □



World Bank president Lewis T Preston (left) with finance minister Manmohan Singh, finance secretary K P Geethakrishnan and economic affairs secretary Montek Singh Ahluwalia at Parliament House annexe in New Delhi on Wednesday. ■ OPS

Preston expects changes in reforms programme

OBSERVER, NOV 12, 1991

Assures continued World Bank support

Observer Economic Bureau

NEW DELHI

WORLD Bank president Lewis T Preston said on Wednesday that he looked forward to modifications in India's economic programmes in keeping with the structural adjustment strategy. Emerging from his hour-long meeting with finance minister Manmohan Singh on Wednesday afternoon, Mr Preston told newsmen that he was happy with the progress of the economic reforms in the country.

He said the economic programme was on schedule, but he expected some modifications in the future.

Maintaining that his discussions centred around India's economic reforms, Mr Preston described his talks with Dr Manmohan Singh as constructive and worthwhile.

Dr Manmohan Singh told reporters that Mr Preston assured India of continued World Bank support in carrying out economic reconstruction.

He said Mr Preston appreciated the reforms.

Asked if the World Bank president had made any aid commitments during the talks, Dr Singh, while maintaining that this was not the the purpose of the meeting, said India's needs were well known and the Bank had been supportive.

"The Bank recognised that what India needs from the rest of the world is a modest additional amount." If a country of India's size implements economic reforms, it would be good both for the country as well as for the world, he said.

Dr Singh said there was nothing new in what we were seeking; it was a modest amount of fast-disbursing assistance of about $3 billion per annum for the next three years. If this was forthcoming, India's structural reforms would be successfully implemented and the economy made stronger without putting undue burdne on the poorest segments of the population.

He said Mr Preston informed him of the Bank being supportive of our efforts in order to ensure that the burden of adjustment and structural changes was not put on the poor. He also promised full support in devising effective social safety net for which the bank had promised assistance.

Referring to undisbursed World Bank assistance, the finance minister said the issue was discussed with Mr Preston and he recognised that we have to improve on this front. The problem is that many states have fiscal difficulties and lack counterpart funds. As far as the Centre is concerned, the finance ministry has done its bit. Till last year the Centre gave the states 70 per cent of the total assistance it got. Now 100 per cent of the assistance will be passed on to the states.

Earlier these states used to be reimbursed the actual expenditure. The Centre used to give them some advance also.

He said "we have taken all possible measures to see that disbursements improved."

The problem of disbursement really is in the sectors of power and irrigation. This is mainly because many state electricity boards are not pursuing the correct pricing policy which has made them unviable. □

IBRD conditions on NTPC accepted

Observer Economic Bureau

NEW DELHI

THE Union government has accepted all conditions of the World Bank regarding the National Thermal Power Corporation's commercial and investment policies. An indication to this effect came from minister of state for power Kalpnath Rai on Wednesday in a meeting with Wolrld Bank President Lewis Preston.

The conditions had been imposed by the Bank for a $1.2 billion loan for NTPC. However, the Centre has been dithering on several of these conditions for many months now as they demand Cabinet-level decisions and some of them are politically unpalatable, like those relating to further increases in the central power tariff. While the Union power ministry has been soft-pedalling these issues, the minister's assurance to Mr Preston has come as a surprise.

Official sources, however, noted that despite the solicitous position taken by the ministry, Mr Preston gave no assurance on the sanction of the loan. This could be an indicator to a further stiffening of the Bank's attitude on lending to the Indian power sector.

India does well on trade front: Preston

FINANCIAL EXPRESS, NOV 12, 1992

FE Bureau

NEW DELHI, Nov 11

The World Bank is keenly watching the progress of reforms in India, especially in the financial, trade, oil and power sectors, said its president, Mr Lewis T Preston, while addressing the captains of Indian industry in the capital on Wednesday.

However, to attract more foreign investment, India requires to build further on the liberalisation process. The country has so far done fairly well with economic reforms and the private sector would be the key to further success, he said.

The performance of the country on the trade front has been good, given the state of the world economy and the decline of the fomer Soviet Union as a trading partner for India, he said.

Earlier during his address, the leader of the CII team, Mr Ratan Tata, sought the WB chief's comments on the role his institution in private sector projects. "This policy needs to be clearly enunciated and with the expansion of the private sector role in the infrastructure area, the World Bank lending programme would include private sector projects", he said.

Reacting to this, Mr Preston said he was happy about the achievements of the Indian private sector and said that WB was open to having closer ties with it. However, he categorically ruled out the Bank directly lending to the private sector.

Trade-related matters like the Dunkel draft and the spirit of multilateralism of GATT too came up for discussion. "The Uruguay Round continues to elude a consensus, at a time when there is a greater realisation that vibrant international trade is the key to economic recovery", said the Assocham president, Dr N M Dhuldhoya, in his address.

Mr Tata pointed out that the World Bank's continued support to, and participation in, infrastructure projects in India would be a positive signal to private investors. "There have been reports of WB switching off assistance to infrastructure programmes which would fuel speculation and uncertainty, internationally, and restrain FDI", he said.

Full backing to reforms, says Preston

World Bank president Lewis T Preston on Wednesday assured India of full support in meeting its exceptional financing need about $ nine billion over the next three years and continued backing for its economic reforms programme, reports UNI.

At a meeting with Finance Minister Manmohan Singh, he also urged the Government to take immediate steps to tackle the problem of unutilised aid, totally nearly $ 20 billion from bilateral and mulilateral sources.

Mr Preston broadly reviewed the progress in the implementation of the economic reforms at the hour-long meeting with Dr Manmohan Singh, who gave him a detailed account of the steps taken by the Government for fiscal and structural adjustment.

Mr Preston also met Minister of State for Power Kalp Nath Rai and underlined the need for a sustainable system of recovery of arrears from State Electricity Boards to the Central power utilities. He made it clear the Bank would fund only "viable and commercial propositions".

Agriculture Minister Balram Jakhar urged Mr Preston to provide substantially increased aid from the World Bank for agricultural projects to tackle problems of unemployment and poverty.

Mr Preston, on a six-day visit to India, also visited various world bank-aided projects in Haryana this morning.

After his meeting with the Finance Minister, Mr Preston told reporters that the economic reforms programme was proceeding on schedule and that the bank was looking forward to future modifications.

"All in all, I think it was a very constructive and worthwhile discussion", he remarked.

Dr Manmohan Singh said it was a "very good meeting", with Mr Preston assuring India of his and the bank's continued support for the difficult task of economic reforms.

He said Mr Preston recognised India needed a "modest additional amount" over the next three years, Mr Preston said the success of the reforms would prove good not only for India but the rest of the world also.

Dr Manmohan Singh said India was seeking quick disbursing assistance of about $ three billion a year for the next three years from various sources, including the World Bank, the International Monetary Fund and the Asian Development Bank.

If this assistance came through, he was confident the reforms programme would be successful, without casting undue burden on the vulnerable sections, and that India would emerge from the present difficulties as a stronger economy.

Mr Preston assured Mr Manmohan Singh that the World Bank would support programmes aimed at reducing the burden of adjustment on the poor. In particular, he promised all help for the Government's proposed social safety net programme, which includes the National Renewal Fund (NRF).

Apart from the NRF, India hopes to get quick disbursing aid from different sources for structural adjustment, financial sector reforms and trade policy reforms, among other things.

The Asian Development Bank has already sactioned a loan for the Hydrocarbon sector.

Dr Manmohan Singh said the question of the huge amounts of undisbursed aid also came up at the meeting.

He said India recognised the need to improve utilisation of aid but pointed out that many states, faced with economic difficulties, were unable to come up with counterpart funds, especially for the important sectors of power and irrigation.

PATRIOT. NOV 12. 9v

WB team visits Haryana projects

FINANCIAL EXPRESS. NOV 12. 91

Our Staff Correspondent

A high level World Bank team headed by its president Lewis T Preston visited World Bank-aided irrigation, agriculture and rural drinking water projects in Rohtak and Bhiwani districts of Haryana on Wednesday.

To keep himself abrest of the developments in the state, Mr. Bhajan Lal held telephonic conversation with Chief Secretary B S Ojha who had accompanied World Bank team along with Irrigation Minister Jagdish Nehra.

8 drown in Ganga on festival

Patna 11 At least eight people were feared drowned yesterday while bathing in the Ganga here on the occasion of Kartik Purnima, police said today.

FINANCIAL EXPRESS
NOV 12, 91

Pak gets clean chit from WB chief on Kashmir

ISLAMABAD, Nov 11

The World Bank President, Mr Lewis T. Preston, on Tuesday endorsed Pakistan's regional diplomacy especially Islamabad's efforts to resolve "the regional issue" with India, reports ANI.

Without naming the Kashmir and other disputes that have resulted in an unprecedented arms race and three wars between the two neighbours on the subcontinent, Mr Preston confirmed that the tensions with India and the massive weapons stockpiling on, both sides of the international border did figure in talks with the Pakistani authorities.

As a result of these discussions "I am quite satisfied that President, Mr Ghulam Ishaq Khan and the Government of the Prime Minister, Mr Nawaz Sharif, are making substantial efforts to ease the situation over time," the World Bank Chief said, prior to his departure for India.

Mr Preston also endorsed the Government's ongoing privatisation programme and has said that it is headed in the proper direction.

Mr Preston said despite local complaints on the transparency of the process, the World Bank was satisfied with the work being done by the privatisation commission. "We discussed all aspects of the process with the commission and I am very impressed", said Mr Preston.

Commenting on credit being offered by the bank for flood recovery efforts, Mr Preston said the funds would be released within the next six weeks. He added that considering the magnitude of the tragedy, he did not consider Rs 500 crore as adequate for relief efforts.

Talking about the budget deficit, Mr Preston said, "a deficit that is eight per cent of GDP cannot be sustained for long due to interest payments and debt accumulation and it is in everybody's interest to bring the deficit down".

He, however, pointed out that various events like the Gulf war and the recent floods had worsened the situation but added "the Prime Minister is confident that revenues are going to increase significantly". He added that the health and education sectors were also discussed and serious efforts would be made to involve communities and non-government organisations (NGOs) in these areas "People who will benefit from these services will have to participate", he observed.

He, however, declined to give a percentage of what these areas should be allocated from the budget but said, "I don't think allocations to these sectors should be cut arbitarily as in the past due to budget stringencies".

He added that services should reflect cost and there should be sensible use of resources. "It is a mistake to subsidise one part of the economy at the expense of the other," he added. Mr Preston said that considerable progress had been made in the improvement of law and order and this factor played a major role in investment decisions.

ECONOMIC TIMES, NOV 12. 9[illegible]

Preston hints at aiding pvt sector

Our New Delhi Bureau

NEW DELHI 11 NOVEMBER

THE WORLD Bank President, Mr Lewis T Preston, has hinted at the possibility of a change in the Bank's articles to enable it to fund private sector power and infrastructure projects in developing countries, including India. At present, the World Bank offers no funds for private sector projects. All private sector funding is routed through its affiliate, the International Finance Corporation (IFC).

Mr Preston, who held an hour-long meeting with Indian industry captains here on Wednesday, is believed to have indicated that he will try to see how the articles could be changed to accommodate requests for funding infrastructure sector projects in the private sector. He was responding to requests from Indian industry leaders for extending such assistance since a large number of private sector infrastructure projects could have been expedited with World Bank assistance.

The other highlight of Mr Preston's engagements on the first day of his five-day visit to India was a meeting with the finance minister, Dr Manmohan Singh. The World Bank chief assured Dr Singh that India would continue to enjoy the bank's support in implementing economic reforms and in reducing the burden of economic adjustment on the poor. He also recongised the need for improving utilisation of World Bank aid already committed to India.

Other engagements of Mr Preston during the day included a meeting with the minister of state for power, Mr Kalpnath Rai, minister for agriculture, Mr Balram Jakhar and a visit to some irrigation projects in Haryana.

At his meeting with industrialists, Mr Preston said India had done fairly well with the economic reforms and the private sector would be the key to further success, he said and added that, "the achievements of the Indian private sector are praise-worthy and the World Bank is open to closer ties

Continued on Page 6, col 2

Preston hints at aid to pvt sector

Continued from Page 1, col 7

with the private sector".

While the Indian industrialists sought from him a categorical assurance on World Bank funding for the private sector in India, he informed them that the Bank was not in a position to directly take up the funding. He, however, said that the International Finance Corporation (IFC), a World Bank window, was already in existence to fund private sector projects.

Later while briefing journalists on the outcome of the meeting, the FICCI president, Mr Kantikumar R Podar said that when the World Bank chief was asked there were any constraints on the funding quantum of IFC, he denied any such limitations. On the agriculture issue, Mr Preston said there was scope for more investments, especially because of the need to have more rural jobs as also to increase the income stock of the rural population..

The industrialists meeting was organised jointly by the three apex chambers of the country - Associated Chamber Of Commerce and Industry (ASSOCHAM), Federation Of Indian Industry and Commerce (FICCI) and Confederation Of Indian Industry (CII). Present at the meeting from the Indian industry side were: Mr Kantikumar R Podar, Mr Ratan Tata and Mr N M Dhuldhoya, besides a score of other leading industrialists including Mr Sanjiv Goenka, who presented a vote of thanks. From the World Bank side, besides Mr Preston, Mr O Yenal (World Bank's India representative) and Mr Joseph Wood (Vice-President of World Bank) also took part in the meeting.

Responding to questions, Mr Preston said that the World Bank was waiting and watching the reforms which were likely to unfold in the financial, trade, oil and power sectors. He said to attract more foreign investment, India required to build further on the liberalisation process.

Besides his brief presentation, Mr Preston took part in a lively debate, wherein he expressed views on a variety of issues ranging from environment, trade, GATT talks, funding of private sector projects, and pace of the economic reforms in India. Mr Preston also hailed India's performance on the trade front and said that it was "good, especially given the state of the world economy and the decline of the former Soviet Union as a trading partner for India."

The World Bank president said more funds would be made available for social sector development in India. Industrialists, who took part in the meeting, came back with a 'comfortable' feeling that the World Bank president was bullish on India.

At his meeting with the finance minister, Mr Preston was accompanied by Mr Wood's Asia Director, Mr Hanz Vergin. After the meeting, he said he had held discussions on the progress of economic reforms programmes, which he felt were proceeding as per schedule and he was also looking forward to modifications where needed.

Dr Singh said the World Bank president was given an account of the fiscal adjustment that had been carried out. The World Bank president recognised India's need for additional exceptional financing of about $3 billion per year for the next three years. Dr Singh also explained to Mr Preston how the World Bank aid remained unutilised since the states did not have adequate resources to invest in the identified projects.

Mr Raunaq Singh welcoming the World Bank president, Mr Lewis T Preston, at a meeting with the industrialists in New Delhi on Wednesday. FICCI president Kantikumar Podar is also seen ET photo

ECONOMIC TIMES, NOV 12.91

Haryana may get unutilised World Bank funds to states

Our Principal Correspondent

BHIWANI 11 NOVEMBER

AN UNUTILISED portion of the World Bank assistance to states is likely to be diverted to Haryana.

This was indicated by the World Bank president, Mr Lewis T Preston, and senior executives in a meeting with Haryana's irrigation minister, Mr Jagdish Nehra, and the chief secretary, Mr B S Ojha, at Bhiwani on Wednesday.

The chief secretary observed that nearly $44 million of the IBRD loan sanctioned to India for various projects has not been utilised by some states for their own reasons, and further pointed out that Haryana needed assistance for rural roads. The World Bank chief agreed to consider the request favourably.

Mr Preston and the World Bank team were visiting Rohtak and Bhiwani districts of the state to have a first-hand feel of the impact of the IBRD assistance on rural, agricultural, irrigation and public health fronts.

They had an aerial view of the command areas of the Jawaharlal Nehru and Jui canals and the pump houses which lift water from lower reaches. The team later saw the working of sprinkler irrigation systems in the undulating sandy areas served by the Jui feeder in Bhiwani district. En-route, the World Bank officials talked to the beneficiaries of both the irrigation and drinking water supply schemes funded by the IBRD. Before leaving for his maiden visit to India, Mr Preston had met the Haryana chief minister, Mr Bhajan Lal, in Washington and discussed the development needs of the state.

Mr Jagdish Nehra told the World Bank team that two-thirds of the total canal network and one-third of the water courses of Haryana have been completed with $400 million World Bank assistance. This has increased the area under irrigation by 20,000 hectares. The total loan committed by the World Bank for the irrigation projects in Haryana is $58 million.

Taj Bengal
Calcutta India

Phone: 283939 □ Fax: (33) 281766

Dear Risa:

To remind you of our visit to Jodhpur & to being driven up the Ganges by Raj Singh himself!

It was great to get to be with you.

Bruce

Facelift for a royal city

Sheer size and spread make the Mehrangarh a challenge to the modern day restorer. As the damage is two-fold, sand erosion and bat invasion, the task requires painstaking efforts and consistency. GAYATRI SINHA on the efforts to restore an erstwhile royal city.

IT is a family that gave its name to riding breeches, and built India's first international airport. Five decades ago, even its retainers could boast of living in one of the most fabulous private residences anywhere in the world. Yet today Jodhpur is struggling to erase its image as a conduit for Jaisalmer, and instead build up its own strong tourism profile. For the purpose it has initiated a colossal attempt at turning around a crumbling culture — to make the rich past pay for a rich future. And ironically, this effort is coming not from the moribund Rajasthan Tourism Development Corporation but from the former first family of Jodhpur.

The expensive and long drawn out effort to restore the hoary past had its beginnings in tragedy. In 1952, Hanuwant Singh, 24th Rathore ruler of Jodhpur was returning from successful election campaigning for the Lok Sabha poll when his plane crashed into telegraph wires, killing him instantly. The heir apparent and only son Gaj Singh II, was four years old, and his 26-year old mother had no experience in state administration. This turbulent part in their family history seemed to subside, when Gaj Singh, after education at Eton and Oxford returned to pick up the reigns. But adversity reared its head again, this time in the form of the abolition of the privy purses. Jodhpur, which was the size of Ireland and spread over 36,000 acres came under land ceiling. And royal immovables like shooting lodges, the fabulous Umaid Bhavan palace and the 15th century Mehrangarh fort stood like white elephants against the stark skyline. Only the skeleton of a kingdom remained now, and there was no money to run it.

Just two decades later, the picture is distinctly more rosy. The Umaid Bhavan palace, which was built by Maharaja Umaid Singh in the Thirties to alleviate a severe drought in Jodhpur is one of the most fabulous palace hotels anywhere. Run by the ITC Welcomgroup, its art deco style wall murals and miniature museum make it a living slice of art history. In months to come, the tourism potential of Jodhpur will increase as Gaj Singh harnesses more private properties as tourist outlets, like his lake side hunting lodge at Sardar Samand, his resort Maharani Bagh which is set in the midst of an orchard, and a summer palace at Mount Abu. But the single most far reaching achievement is the restoration of the medieval Mehrangarh fort. "I would rate it as the finest museum fort in Rajasthan, if not the world" says Naval Krishna, curator of the fort. The son of Dr. Anand Krishna and grandson of the legendary Moti Chandra, Naval Krishna belongs to India's first family of art historians. For three years now he has been supervising the display of artefacts, and poring over the 5000 *bahie khatas* or meticulously kept account books that document every paisa spent in this minor township. He is also reconstructing a family's fortunes, which survived fraticidal murders, mass satis, wars, drought and crippling inflation.

In 1459, Rao Jodha, doughty founder of Jodhpur began building the Mehrangarh. It would announce to Rajputana the beginning of a new dynasty of Rathores in Marwar, who traced their ancestry back to the Rashtrakutas of Kanauj. And its prime location would inhibit any ravaging chieftain, for miles around. Rao Jodha had 12 sons; they and their progeny gradually added palaces to the fort, until a complex maze like structure arose within, that rises in parts to a sheer height of 120 ft.

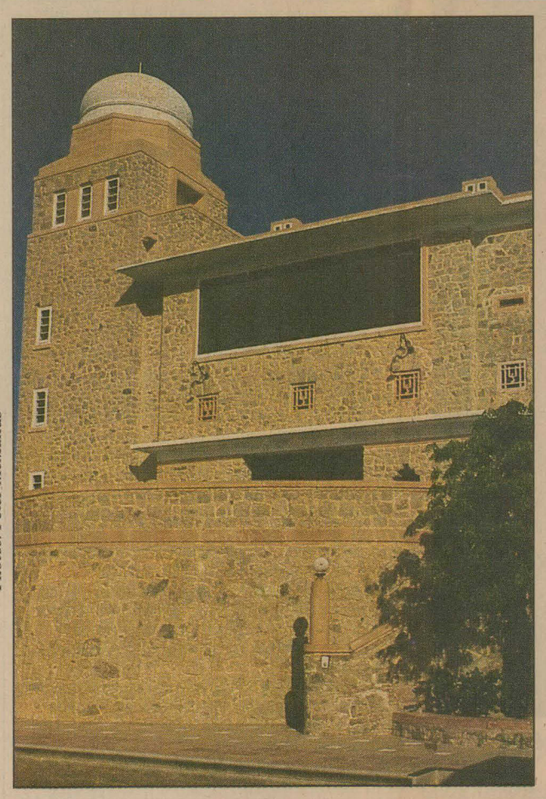
Within its ramparts, stables, dungeons, the family shrines and deities and soldiers' barracks multiplied. Naval Chandra in fact describes how once 36 ateliers functioned within the fort, to provide for its resident's needs, that could range from jewellery to utensils to gunpowder. Expenditure was incurred against 126 heads, and there was much affluence. When James Tod, political agent of the Rajput states visited the court of Raja Man Singh of Jodhpur in the 1820's he describes his reception at the fort. "The Raja presented me with an elephant and horse caparisoned, an aigrette, necklace, brocades, and shawls with a portion according to rank to the gentlemen who accompanied me." This opulence is reflected in the 250 kinds of stone lattice work in the fort — where a pattern is never repeated — the gold covered ceilings of the durbar halls, the opulent one of a kind royal tents and elephant howdahs that have travelled with festivals of India abroad.

But there is also a document of rugged hardiness, and suffering. At the entrance of the "pols" or gates, there are the hand imprints of the satis who immolated themselves at their husbands' funeral pyres. At the death of Maharaja Sardar Singh (d. 1911) there were 74 satis. According to Shobha Kanwar Baiji, aunt of Gaj Singh who deftly fleshes out the family history, the last sati among the Jodhpur nobility was in 1953.

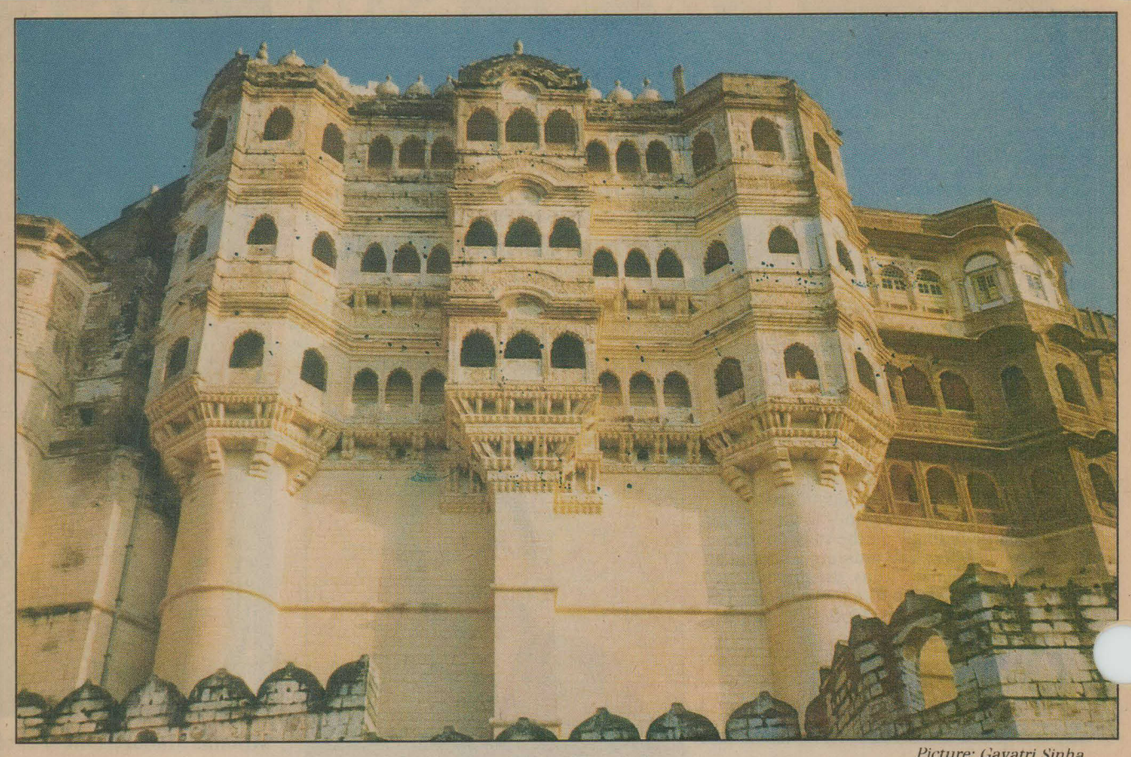
Even today the most poignant part of the fort is the zenana ghar. Built in honeycomb fashion with rooms leading into each other, with

Continued on next page

Photos: Peter McManus

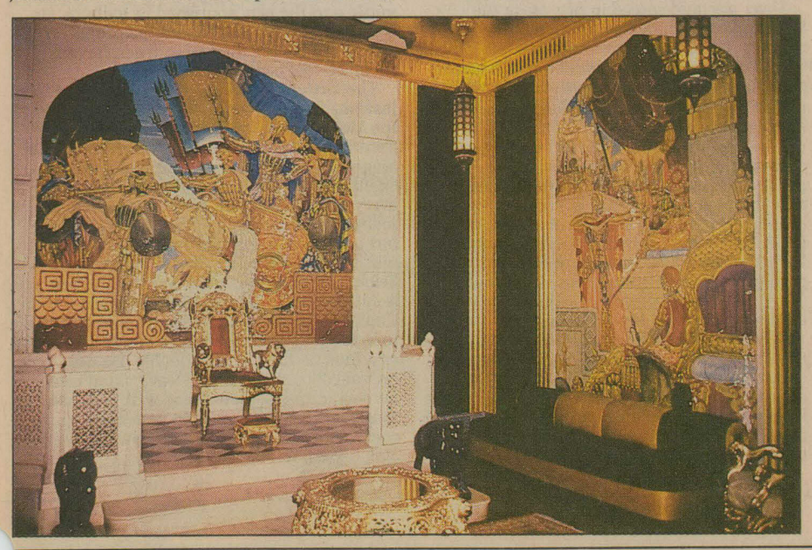


The hunting lodge at Sardar Samand.



The 15th century Mehrangarh fort — a hoary past.

Picture: Gayatri Sinha



Throne room at Umaid Bhavan palace.

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M

Tapestries of life

Mythological themes from the Indian sub-continent are being woven into tapestries that will form parts of a giant Mughal Tent at London's Victoria and Albert Museum.

CULTURE

TWO colourful tapestries hung on at the imposing entrance of the Victoria and Albert museum, London caught every one's attention as we made our way to a reception at V & A's Nehru Gallery of Indian art to celebrate the publication of a book "Company Paintings" by Mildred Archer published with the support of the East India Company (yes! a company of that name exists today and it exports tea). The Gallery was also opening a new display of paintings and textiles. But everyone present was talking about the tapestries.

The red and gold tapestries in the shape of a Mihrab, were part of the Nehru Gallery's ongoing national textile project also known as the Mughal tent project. Several South Asian and African and Caribbean women are working on the project which has been organised by the Victoria and Albert museum as part of its outreach programme. Tapestries made by several groups of women will form parts of a giant "Mughal tent" by the end of 1993. The project takes the Museum to the "community" to offer it as a resource and to encourage the use of the gallery for inspiration and study.

One Asian woman living in U.K. for over 20 years stood hesitatingly on the steps on the Birmingham Gallery and museum inspite of an appointment. Eleanor Viegas, the community education officer went out to invite her in. The Asian woman asked "are the likes of me allowed to come in to this grand place?" She and her many compatriots who form part of the five million "Black British" with African and Caribbean women have never gone inside a museum or even heard of one, inspite of living in Britain for more than two decades.

Shireen Akbar

Shireen Akbar, the education outreach officer at the Victoria and Albert's Nehru Gallery is from Bangladesh; she has worked extensively in the communities, voluntarily teaching homebound Asian women and had set up the highly applauded exhibition on the textiles of Bangladesh called woven air. She also organised an exhibition on the painting arts on the rickshaws in India and Bangladesh at the Museum of Mankind in London.

When she joined the Victoria and Albert Museum, she noticed there were hardly any South Asian British groups visiting the museum inspite of its collection of 35,000 art pieces from the Indian subcontinent, representing the largest group of Indian art and artifacts outside India. Shireen quickly developed an outreach programme for South Asian women. She visited women's groups which generally met for bhajans or Diwali celebrations or for Ramdan prayers. These women have been living in U.K. for over two decades and many do not speak English. Most Muslim women are in purdah and have a peculiar problem of having young children growing up in British culture and husbands and in-laws with home cultural values.

Shireen took a set of slides of V & A's collections to these groups, told them tales and then invited the group to visit the gallery. They were encouraged to look at the collection and make drawings of the designs they fancied. The women then grouped to discuss the myths and legends surrounding each collection they saw (eg. the personal wine cup of the Mughal emperor Shah Jahan carved from white nephrite jade, richly enamelled gold turban ornament from the royal treasury of Jaipur, a 17th century ivory relief from South India, depicting the marriage of Siva and Parvati etc.) and worked on drawings. Several working sessions later, they decided on the theme of their tapestry for the Mughal tent. (The Gallery has standardised the size. The basic colour of each tapestry is red, the colour symbolising the imperial Mughals.) Group leaders and artists who help with information and technical skills also help with defining and executing a design.

A group of women in Tower Hamlet could think of nothing but the Taj Mahal when asked about what they knew about India. They gasped with wonder when told the story of Mumtaz and Shah Jahan. They wondered about this woman who inspired her husband to create such a grand work of art. They decided to use Mumtaz as the theme for their tapestry and made her into a tree of life. The roots became the traditional binds on a woman but the tree blossomed forth with flowers and fruits. What did she look like? They asked themselves and the absence of any documentation on Mumtaz made her even more mysterious. They decided to put hands across her face to suggest mystery and great beauty.

Mumtaz Mahal as the tree of life.

A mixed group of Hindus and Muslims with age groups ranging from 16 to 60 were again inspired by the tree of life and it was the carpets in the museum that caught their imagination. Many were having problems attending working sessions as it was the month of Ramdan and as they were fasting and praying found it difficult to concentrate. The group leader discussed their problem and asked them if they did not mind incorporating their Ramdan experiences into the design. The completed tapestry uses hands to depict prayer, celebration and faith. Women worked at home on their own tree of life, of their families depicting their children and their future though different flowers. The strong imagery of symmetry in the carpets they had seen and the tree of life being the very example of symmetry made them divide one half of the tree to depict faith and the other to depict the Ramdan celebrations.

Another group of women saw the participation in the project as an exercise in liberation. Their inspiration was the intricate jaali designs displayed at the Nehru Gallery. Their tapestry shows the jaali breaking and through the segments are depicted symbols of liberation. If hands meant faith, prayer and celebration to one group, the same meant liberation to this group. Skills and knowledge, the women felt, liberated one from bondage and hence they placed a book at the top of their tapestry, with hands forming parts of the branches.

The work generated by the project at Leicester led to an exhibition called the Muslim world. "The exhibition," explained Shireen Akbar," is an attempt to explore the contemporary and historical aspects of Islam. It is particularly pertinent at this time when, in the aftermath of the "Rushdie" affair, Islam has had a high profile in U.K. but is largely misunderstood by the non-Muslim population."

The exhibition is therefore aimed at both the Muslim and non-Muslim communities of Leicestershire and beyond. The exhibition, on from July 1992, will go on till the end of the year. It explains how Persian court weavers and painters contributed to the dramatic growth of Mughal art. In spite of Islamic banning of representation, courtly patronage allowed artistic license however the impact. Islamic symmetry and design meant that naturalistic forms and animals assumed symbolic mathematical compositions that are quintessentially Muslim. The exhibition also shows how contemporary handicrafts still employ the Arabic script as a unifying method of decoration.

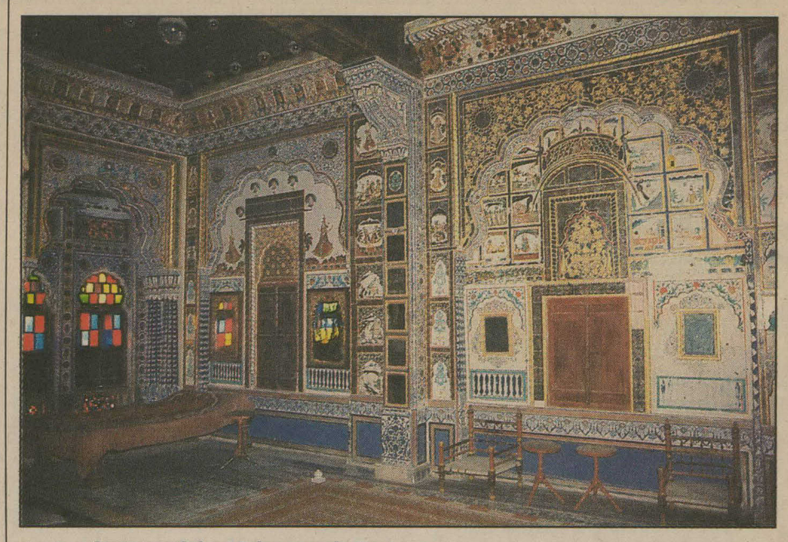
The project has led to several women gaining confidence to display their work and have received commissions for new work from the community. One group even formed a cooperative and has opened a shop. Shireen Akbar sees several more possibilities and has been slowly adding to the number of tapestries that will eventually make up the tent. Women are working in Bangladesh and Pakistan too and will send their tapestries at the end of their project.

A group of women from South India will also work on a project coordinated by the Madras Craft Foundation with design inputs from visits to the Government Museum in Madras and will send a tapestry to the Nehru Gallery in the Victoria and Albert Museum.

The overall aim of the project is to promote a better understanding of the cultural and religious diversity of the Indian sub continent. With Muslim, Hindu, Jain and Buddhist groups working towards completion of the tent focussing on their chosen area of interest, the completed Mughal tent will symbolise the purpose of the project and will hopefully encourage Asian women to visit the museum and think of it as a place to enjoy, learn and to be proud of their heritage. ■

V. R. DEVIKA

Facelift for a royal city



An inside view of the Mehrangarh Fort.

Continued from previous page

exquisite jali worked windows and bangalas overlooking a central courtyard, it must have once housed a small army of wives. On rare occasions the wives would accompany the maharaja on hunts, or festival celebrations, but remained for most part within purdah in the zenana dodhi. These once elegant quarters are now bat and pigeon infested, and await the next phase of restoration at the fort.

Sheer size and spread in fact make the Mehrangarh a challenge to the modern day restorer. The damage is mainly two fold. Strong sand laden desert winds act like rough sand paper on the delicate jali work, and smudge out its finer outlines. Within the fort, bats and pigeons dirty up the place. Then again, the narrow galleries within the fort were hardly designed for display. So the women's viewing gallery that overlooks the coronation seat is now uncomfortably chock a block with exquisite 17th and 18th century cradles. The fabulous elephant howdahs that carried the Rathores into battle, including the one presented by Shahjehan to Jaswant Singh I in 1657 with its elaborate Persian motifs in silver, all need more expansive display.

However, the Mehrangarh fort museum like the smaller one at the Umaid Bhavan Palace shows up the family collections in the best possible light. One suspects that the Jodhpur Rathores were only incidental collectors. Much more of their energy and money went into building the lucrative Jodhpur Railways, the international airport that was an important stopover from Europe to Australia, and even huge dams and reservoirs for that most precious commodity — water. There are many treasures, war booty on display. Around their exploits, the Marwar school of paintings with its almond eyed kings and stiff skirted women developed, and some fabulous miniatures can be seen at the Mehrangarh. It is especially rewarding to climb up the narrow steps to Takhat Vilas, the bedroom of Takhat Singh, during whose time music and the arts flourished in Jodhpur. Its wall decorations, and lacquer paintings on the ceiling are just as they were when he last occupied this bedroom in 1873.

The fort was abandoned in 1890, after Jaswant Singh II, and now a 100 years later, the Mehrangarh fort Trust, with a little help from INTACH is reviving its former glory. Gaj Singh has initiated important plans to hold eight festivals of music and dance at the fort every year, which will give young talent in Jodhpur a launching pad to success. But one has only to look from its ramparts to the mushrooming blue washed city of Jodhpur below to realize that these seats of the past are isolated oases in a landscape of neglect. Unplanned growth and bad civic facilities make Jodhpur indistinguishable from any other Indian city. Within the villages too, life has not improved for the bishnoi weavers and cattle herders in the last few decades. It is only when tourism becomes more comprehensive, that erstwhile royals and roadside hawkers will be able to reap full dividends. ■

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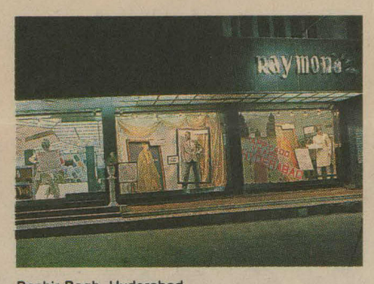

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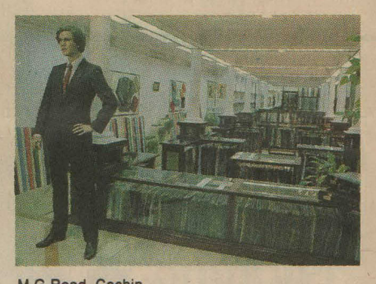

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HERITAGE

The Mahabodhi temple.

At the holy spot of Enlightenment

AFTER six long years of severe austerities and selfmortification, while wandering from place to place in Magadh, Gautama, the Prince of Kapilavastu realised that the path to Enlightenment lay elsewhere. In the long run, he discovered the right spot on the banks of the Niranjana river in Gaya. After taking some food, he sat under a "Peepal" tree in the sylvan surroundings of Uruvela and made his vow that he would not leave his seat till he achieved Supreme Enlightenment. And finally he attained Enlightenment and became the "Buddha," the Enlightened One. The place, where this historic event took place came to be known as Bodh Gaya, the holiest of holy pilgrim places for the Buddhist of the world.

Bodh Gaya lies about 10 km to the south of the present Gaya city and about 100 km from Bihar's capital city, Patna. From time immemorial, Gaya has been a great centre of pilgrimage not only for the Buddhists but also for the Hindus as it is widely believed that, Lord Vishnu gave Gaya, a celestial being, the power to absolve the sinners and to raise them to heavens. Several inscriptions discovered at Gaya indicate that, it was visited by many foreign pilgrims and travellers between the 5th and 10th century A.D. But the two great Chinese pilgrims, Fa-hien and Hiuen Tsang, who visited India in 5th and 7th century A.D. respectively, have left vivid accounts exclusively on Bodh Gaya.

Today one sees the ruins of many stupas, monasteries and shrines lying strewn in and around Bodh Gaya. But among all the existing monuments, the unique Mahabodhi temple is the focal point for the pilgrims as well as tourists. This 170 feet high majestic temple which dominates the landscape for miles around stands just east of the Bodhi Tree, on a wide square base some 20 feet high and 50 feet wide. It consists of a soaring pyramidal tower and four turrets at four corners, each representing a miniature replica of the main shrine. Although the temple is adorned with numerous images of the Buddha in his different attributes, the main image in the sanctum-sanctorum is a superb piece of art, depicting the legend of the Enlightenment (Buddha in Bhumi-Sparsa Mudra). It is considered to be best of its kind in the whole world.

The precise date of the Mahabodhi temple is still not known. From the rock-edicts of Emperor Ashoka, it is learnt that, a beautiful shrine was erected by him in the 3rd Century B.C. at the holy spot of the Enlightenment. But historians are still in doubt whether the present Mahabodhi temple is the same one that was erected by Emperor Ashoka. According to some, the temple's basic form dates chiefly from 7th to 8th century. The temple we see today has been changed by numerous restorations, including a major one in the 19th century. In the 14th century, the temple was drastically repaired by the Burmese who also added four turrets at the four corners of the main shrine.

Over the years, the Mahabodhi temple has lost much of its splendour and sanctity owing to the negligence by the temple management committee. The temple is now being managed by the Bodh Gaya temple Management Committee, headed by the District Magistrate, Gaya. But as far as the structural maintenance of the temple is concerned, it is not being maintained as per the prescribed norms of the Archaeological Survey of India (ASI). One wonders why this temple has yet not been taken over by the ASI. It is high time that the necessary steps were taken to declare the Mahabodhi temple, as a protected monument.

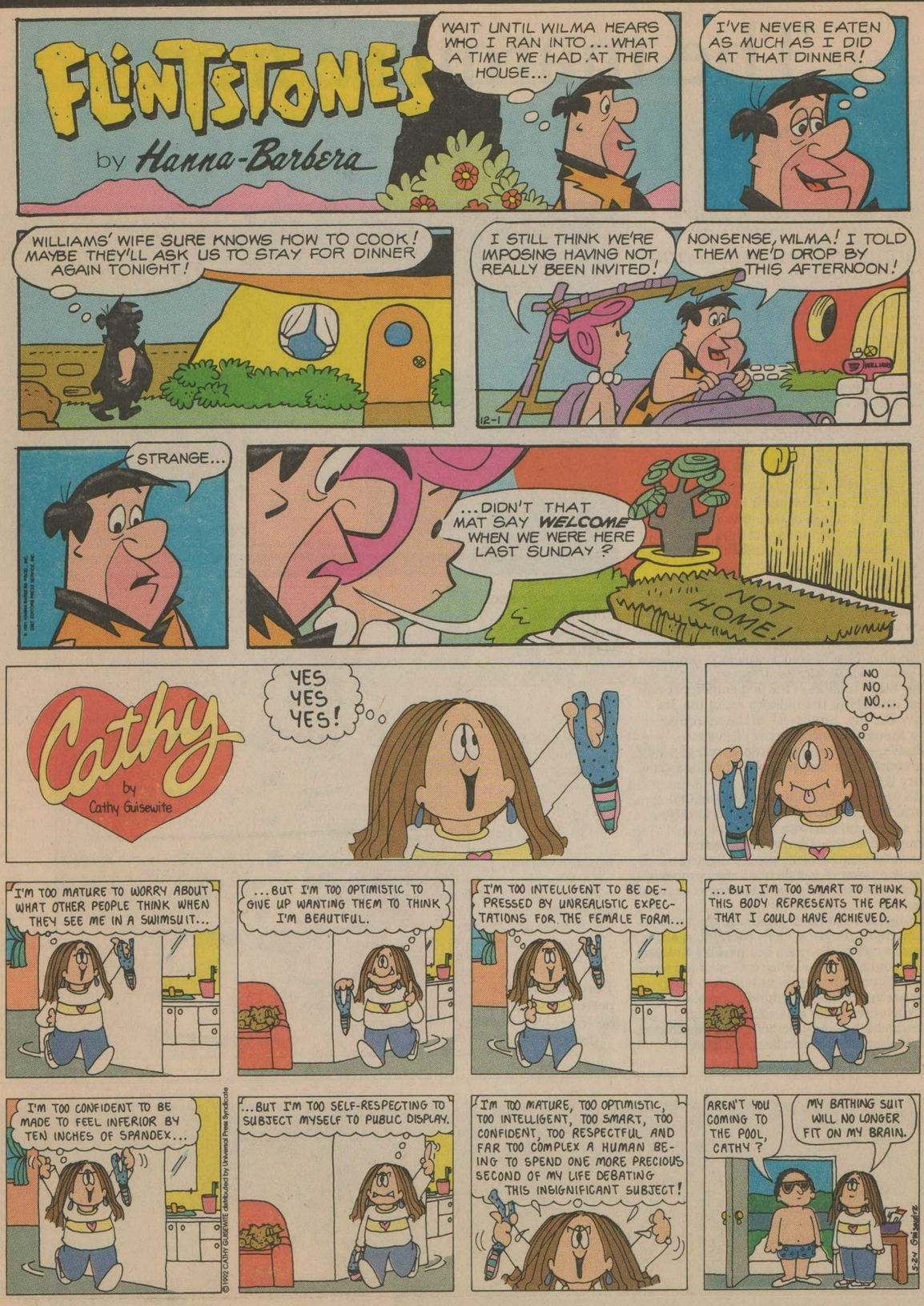
Apart from the Mahabodhi Temple, Bodh Gaya has many beautiful temples, stupas and ruins to offer a visitor. The Chinese Temple, the Tibetan Monastery, the Thai Temple and monastery, the Bhutanese Temple and the Japanese Temple are some of the shrines worth a visit in Bodh Gaya .

The Bodhi Tree deserves special mention. Although the original Bodhi Tree under which Gautama was Enlightened died around 6th century, till date, the sacred lineage continues through a noble effort by planting a fresh sapling of the old one where it stood earlier. The present Bodhi Tree, although a century old, is a descendant of the original one. At times, Buddhist pilgrims from foreign countries even pay exorbitant amounts to the local people to collect a small leaf of the holy tree. ■

A superb piece of art — the image of Buddha at Bodh Gaya.

Text and pictures by

RAJA PARIJA



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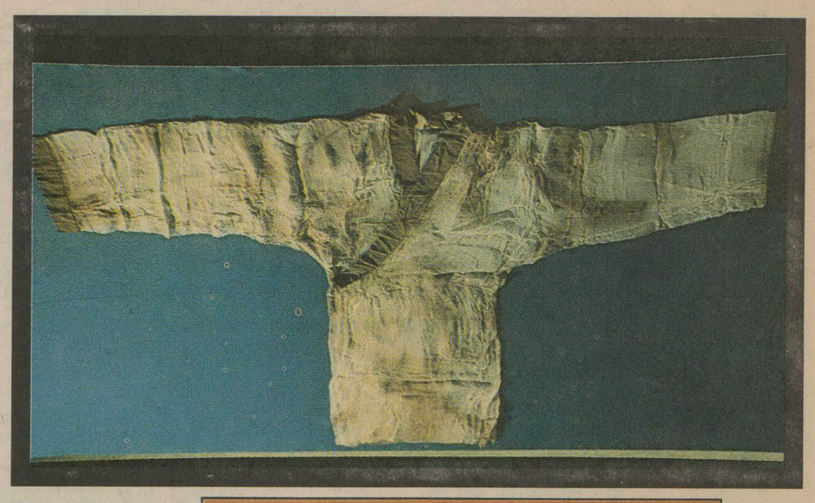
The marquise from beyond the grave

The body of the Chinese marquise of Dai, was found intact in a grave after 2000 years. A remarkable archaeological discovery indeed.



One of the dresses worn by the marquise weighs 48 gm.

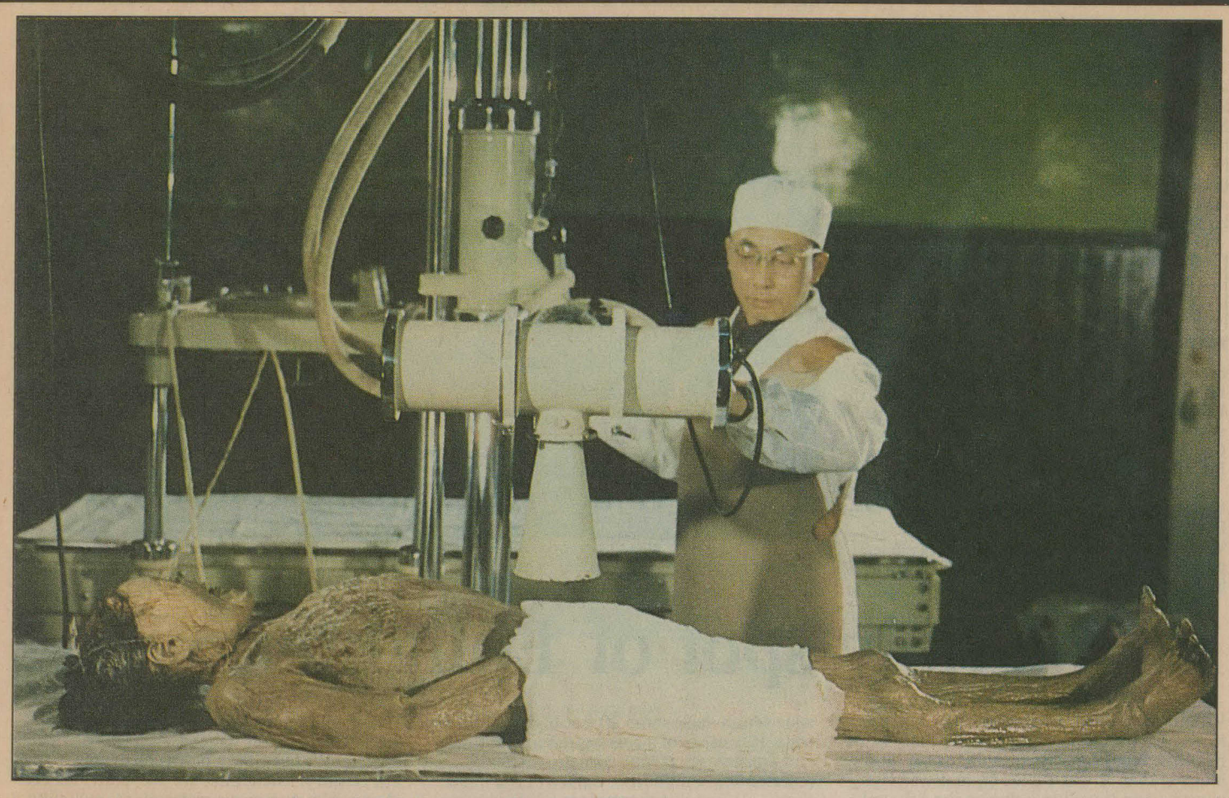
Porcelain jar for perfume — from the toilet cases of the royal lady.

IN 1971, after more than 2000 years spent at the bottom of the earth in Hunan, the Chinese Marquise of Dai, amazingly preserved in the morgue of time, came forth intact, her body still supple and all her baggage for the beyond, intact. A discovery which is the impossible dream of every archaeologist who normally has to be satisfied with a few bones, a few bits of pottery, or a few objects of glass or metal to reconstitute a period of history. Around the marquise there is a considerable mass of objects and food that have been preserved. A priceless treasure.

If the 8000 soldiers of the first emperor reveal a great deal about the military art of the 3rd century BC, the "suitcases" of the marquise — over a thousand objects, most of them perishable — reveal all the little secrets of a lady of the court of the first period of the Hans (2nd century B.C.)

It all began in 1971, in the midst of the Cultural Revolution. It had been decided to build a clinic on that site, the hill of Mawangudi, in the suburb of Changsha (Hunan). When the picks started digging, suddenly a burst of gas went aflame, probably methane, the result of decomposition of organic matter.

The digs showed three graves. In the first was a 16-metre rectangular ditch containing an enormous coffin of cypress beams. Like Russian dolls, it contained four other coffins of laquered catalpa. The smallest one contained the body of a woman in her fifties, admirably preserved. True, the outer coffin was encased in an incomparable isolating element: a 50 centimetre layer of charcoal (an excellent absorber of humidity), which in turn was encased in a 1.30m thick layer of kaolin, a very pure clay that is especially impermeable. The frigidarium of time worked so well that one has been able to do an autopsy of the defunct, to know the nature of her last meal, that of the illness of which she died (enormous kidney stones), and that of her blood group (A).



Radiographic studies revealed that the body was well preserved,

When the archaeologists had taken off the kaolin, the charcoal, and then the cover of the outside coffin, they discovered an Ali Baba's cavern: four compartments surrounding a nesting coffin of black laquer. In one of them were stored, arranged in bamboo baskets, dresses, clothing, fabrics, medicinal plants, as well as clay ingots miming gold, and musical instruments. In another, luxury kitchenware — especially many recipients of wood or laquered fabric, as well as 312 bamboo sheets with the inventory of every object in the grave.

In another were ceramics, sealed jars containing wines and alcoholic beverages with a scent of pepper or herbs: also meat, fish, cereals, sauces prepared from a paste of salted beans (the fore-runner of soya sauce), fruit, millet or rice cakes flavoured with honey or jujube paste. There were 11 baskets containing braised birds. The other meats (beef, pork, game, and dog) were roasted, on skewers, sauted, salted, dried, marinated, etc. The fish, steam-cooked (as always in China), were marinated or raw in slices. The largest of these compartments formed a room whose walls were covered with silk, where a meal for the soul of the noble lady was served.

A strange setting! In the centre of the room, on a straw mat, a robe was the image of the defunct. Next to it stood her screen, her armrest, her pillow case full of scented herbs. Nearby, her slippers. In front of her a tray full of various foods, showing the way a table was set in the China of that time. A special inventory revealed the culinary tastes of the marquise and her favourite recipes. She adored the "geng", broths flavoured with meat or vegetables. Near the "symbol-dress" stood painted wood figurines, dressed in silk, evoking her servants, singers, musicians. Also in the same room were laquered toilet cases, indispensable for the voyage to the beyond of a coquette lady: combs, mirrors, powder puffs of stuffed silk, powders, creams. The marquise, like her sisters of the Grand Siecle, wore a wig.

Her dozens of dresses — some 20 were on her body, others were enclosed in baskets — tell us about what the Han ladies of the time used to wear. Embroidered silks, gossamer gauzes (one of the dresses, 1.90m wide and 1.26m long, weighs... 48 gm!); clothing items lined with padded silk, blouses, skirts, a napkin, scent bags.

One item above all is noteworthy: a banner of painted silk, in T-shape, evoking a robe, which was put down on the last coffin. This banner is divided into three parts. In the centre, the world of the living, where two men are kneeling in front of an aged woman leaning on a cane, no doubt the marquise herself (2000 years ago one was old at 50). Below, the underground world, where the 'po' soul must go, symbolised by fish. On top, heaven, which the "hun" soul reaches through a sort of gate guarded by two. ■

GAMMA

ARCHAEOLOGY

Computers help make rich music

THE restoration of the grand organs of the Notre Dame cathedral in Paris has been completed. Now a notable innovation has been added: the instrument has been equipped with two computers.

No one doubts that the church organ is a particularly complex instrument, the mastery of which requires specific qualities. It is true that with its five keyboards and its 32 pedals, it is extremely impressive to no matter which budding musician.

The organ becomes even more complex when one looks into its functioning. Press a key and a valve opens releasing the air from the wind tunnel into a pipe. This simple principle is the foundation of this instrument. If each key corresponds to a pipe and all the keys correspond to a set of pipes, it must be known that these pipe sets are many. At the Notre Dame, for example, there are 110. In other words, with this instrument, the same note can be produced by 110 different pipes, each of them with its own sonorous 'colour'.

Thus, during the execution of a musical piece, thanks to cords on either side of the keyboards, the organist can, at any time, choose the set he wishes, even combine these sets to enlarge the range of sonorities offered by the instrument. The organist not only has to be a remarkable musician but also a sort of juggler.

Engineers at Synaptel, an engineering society which works for Aerospatiale, Matra and Thomson, thought up the concept of 'freeing' the organist from the repetitive tasks of regulating the sonorities by memorising them. For which reason, the computer has made its entry into the Cathedral of Paris. Two IBM PS/2s with the i386 processor equip the Notre Dame organs. A third one acts as the central terminal enabling dialogue with the system as a whole.

The organist can programme all the sonority changes during a preparatory execution. Of course, all the data memorised by the computer can be modified later by the musician. ■

CEDUST (France)

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Monday, November 9, 1992

WORLD BANK PRESIDENT'S VISIT TO PROMPT NEW ACTIONS, POLICY DISCUSSIONS. Anticipating World Bank President Lewis Preston's visit to India this week, India's Observer reports that Mr. Preston is expected to announce that the Bank has agreed to give $500 million in fast disbursing assistance under a social safety net adjustment program. The Financial Express (11/7) says that Mr. Preston is also likely to urge more speed in utilizing current Bank assistance, privatization of the banking industry, and a greater role for India's foreign banks. India, on its part, is expected to seek relaxation of some of the Bank's conditions in order to speed project implementation. India's Sunday Observer (11/8) also notes that discussions will be used to sort out the controversy over the Sardar Sarovar dam project. The Hindustan Times and the Patriot report that a substantial financial sector adjustment loan to refurbish the National Renewal Fund is also likely to be discussed.

"WORLD BANK DOESN'T GIVE A DAMN" is the headline of an article in India's Independent (11/6) which says that the Bank has chosen to "completely disregard" the Narmada Bachao Andolan's protests and the Morse Commission Report and instead rely on the submission of the three state governments. On a related issue, the Business Standard (11/6) reports that Sumitomo Corporation has stepped up pressure on the Sardar Sarovar project authorities to immediately take delivery of the equipment for the hydro power station.

GATT CHIEF TO INTERVENE IN TRADE DISPUTE. The Journal of Commerce (p.1A) and wire services report that Arthur Dunkel, GATT's Director General, is expected to be given full authority to mediate the escalating crisis between the United States and the European Community and avoid a trade war. Major newspapers report efforts in Europe to head off a trade war following last week's breakdown of GATT negotiations on agricultural subsidies and a U.S. plan to raise tariffs on some European products.

ASIA FACES AIDS PANDEMIC. By the end of the decade, according to a New York Times report (11/8, p.1), by conservative estimates AIDS will infect more than one million Asians each year, more than in the rest of the world combined. The article states researchers believe that, while the percentage of Asians afflicted with AIDS will never reach levels as large as those in Africa, the AIDS death toll will be far higher in Asia given the continent's total population.

REBOUND FOR GLOBAL ECONOMY. The Asian Development Bank reports that the global economy will grow at a 2 percent rate next year, according to the Wall Street Journal (p.A6) and Journal of Commerce (p.2A). The ADB projected a 2.5 percent growth rate for the U.S. economy next year and between 2 and 3 percent for Germany and Japan.

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NEW PRIME MINISTER LAMENTS UKRAINE'S ECONOMY. Ukraine's new prime minister, Leonid Kuchma, noted in an interview published in the New York Times (p.A9) that there isn't a single sector of the economy that isn't "disastrous." Mr. Kuchma has not announced his economic program, but his thinking reportedly follows that of the directors of major state-owned industries, who espouse moving to a market economy but at a slower rate than that prescribed by radical economists.

YELTSIN'S U.K. TALKS TO FOCUS ON REFORMS. The future of Russia's economic reforms and ways to prevent a slide into civil war or anarchy will be at the center of President Yeltsin's talks in London today, according to the Financial Times (p.3). Observing Russia's current crisis, a Washington Post editorial (11/8, p.C6), notes that, while the IMF and private investors are the West's principal instrument of "hope," a "threshold requirement" falls on Russia to come up to their standards of privatization, security and stability. The editorial cites as one possible tool a proposal by George Kennan in an op-ed article (WP, 11/8,p.C7) that would buy the Russian army out of the Baltics with housing in Russia.

REFORMS A MUST FOR GROWTH. At a seminar for international trade union leaders in Washington, Attila Karaosmanoglu (EXC) said that economic policy reforms are essential to improve economic growth, competitiveness and poverty reduction, reports India's Economic Times (11/7). State-owned enterprises have placed an enormous burden on developing-country economics, he added. While reforming and downsizing such enterprises is one response to the problem, privatization, where feasible, is even more effective. Karaosmanoglu also stressed the importance of competition. "Competitiveness is essential for economic survival and countries must take the tough policy measures necessary to achieve it," he is quoted as saying.

ASIA PACIFIC FOREIGN DEBT FORECAST TO RISE 6 PERCENT IN '92. The outstanding foreign debt of developing countries in the Asia-Pacific region will grow by a moderate 6 percent, to $403 billion this year, compared with $380.1 billion a year earlier, according to a study by the Asian Development Bank, reports the Journal of Commerce (p.2A). The study--entitled "Recent Trends and Prospects of External Debt Situation and Financial Flows to Asian and Pacific Developing Countries"--also says that by 1993, the growth in foreign obligations will reach $422 billion, or 4.7 percent more than this year's expected level. The flow of foreign loans will be largely in South Asia, with debt in India, Nepal and Sri Lanka significantly higher this year and in 1993, the account says. The study also cautiously concluded that the greater demand for foreign resources in rebuilding Eastern Europe and the former Soviet Union will not lead to a shortage of external capital in developing Asia and the Pacific, the account states. The International Herald Tribunes (p.11) carries a story.

INDONESIA SEEKS TO LURE MORE OUTSIDE INVESTMENT. Indonesia is taking steps to attract more outside investors in a bid to counteract a perceived slump in foreign investment this year, reports the Journal of Commerce (p.4A). Sanyoto Sastrowardoyo, head of the country's National Investment Coordinating Board, said late last week that Indonesia was renewing efforts to attract more

foreign investment capital from 18 North American, European and Asian nations. The coordinating board and the foreign ministry signed an agreement November 5 to work more closely to lure foreign investors, the account says, adding that the country also raised capital requirements for new local and foreign banks. Government officials hope foreign investment commitments this year will match the $8.8 billion total for 1991, the account states.

TOKYO EXPECTED TO ANNOUNCE RESUMPTION OF AID TO IRAN. Japan is expected this week to announce the resumption of yen credits to Iran, ending a 17-year embargo, the Financial Times (p.4) reports. Provision of fresh credits for a dam and hydroelectric power project will follow.

POLISH PARLIAMENT APPROVES BUDGET AMENDMENTS. Poland's Parliament on Friday approved a government package of budgetary amendments which raised Poland's budget deficit and trimmed spending, Reuters reports. According to IMF Warsaw Representative Mark Allen, this increases Poland's chances of getting a resumption of $2.5 billion in Fund loans which were suspended last year. The International Herald Tribune (p.15) carries a feature on Poland.

CZECHS TO SIGN PACT WITH SLOVAKIA, POLAND, HUNGARY. The Czech government will sign a free-trade agreement with Slovakia, Poland and Hungary early next year, the Journal of Commerce (p.4A) reports, but Prime Minister Vaclav Klaus rejected any form of closer cooperation. "We can remove barriers to trade in Eastern Europe without setting up new institutions," he said at the World Economic Forum in Prague, strongly opposing the set up of any form of a "club of paupers" among the newly formed democracies, the account states.

NIGERIA'S RULERS MAY DELAY CHANGE. Nigeria's military rulers are likely to delay handing over power to civilian leaders, according to the Washington Post (11/7, p.A19), because more time is needed to select a new president.

LEWIS T. PRESTON FOR U.S. TREASURY? A report in the Independent (11/8), citing possible nominees for the next U.S. Treasury Secretary, notes that if President-elect Clinton wants someone who will favor the "interventionist aspects" of his economic approach, he might turn to Lewis Preston.

Development News—Daily Summary

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Tuesday, November 10, 1992

WORLD BANK PRESIDENT ARRIVES IN INDIA. World Bank President Lewis Preston today arrived in New Delhi on a six-day visit during which he is to review India's economic reform program and to discuss future aid, Agence France-Presse reports. On his first trip to India, Mr. Preston will meet with Prime Minister Narasimha Rao and Finance Minister Manmohan Singh. According to finance ministry officials, talks will cover a "substantial" financial sector loan India is seeking, and reforms in such areas as taxation, and the public sector where the Bank wants India to step up the pace, the account states.

POLITICAL TURBULENCE IN RUSSIA THREATENS IMF LOAN PACKAGE. Six months after the West announced a $24 billion financial assistance package to help Russia in 1992, it appears that major elements of the package will not become reality soon, reports the Journal of Commerce (p.2A). Monetary sources Friday acknowledged that political turmoil in Russia may prevent the Fund from approving a multibillion-dollar standby loan before the end of this year as had been earlier hoped. The IMF loan is considered an important element of the Group of Seven aid package because it would lead to other assistance from the West, including a $6 billion fund to stabilize the ruble, and debt relief, the account says. Meanwhile, Russia has yet to actually receive a $600 million loan from the World Bank approved in August to pay for imports of "critical" goods. According to a Bank spokesman, Russia has not received the credit because government authorities have failed to sign the legal documents for the loan, the account states. La Tribune de l'Expansion (p.6) also reports.

YELTSIN ASKS UNDERSTANDING FOR RUSSIAN DEBT PROBLEMS. Russian President Boris Yeltsin on Monday pressed for rescheduling of his country's huge debt to the West to cover the last year of the Soviet Union's existence, something Western creditors have been resisting, reports the Washington Times (p.A1), citing a Reuters story. Yeltsin, on a visit to Britain, said in a speech at the London Stock Exchange that the cut-off date for debt eligible for rescheduling should be changed from January 1, 1991 to December 8, 1991--the date the Soviet Union ceased to exist. The change would bring into play a large amount of money borrowed by the Soviet Union in 1991, much of it from Germany, the account states, adding that the Paris Club is planning a special meeting in mid-November to try to resolve the issue. The New York Times (p.A9) carries a story. AFP reports that the ruble was marked at 403 to the dollar today, compared to 399 to the dollar at the last trading session.

GATT CHIEF TO INTERVENE IN EUROPE-U.S. ROW. Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade, will travel to Brussels and Washington within the next few days, reports the Financial Times (p.1), to urge the European Community and the United States to resolve their oilseeds dispute and to reconvene world trade talks in Geneva. The International Herald Tribune (p.13) and Le Figaro (p.30) carry articles.

DONORS TO REVIEW ZIMBABWE'S ECONOMIC REFORM PROGRAM. Major international backers of Zimbabwe's five-year economic reform program are to meet in Paris next month, Agence France-Presse reports. The government has been repeatedly attacked by local industrialists and businessmen, the account says, for ruining the economy and not showing commitment to the successful implementation of ESAP, the reform program introduced two years ago under the World Bank. According to Bank Representative Christiaan Poortman, the meeting will look at the achievements in the implementation of the program, review the general state of the economy and the effects of the drought, the account states.

FAO CHIEF SLAMS RESPONSE TO CRISIS IN SOMALIA. Edouard Saouma, director-general of the U.N. Food and Agriculture Organization, on Monday slammed the international community for its slow response to the plight of the starving in Somalia, Reuters reports. Speaking at the opening of the FAO Council, he recommended an increase in food supplies kept in reserve for emergencies. Stocks should be pre-positioned, he added, either in the countries at risk or the ports of donor countries to speed up their distribution. The alarming food situation in Africa is one of the principal items on the agenda at the FAO council which runs until November 20, the account states.

PRIVATIZATION EARNS PAKISTAN $400 MILLION. Pakistan has earned $400 million from the sale of 57 state enterprises in a privatization process launched when the government came to power two years ago, Reuters reports. Summing up the record of the government's reforms to deregulate much of the economy, Finance Minister Sartaj Aziz cited the ambitious denationalization program as a major achievement.

CHINA'S FOREIGN TRADE PROJECTED TO EXCEED $150 BILLION IN 1992. China forecast an increase of about 10 percent in its foreign trade this year over 1991, for a total exceeding $150 billion, AFP reports, citing the China Daily. Last year the figure was $135.7 billion, with a surplus of $8.1 billion. China's Trade Minister Li Lanqing predicted that China would soon rank among the top 10 countries in terms of trade, having been 13th in 1991, the account states.

CHINA RECRUITS NOBEL PRIZE-WINNING U.S. ECONOMIST. China has recruited Lawrence Klein, a Nobel prize-winning economist from the United States to help pilot the country's economic reforms, Reuters reports, quoting the official People's Daily.

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Wednesday, November 11, 1992

WORLD BANK, IMF SHIFT STRATEGY IN DEALING WITH RUSSIA. The World Bank and IMF are exploring ways to prop up some of Russia's inefficient state-owned firms in a major shift of strategy, Reuters reports. "There has been a shift in institutional attitude," acknowledged one diplomat, who declined to be identified, the account says, adding that the change could result in World Bank loans to some state-owned companies over a limited time next year. The support could also be targeted on the social services that the companies provide, the account says, rather than the uncompetitive products they make. The Bank and Fund have been forced to compromise in their dealings with Russia because of the dominant position that state-owned companies have in the country's economy, and Moscow's refusal to stop subsidizing them. More than three months after the two institutions rushed to approve a total of $1.6 billion in loans for Russia, the country has yet to make use of the loans, despite earlier appeals that the help was desperately needed, the account states. The Wall Street Journal (p.A10) carries an editorial and a commentary on Russia.

E.C. COMMISSION AGREES TO RESUME GATT NEGOTIATIONS. The European Commission agreed Wednesday to resume talks with the United States over their farm subsidies conflict, Agence France-Presse reports from Brussels. Talks will resume in Washington sometime next week after a meeting of E.C. agricultural ministers in Brussels on Monday at which E.C. Agriculture Commissioner Ray MacSharry will be present, the account says. Prospects for a settlement dimmed further last week when MacSharry quit his role as negotiator. Late Monday, however, he said that he was taking back the job, raising hopes that there was still a chance to reach a deal on the subsidies row before the December 5 trigger date for trade sanctions, the account states. The Guardian (p.1) carries a story.

ARGENTINA COMPLETES PACT WITH ITS FOREIGN LENDERS. Argentina has finalized a debt-restructuring agreement with its international creditor banks which will be signed in Buenos Aires at the beginning of December, according to Economy Minister Domingo Cavallo, AFP reports. The agreement, covering $23 billion in private debt plus $8 billion in accrued interest, was concluded in New York on Tuesday. Under the agreed terms, the banks will take out options on discount bonds against 35 percent of the Argentine debt they hold, and on equal-value bonds against the outstanding amount, the account states. The Wall Street Journal (p.A12) also reports.

MEXICO SEES ECONOMY GROWING. Mexico predicts a slight pickup in economic activity next year, with gross domestic product growing about 3 percent, reports the Wall Street Journal (p.A8). Unveiling its economic plan, the government set a 1993 inflation goal of 7 percent, the lowest rate in 21 years. It had hoped to achieve a single-digit rate this year, when 13 percent is expected, the account says, though that will be an improvement from 19

percent last year. The government also said that it would not impose new taxes and that overall public spending would contract slightly. The largest spending increases are aimed at the environment, urban development and eduction, the account states.

AIDS EXPERT PREDICTS DISASTER IN INDIA. Nearly three million Indians will be infected by the HIV virus by 1996 and 179,000 will suffer from full-blown AIDS, Reuters reports from the International Congress on AIDS in Asia and the Pacific in New Delhi. Unless the disease is confronted on a war footing, Asia will overtake sub-Saharan Africa as having the world's largest number of HIV-infected people, according to John Dwyer, president of the AIDS Society of Asia and the Pacific. The biggest problem in Asia is that governments remain complacent and refuse to look ahead at the potentially dangerous scourge which could wipe out nearly two million people in the region by the year 2000, Dwyer said, adding that India was especially vulnerable because government apathy and social mores made it difficult to promote AIDS awareness, the account states.

PNG BUDGET TACKLES ECONOMIC AND SOCIAL WOES. Papua New Guinea is destined to become a Third World backwater if it fails to develop an industrial and manufacturing base, according to Finance Minister Julius Chan, Reuters reports. In announcing the 1993 budget, Chan said the economy was at "crisis point" and required drastic solutions. He warned that while natural resources will generate wealth for the country, it needed to reduce its reliance on this sector. His budget program consists of lower personal and corporate taxes, the abolition of fringe benefits, increased spending on education, health and law and order, and the introduction of a commodity price support scheme. Chan hopes the program will stimulate investment in the economy and create jobs, the account states.

ILLEGAL TIMBER TRADE RIFE IN ASIA. Illegal logging is rife in southeast Asia and costs nations millions of dollars each day in lost revenue and tax income, Reuters reports, citing the World Wide Fund for Nature. "Worth an annual $8 billion, trade in tropical timber is too profitable for some companies to pay strict attention to local laws, where such laws exist," said Debra Callister, author of a year-long study on illegal logging. Over the last decade, millions and in some cases billions of dollars have been lost in foreign exchange, uncollected forestry-related charges and foregone forest resources through illegal timber trade, she added. Hundreds of thousands of hectares of forest, containing millions of cubic meters of timber, have been logged annually either illegally, or to supply the illegal trade. The report is based on data from governments, foresters, academics and non-government organizations, the account states.

CENTRAL AMERICAN LEADERS TO MEET IN CARACAS. The presidents of the Group of Three countries--Colombia, Mexico and Venezuela--will meet with their counterparts from Central America in Caracas November 30, AFP reports. The talks will cover political and economic relations.

PROMISES. A New York Times (p.A24) editorial, listing campaign promises of U.S. President-elect Bill Clinton, includes his pledge to increase contributions to the World Bank.

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Thursday, November 12, 1992

WORLD BANK WAR ON POLLUTION FACES EVER SHARPER CRITICISM. The World Bank's request for a special $5 billion grant for environmental projects is running into trouble from donor countries critical of the Bank's environmental record, reports the New York Times (p.A8). Twenty donors will meet Thursday and Friday in Paris to consider the grant. Officials in some donor countries argue that the $5 billion should be refused until the Bank reconciles its development plans with the demands of conservationists. Critics of the Bank's record point in particular to the $10 billion Narmada dam project which has become a paradigm of the conflict, the account says. In response to criticism, the Bank commissioned a review of the dam in 1991. While the study criticized virtually every component of the project, the authors claim the Bank distorted their findings to justify continuation of the project. Bank officials deny that charge, the account says, quoting Mohamed El-Ashry (ENVDR) as saying: "We have listened to the report carefully. We feel that there has been good progress with the government of India and we have to build upon it." He also said that the Bank will send a team to India in April to monitor the progress of the dam. "If we see that things are going O.K.," El-Ashry said, "we will continue with the project."

MUGABE SAYS DEVELOPED COUNTRIES NOT COMMITTED TO ENVIRONMENT. Zimbabwe's President Robert Mugabe said on Wednesday developed countries had done too little to help the Third World protect the environment since the Earth Summit in Brazil in June, Reuters reports from Harare. "It is disappointing that after so much debate the world is still not committed to solving this problem (of environment protection)," he said in a message to the official opening of a United Nations conference on climate change. He deplored that nothing had been done to implement a global environment protection treaty signed in Rio, and called for an exchange of scientific and technical knowledge on environmental issues, adding that the rich should increase financial aid for Third World environment policies. The five-day conference began on Monday and is being attended by delegates from more than 100 countries, the account states.

MANCHESTER TO HOST 1993 EARTH SUMMIT. Manchester, England, has been chosen as the venue for the next international Earth Summit due in September 1993, Reuters reports. About 500 delegates will attend the U.N. Conference on Environment and Development which will last up to four days.

WORLD BANK ASSURES INDIA OF FINANCIAL SUPPORT. World Bank President Lewis Preston on Wednesday pledged support for India's bid to secure up to $9 billion from international lending agencies over the next three years, Agence France-Presse reports. Preston's assurance came in talks he had in New Delhi with Finance Minister Manmohan Singh on India's "exceptional financing needs" until 1995 to continue its economic reform program, Singh told reporters, adding that negotiations will start soon and Preston had assured him that the Bank would be "very supportive. Preston said in remarks to the press after the meeting that the parleys were "constructive and worthwhile." He added that the Bank was convinced the reforms were on the right track but was

looking forward to "future modifications," the account states. The Wall Street Journal (p.A11) reports that India also seeks $500 million to retrain workers dumped in privatizations.

IMF RESOURCES SET AT $201 BILLION. The IMF raised its resources to $201 billion Wednesday as an average 50 percent increase in contributions by all its members took effect, AFP reports. The U.S. contribution is the largest at $36.9 billion, followed by Japan and Germany which each give the equivalent of $11.5.

WEST ACCUSED OF FAILING TO SUPPORT YELTSIN'S REFORMS. Prof. Anders Aslund, director of the Stockholm Institute of East European Economics and senior western adviser to the Russian government, warned the West that its refusal to back Russian economic reforms could lead to chaos, reports the Financial Times (p.1) from Moscow. Addressing a Financial Times conference yesterday, he also accused the West of hypocrisy and indecision in failing to provide funds to stabilize the economy or a policy supporting President Boris Yeltsin's market reforms.

UKRAINE GOVERNMENT TO SEEK EMERGENCY POWERS ON ECONOMY. Ukraine's President Leonid Kravchuk and his government will ask parliament for emergency powers to fix the former Soviet republic's disastrous economy, AFP reports. Presenting a picture of economic catastrophe, Prime Minister Leonid Kuchma said that with Ukraine "100 percent dependent on the Russian economy," there is a danger of "total collapse" of the Ukrainian economy if Russia were to double the price of its oil. The budget deficit is set to total $1.25 billion this year, with state income having fallen by half, he said, adding that it will be necessary to issue coupons worth 100 billion rubles to finance social needs, even though the economy already suffered from runaway inflation, the account states.

ACTIVIST SAY TIMBER TALKS HAVE NOT DONE JOB. Environmentalists from Japan and abroad on Wednesday attacked the International Tropical Timber Organization for failing to make significant progress in halting the destruction of tropical forests, Reuters reports. According to the Friends of the Earth, the ITTO has established a number of guidelines for the exploitation and the trade of tropical timbers...but as yet not a single member government has actually adopted any of these guidelines as national policies. Member countries of the ITTO--which own about 90 percent of the world's rain forests--began negotiations in Yokohama on a new agreement to replace a pact signed in 1985 and valid until 1994. The talks are due to end on November 24, the account states.

ROMANIAN PREMIER CITES SUCCESSES AS HE STEPS DOWN. Outgoing Romanian Prime Minister Theodor Stolojan said on Wednesday he had scored economic policy successes which had helped smooth Romania's transition from communism toward a free-market economy, Reuters reports. Stolojan plans to take up a World Bank position in Washington which he postponed when he accepted the premiership of the interim coalition cabinet a year ago.

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Friday, November 13, 1992

WORLD BANK PRESIDENT PRAISES INDIAN ECONOMIC REFORMS. World Bank President Lewis Preston said his talks with Indian leaders had convinced him the country's radical reform program was on track, Reuters reports from New Delhi, citing newspapers. According to the Asian Wall Street Journal and India's Economic Times, Mr. Preston said his initial worries, whether there was the political commitment to see the reforms through, had been "totally dispelled" by talks with Indian government officials, including Finance Minister Manmohan Sing. "The reform program has been one of the smoothest adjustment processes that we have seen in many a moon," Mr. Preston is quoted as saying.

ARGENTINA'S ECONOMIC PLAN PUT TO THE TEST. The economic austerity plan Argentina launched in 1990 is encountering its first major hurdles resulting from an overpriced peso and widening divisions in the government's economic team, Agence France-Presse reports. On Wednesday, the central bank had to sell off $108.4 million to prop up the peso, which has been fixed against the dollar since 1991. It was the first time that the central bank had to intervene in such a big way since the currency convertibility program was launched in April last year. Economy Minister Domingo Cavallo, however, has denied rumors about a pending devaluation, noting that the reserves have now reached about $8.5 billion and that the central bank is able to meet demand, the account states. The Financial Times (p.2) carries a story.

URUGUAY UNVEILS ECONOMIC PACKAGE WITH INCENTIVES. Uruguay's President Luis Alberto Lacalle Wednesday announced an economic package aimed at neutralizing opposition to his plan to open up the country's economy, AFP reports. The package would give workers end-of-year bonuses and lower prices on gasoline and fuel by 14 percent. Businesses would see taxes lowered, import taxes on agricultural and fishing products removed, a lowering of duties on imported raw materials and the deregulation of work hours to accommodate tourism. Opposition leaders promptly denounced the proposals as an attempt to avert defeat in a December 13 referendum on privatizing Uruguay's state-owned industries, the account states.

FOREIGN BANKS' CLAIMS ON LATIN AMERICA FALL 23 PERCENT. The amount owed by the eight biggest Latin American countries to their foreign bank creditors has fallen by around a quarter since the mid-1980s, reports the Financial Times (p.23). According to a study published today by the Bank for International Settlements, foreign banks' claims on these countries fell by $57 billion or 23 percent, in the five years to the end of 1991 as a result of debt reduction, buy-back and conversion policies.

RUSSIA APPROVES BANKRUPTCY LAW. The Russian parliament adopted a bankruptcy law on Thursday that allows for the closure of inefficient and indebted enterprises, in a move that bolsters President Boris Yeltsin's efforts to dismantle the command economy, reports the Financial Times (p.13), citing Itar-Tass news agency. Courts will be able to force indebted enterprises into liquidation. Voluntary liquidation of enterprises under

creditors' control also is envisaged. The absence of a bankruptcy law has been a major weight on the government's budget, which is expected to see a deficit of $2.4 billion this year, the account states, adding that the Russian currency took another dive Thursday to record lows on Moscow's Interbank Currency Exchange, where it was fixed at 419 to the dollar. The Liberation (p.10) carries a story. The FT (p.3) also reports that the Russian government is to auction off three large industrial plants in the next two weeks in order to raise the profile of the privatization program before the opening of the Congress of People's Deputies on December 1. The Washington Times (p.A1) reports that the U.S. administration has embarked on a new effort to help Yeltsin survive the December 1 showdown with hard-liners by easing the terms on Russia's foreign debt. Senior officials are urging allies to cooperate on a new debt-rescheduling package in time for the opening in Moscow of the Congress, where Yeltsin's free-market reforms are expected to come under heavy fire from opposition lawmakers, the account states. A separate FT (p.18) story says that Arkady Volsky, the leader of Russia's industrialists yesterday angrily hit out at critics who had accused him and his members of threatening economic reform. He said that the industrialists were neither "fat cats" nor "enemies of reform."

UKRAINE TO BAN RUBLE AND USE OWN COUPONS. Since yesterday Ukraine is no longer using the ruble as its currency and accepts only its own "coupons" as a means of payment, according to a decree issued by President Leonid Kravchuk, AFP reports. Banning the ruble is considered a first step toward introducing Ukraine's national currency, called the "grivna," but Kravchuk said the economy must stabilize before the new currency can be introduced. The Wall Street Journal (p.A10), Financial Times (p.3), La Tribune de l'Expansion (p.6), Liberation (p.10) and Il Sole-24 Ore (p.5) carry articles.

IMF TEAM EXTENDS POLISH VISIT TO SEEK AGREEMENT. An IMF mission has extended a visit to Poland to finish negotiations concerning a loan agreement, Reuters reports. Poland hopes the Fund will agree to resume a $2.5 billion loan agreement, which would open the way to further concessions by other international creditors.

THAILAND'S OUTLOOK ROBUST. Thailand's economic growth is expected to remain robust through the decade, reports the Wall Street Journal (p.A10), with per capita income doubling by 2000 while disparities between rich and poor could widen, according to economists.

NORWEGIAN RESEARCHER CRITICIZES WORLD BANK. In an interview in Norway's Dagens Naringsliv (11/11), Kjell Havnevik, a Norwegian researcher, describes the World Bank's structural adjustment programs in Africa--using Ghana as an example--as a complete failure and a catastrophe for the local population. He also argues that the Bank's present poverty strategy is incoherent.

AFTER THE EARTH SUMMIT. A Journal of Commerce (p.6A) editorial opposes a suggestion by the Environmental Defense Fund that an independent appeals commission be set up within the World Bank. "Such a change would simply produce bureaucratic hassles...If, as the environmentalists say, the World Bank is environmentally heedless, the solution lies in pressuring the World Bank's member countries, not through a separate bureaucracy."

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Monday, November 16, 1992

DECEMBER DEAL DUE ON FUNDING OF IDA. At a weekend session in Paris donors again failed to agree on the total amount of their contributions to the tenth replenishment of IDA, Agence France-Presse reports, but IDA deputies achieved "fairly good" progress on modalities for IDA-10, including the regional allocation of the resources. Under IDA-9, the combined share of China and India was set at a maximum of 30 percent of total lending while at least 45 percent was earmarked for Africa. A proposed reduction on Chinese IDA borrowing will help make room for new recipients, the account says, including formerly Marxist countries like Albania, Angola and some of the newly independent Central Asian republics of the former Soviet Union. Also, some countries earlier rated as middle income nations, including the Philippines, Egypt, Cote d'Ivoire and Zimbabwe, were recently "demoted" to the status of IDA borrowers. While Africa will continue to receive nearly half of total IDA credits, IDA will have to pay more attention to economic management and performance as well as good governance in African recipient countries, the account says, citing delegation sources. As for the size of the proposed replenishment, the World Bank said that IDA would need at least 13 billion Special Drawing Rights (about $16.5 billion) for the 1993-95 period to match in real terms the IDA-9 replenishment of $15.5 billion. Ernest Stern (EXC), chairing the negotiating group, tried to push the figure to $18.5 billion dollars, including an "earth increment" for environmental lending, the account says. However, according to European delegates, the United States and some other key donors remained reluctant to expand their contributions. They added that negotiators were nevertheless aiming for a final agreement at a further meeting of IDA deputies, set for December 14-15 at Bern, Switzerland. The group is negotiating against a year-end deadline to allow ratification of an agreement by July 1, so that IDA lending will not have to be suspended for lack of funds, the account states.

WORLD BANK PRESIDENT WANTS INDIA TO NAME DATE FOR TARIFF CUT. World Bank President Lewis Preston during his visit to India last week has urged the Indian government to announce a schedule for cutting prohibitive tariff rates and offered a $500 million loan, AFP reports, citing the Economic Times (11/15) and other major Indian newspapers. A "transparent" schedule would help the country's domestic industry gauge what kind of external competition it can expect and when, Mr. Preston said. "The Bank is willing to provide India a $500 million loan to compensate for possible revenue losses caused by tariff reductions," he is quoted as saying at a press conference. The Financial Times (p.2) reports that, while Mr. Preston has praised India's reforms, he has also urged India to press ahead rapidly with further deregulation. He added that a safety net was important to ease the shock of moving to a more market-oriented economy, the account says. India must contribute by funding basic infrastructure and raising the prices of commodities, such as electric power. "The government, at federal and state levels, has an essential role to play in developing India's infrastructure and investing in its people," Mr. Preston is quoted as saying.

MINISTER URGES SALE OF PUBLIC FIRMS TO INDIGENOUS TANZANIANS. Tanzanian Finance Minister Kighoma Malima has called on the government to be careful with the process of privatization to avoid concentrating ownership of productive enterprises on a few affluent or politically influential individuals, AFP reports. "It would be politically, socially and possibly economically explosive and divisive if indigenous Tanzanians were completely marginalized in the privatization process," he said at a seminar on privatization in Dar Es Salaam. With a bankrupt economy the Tanzanian government has been forced to sell most of its over 400 loss-making public firms as part of a structural adjustment program, in line with World Bank/IMF recommendations, to pave the way for economic recovery, the account states.

BELARUS STEPS UP SELL-OFFS. Belarus is moving tentatively toward privatization, the Financial Times (p.5) reports from Minsk. The Belarus government has appointed Western advisers to help with the privatization process and plans next year to introduce legislation dealing with the mechanics of the transition to a market economy. So far, fewer than 200 out of 30,000 enterprises--employing just 1.4 percent of the country's workforce--have been privatized, largely through the sale of vouchers to employees. The government plans to introduce a legal framework next year which will act as a catalyst to further privatization, the account states.

ROMANIAN PRIME MINISTER-DESIGNATE COMMITS HIMSELF TO REFORM. Romania's Prime Minister-designate Nicolae Vacaroiu Friday committed himself to democratic reform and the market economy, while pledging social protection measures to soften the impact of his policies, AFP reports. Presenting his winter program to parliament Vacaroiu outlined the main policy options for the next four years. He said that his first priority would be to halt the fall in industrial production and relaunch economic growth, adding that the transition to a market economy was "irreversible," the account states.

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Development News—Daily Summary

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Tuesday, November 17, 1992

DHAKA URGES WORLD BANK TO RELEASE AID FUNDS. Bangladesh has urged the World Bank to release suspended credit worth millions of dollars to help avert an economic collapse, Reuters reports. "We will be choked to death if the suspended funds are not released," Finance Minister Saifur Rahman told World Bank President Lewis Preston, who on Sunday arrived on a three-day visit to Bangladesh. The Bank said earlier it would not disburse funds unless Dhaka took steps to discipline its private sector, curb losses in factories and lay off excess workers in state-owned factories. Mr. Preston met Prime Minister Begum Khaleda Zia Monday evening to discuss the country's future aid plans and review development projects. Earlier on Monday, he flew to the site of a proposed $525 million multi-purpose bridge across the river Jamuna which will link the capital with the north. According to officials, the Bank had hinted it might offer $150 million in aid to finance the bridge project. Bangladesh receives over $2 billion in annual aid from overseas donors, including $400 million from the World Bank, the account states. The Japan Times (p.11) reports that, as in India, the Bank President's visit was met with protests from leftists opposed to a free market economy, and quotes Mr. Preston as saying that "one of the World Bank's major priorities in Bangladesh is the protection of people from cyclones."

PRESTON BACKS NARMADA DAM PROJECT. The World Bank will continue funding the Narmada dam project despite strong environmental criticism, Reuters reports, but support will be cut off if agreed targets are not met, according to World Bank President Lewis Preston. Before leaving for Bangladesh, winding up his six-day visit to India, Mr. Preston said at a press conference in Bombay on Saturday that the $3 billion Narmada dam and irrigation project was "important for the people of India." He also said that because the Narmada project, which could displace between 100,000 and 250,000 people, was a highly-charged, emotional subject it may have been "easier to suspend lending." But the Bank had decided to continue funding, while setting conditions and targets for support, he added. These targets, Mr. Preston said, which include closer monitoring of environmental impact and better organization for resettlement and rehabilitation of those displaced, would be reviewed by the Bank's Board in May. "I hope we can continue to support Narmada. It's important for the people of India. It would have been easier to suspend it but we didn't think that would be right," Mr. Preston is quoted as saying, adding, "mistakes have been made. What is needed is a sensible program that will require implementation over time." The Calcutta Statesman (11/16) reports that non-government organizations, trade and business circles as well as local politicians in Gujarat have hailed Mr. Preston's announcement that the Bank would continue to fund the Narmada project. The Hindu (11/15) reports that around 200 oustees protested against the project but were perturbed that the Bank was prepared to accept the credentials of a government committee which would review and prepare a report of the progress made on various aspects.

WORLD BANK LOAN TO RUSSIA IS UNBLOCKED. The World Bank said Russia signed a formal loan agreement on Monday that allows $600 million in assistance held up for over three months to go forward, Reuters and Agence France-Presse report. Russia had been worried that if it signed the loan, it might put assistance from the U.S. Export-Import Bank and other export agencies in jeopardy. That is because of a clause in the World Bank loan called a negative pledge that required that the Bank get repaid first out of the borrowing country's export earnings, the account says. According to the Bank, however, the issue had been resolved. The loan, the first assistance by the Bank to Russia since it became a member, had originally been approved on August 2. Of the total loan, $350 million can be used by the country to buy critically needed parts for its agriculture, transportation, energy and health sectors. The remainder is for the private sector, the account states. The International Herald Tribune (p.13) also reports.

YELTSIN DRAFTS ANTI-CRISIS PLAN. In a separate story the International Herald Tribune (p.13) reports that Russian President Boris Yeltsin and his cabinet on Monday drafted an anticrisis plan to get the country through the winter, but rejected opposition demands to freeze prices and slow reforms. The government also toughened its monetary stance, saying it would charge world prices for sales of oil, gas and other resources to former Soviet republics that no longer use the ruble, the account states.

RUSSIA PLANS TO PRIVATIZE MAJOR FACTORY. Making progress on its pledge to quickly privatize Russia's largest companies, the government is inviting bids for shares in Elex microelectronic, a major state-run factory, reports the Wall Street Journal (A14). The sale will be the first of at least four experimental privatization auctions Moscow plans by year end. The State Committee on Property hopes these initial sales will prepare the way for a flood of state sell-offs beginning next year. Along with Russians, foreigners who have privatization vouchers are eligible to buy shares, the account states. The Financial Times (p.2) reports that Russia will begin auctioning off shares in state-owned enterprises not this month but next, starting with the sale of 40 percent of the stock of Elex, a producer of transistor radios and television sets.

FRANCE DECLARES TEMPORARY TRUCE IN GATT BATTLE. An isolated France Monday temporarily called off its campaign against further concessions to the United States in the farm dispute that threatens a global trade agreement, reports the Journal of Commerce (p.1). On the eve of critical talks in Washington between the United States and the European Community, France dropped its opposition, caving in to intense pressure from its E.C. partners and agreed to support the Community's lead farm negotiator, Ray MacSharry. He is scheduled to meet U.S. Agriculture Secretary Edward Madigan Wednesday in a final push to resolve the dispute over oilseeds subsidies, the account states.

CLUB OF ROME TO SEEK REVAMP OF INTERNATIONAL DEVELOPMENT AID. The Club of Rome plans to recommend to the World Bank and other aid agencies a new blueprint to revolutionize traditional means of channelling money for economic development, AFP reports. The blueprint by the Paris-based club of statesmen and experts is intended to rectify "pitfalls" in the current international

development set-up, according to Bertrand Schneider, the club's secretary general. "Our recommendations will be practical, positive and innovative and hopefully address the plethora of problems linked to aid which has resulted in the failure of crucial projects," Schneider said, adding "The blueprint will...call for a multi-disciplinary approach to financial assistance for development as opposed to the usually fragmented system of channelling funds at present." The Club of Rome is already holding discussions on the matter with the World Bank, IMF and the United Nations Development Programme, the account states.

LITHUANIA'S EX-COMMUNISTS WIN MAJORITY. Former communists yesterday swept to power in Lithuania with an absolute majority in the 141-member parliament, reports the Financial Times (p.2). Algirdas Brazauskas, the new leader, urged a slower pace of change, easier terms with the IMF and more protection for large factories while managers figure out how to make the transition to private enterprise, reports the New York Times (p.A13). The Washington Post (p.A27) and La Tribune de l'Expansion (p.28) also carry stories.

CORRECTION. On November 12, Development News-Daily Summary carried a Reuters story, saying that the next Earth Summit will take place in Manchester, England, in September 1993. This was incorrect as we have learned from UNCED. Instead, the story should have read "representatives from non-government organizations have been invited to Britain to discuss implementing the agreements signed at the Rio Earth Summit in June," as Reuters states in a corrected story.

Development News—Daily Summary

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Wednesday, November 18, 1992

PRESTON ASKS DHAKA TO GEAR UP REFORMS. Bangladesh will have to make progress in economic reforms if it wants increased international aid, World Bank President Lewis Preston said on Tuesday, Reuters reports from Dhaka. "There are certain commitments to donors which the government has not quite achieved," he is quoted as saying at a press conference before leaving for Washington after a three-day visit. Mr. Preston also said that the country had made no significant headway in the economic reforms needed for a smooth flow of foreign assistance, adding, "there is always a sentiment of (relaxation) in adjustment programs...which slows down the process. In fact, if you lose momentum it can be bad. The government should continue privatization and other adjustment processes. However," Mr. Preston said, "I have an impression that some programs are proceeding well, with a rise in reserves and increased trade," the account states. Citing BSS news agency, Agence France-Presse reports that the Bank would "positively reconsider" withdrawing the suspension of a $300 million loan, and quotes Mr. Preston as saying, "we think the present government made some progress...we are very conscious of the importance of the energy sector for Bangladesh's overall economic development."

WORLD BANK CALLS FOR MAJOR REFORMS IN THE PHILIPPINES. The World Bank on Tuesday called on the Philippines to spur economic growth by reforming trade and fiscal policies and its approach to setting wages, AFP reports. According to a Bank report released in Manila, the administration of President Fidel Ramos has "an excellent opportunity for sustainable growth," provided it can exert the political will to initiate the reforms. The report also commended the reforms taken by former President Corazon Aquino, saying that thanks to them, "the Philippines now faces its best prospects for sustained development in almost two decades." But the Bank also warned that failure to push these reforms further would cost the country more than $6 billion a year and called for re-orientation of government agencies such as the central bank and the trade department, the account states.

RUSSIA LIKELY TO GET DEBT RELIEF. Major Western creditor governments are likely to agree on a 10-year deferral of Russia's payments on the former Soviet Union's debt when government officials meet in Paris later this month, reports the Japan Times (p.12). The prospect of such an accord has become brighter as Russia and Ukraine have come closer to ironing out their differences on the issue. Last week Russia agreed to pay Ukraine's share of the debt in return for Ukraine giving up its claims on Soviet assets. The debt relief pact is likely to allow Russia to reschedule principal and interest payments on debts run by the Soviet Union up to January 1991, and due in 1993, for up to 10 years, including a 5-year grace period, the account states. The New York Times (p.A7) reports that South Korea, which granted and then cut off $3 billion in economic assistance to the former Soviet Union, is preparing to resume its aid to Russia. The formal announcement will be made during Russian President Boris Yeltsin's three-day visit to Seoul this week.

YELTSIN BRINGS CENTRAL BANK CHIEF INTO GOVERNMENT. Russian President Boris Yeltsin has brought Central Bank Chairman Viktor Gerashchenko, a conservative economist, into his government, Reuters reports, citing Interfax

news agency. According to a parliamentary legal expert, Yeltsin's decree announcing the move could contradict Russia's banking legislation which states that the central bank is subordinate to parliament alone. The conservative parliament and Gerashchenko have consistently favored more relaxed monetary policies and greater support for state industries than the government and IMF, the account states. Les Echos (p.8) and La Tribune de l'Expansion (p.6) also report, the Financial Times (p.3) carries a commentary.

BRAZIL'S FRANCO HESITANT ON PRIVATIZATION OF CSN. Brazil's acting President Itamar Franco, who last month pledged to uphold all the privatizations scheduled by the former administration, appears to have gotten cold feet regarding the sale of Cia. Siderurgica Nacional, reports the Wall Street Journal (p.A13). Even though CSN employees are strongly in favor of the privatization, Franco has referred the sale, planned for December, to congress. Even though congress isn't opposed to the plan, Franco's action, with its inherent delays, throws into doubt the company's flotation, the biggest so far in Brazil's privatization program, and turns its sale into a test of Franco's intentions, the account states.

CAPE VERDE ISLANDS OUTLINE DEVELOPMENT PLANS TO DONORS. The Cape Verde Islands are seeking financial support for an economic development plan based on investment in transport, tourism and labor-intensive industry at a three-day donor's meeting in Praia, ending today, Reuters reports. According to Deputy Foreign Minister Jose Luis Monteiro, the government was already close to agreement with the World Bank on a $70 million loan to improve the country's transport infrastructure.

JAPAN AND FRANCE TO SHOULDER VIET NAM'S DEBT. The governments of Japan and France have notified the IMF and the United States of their decision to shoulder Viet Nam's outstanding debt of approximately $140 million to the Fund, reports the Nihon Keizai Shimbun (p.1). The move aims to pave the way for a resumption of assistance to Viet Nam by various countries. Although the United States has been opposing IMF assistance to Viet Nam, there are currently signs of progress in negotiations concerning the fate of U.S. POWs and soldiers missing in action. These negotiations are the key factor in a solution to this issue, the account states, and the possibility is arising that IMF loans to the country could commence next year.

CHINA PUSHES MARKET REFORMS. China is pushing through a package of reforms for its state-owned commercial companies which will allow them to introduce shareholding, determine their own marketing strategies and deal in foreign trade, reports the Financial Times (p.6), quoting a Reuters story from Beijing. Under the reforms, state commercial companies will be allowed to determine their own product mix, introduce shareholding systems to bring in new capital and lease subsidiary operations to other companies.

CZECHOSLOVAKIA'S TWO PARLIAMENTS APPROVE COUNTRY'S SPLIT. Czechoslovakia's two national parliaments adopted a common resolution yesterday rejecting a proposal of a referendum to decide whether the country should split into two republics, AFP reports. The resolution, agreed simultaneously in Bratislava and Prague, called on the federal parliament to "begin discussions quickly and to adopt" the constitutional amendment for dissolution of the Czechoslovak Federation on December 31, 1992.

2278/2

The Telegraph

TUESDAY 17 NOVEMBER 1992 VOL. XI NO. 127

BROTHER LEWIS

The World Bank president, Mr Lewis T. Preston, came, saw and declared India was on the road to victory in its combat with the economic *ancien regime*. That his cheerful optimism is not shared by a number of domestic observers was obviously less important to him than ministerial assessments of the reforms' progress. It is possible Mr Preston has erred on the side of exaggeration in pinning his evaluation on official reports. North Block briefings were, almost certainly, bereft of insights such as the favourable projections for growth and inflation being explained principally by a buoyant agricultural performance. Reforms, of the right kind, are yet to visit the farm sector, and its commendable showing is solely attributable to a good monsoon. The good work done by the deities of rain, however, has to be balanced by the zeal and success of that group of politicians wilfully confusing the interests of agriculture with those of pampered and rich agriculturists.

This group, ably led by the agriculture minister, Mr Balram Jakhar, has enough clout to demand an absurdly high procurement price for wheat as well as cajole the committee for agricultural costs and prices to propose an equally fanciful, if marginally smaller, figure. It can pass off proposals such as equal treatment for industry and agriculture in terms of official incentives as progressive. That the latter, unlike the former, does not pay taxes and is thus economically and morally disqualified from any further government hand outs is irrelevant for Mr Jakhar and his ilk. But Mr Preston should know better, and his remark that the minister is "a tiger on agricultural reforms" is, perhaps, the most inaccurate reading of the politics of Indian reforms by a visiting dignitary. The World Bank president was closer to reality when he observed social spending is often the victim of structural adjustments. The proposed Bank loan of $ 500 million, to be used for social spending and safety nets, should relieve New Delhi's economists worrying sick over pruning expenditure and finding money for important categories of spending.

The ministry for power may not however find Mr Preston's organisation quite so bountiful. Despite the right noises made by the power minister, Mr Kalpnath Rai, the Bank seems unconvinced its conditions for lending to this sector will be honoured by India. The contingency funding plan devised by the ministry and the National Thermal Power Corporation might render Bank assistance irrelevant, but the aberrations in pricing and operation are likely to remain. Discipline imposed by an external donor is probably a better means to rejuvenate the power sector. The same holds for many of the unfinished tasks — for example, the exit policy, financial reforms, import duties revision — of the project which, the country is repeatedly told, will lead to a miracle. Mr Preston would have done well to be less of a benevolent brother and more a demanding donor.

INDEPENDENT

WEDNESDAY, 18 NOVEMBER 1992

Mr Preston's promises

THE five-day visit to India beginning last Wednesday by the World Bank president, Mr Lewis Preston, has been fruitful for both sides. Although, as Mr Preston himself conceded in Delhi, he was apprehensive about the pace of reforms in India at the commencement of the visit, his personal experience with senior ministers and officials left him "fully convinced," according to him, about the sense of purpose and direction of the economic liberalisation programme currently under way in the country. In fact, he has reportedly said in several private gatherings that the Indian experiment of transition from a socialist regimen to a free market condition is "one of the smoothest on record so far." It was such a favourable perception of Indian reforms which led him to declare, at a subsequent press conference, that the World Bank "will continue to support the Indian government's efforts to reduce the burden of economic adjustment on the poor."

There is little doubt that the first hand perspective of Indian problems that Mr Preston has been able to secure during his visit would lead to a more positive approach towards India on the part of the World Bank in its funding decisions in future.

For the Indian side, the hallmark of Mr Preston's visit was the change he foresaw in the Bank's hitherto conservative lending policy to the Indian private sector. Addressing a joint meeting of the Federation of Indian Chambers of Commerce and Industry (FICCI), the Associated Chambers of Commerce (ASSOCHAM) and the Confederation of Indian Industry (CII) in Delhi, he said the articles of association of the World Bank would be amended to provide for direct lending by the bank to the private sector in developing countries — a task currently being handled by the International Finance Corporation (IFC). Although Mr Preston did not make a specific policy statement in this regard, the closer involvement of Bank in private sector funding would certainly enhance prospects of greater inflow of Bank funds to India.

Another significant observation Mr Preston made was that the "World Bank would favourably consider the Indian request for a Financial Sector Adjustment Loan (FSAL) of $500 million." The request for an FSAL was essentially meant to mop up the revenue account, which has been weakened following reduction in import tariffs. The trade adjustment loan will enable the government to tide over deficit in the short run.

Expectedly, the issue of non-utilisation by India of several bilateral and multilateral aid funds figured prominently during Mr Preston's visit. The experience of incomplete deployment of aid funds is not uniquely Indian. All developing countries face the problem of not being able to draw upon the full amount of aid already committed to individual projects. The main reason is inadequate compliance on the part of project managements with pre-determined norms of utilisation of funds. Mr Preston did visit a few social projects to get a feel of the ground realities of their execution.

It has been estimated that the cumulative total of such unutilised funds to date in India amounts to a whopping $20 billion. The prime minister, Mr Narasimha Rao, suggested that part of it could be diverted to the National Renewal Fund. The suggestion is laudable and even though the modalities of implementation are not yet clear, Mr Preston will hopefully give it serious thought.

2278/5

ECONOMIC TIMES, NOV 19 1994

Preston urges B'desh to learn from India

United News of India

DHAKA 18 NOVEMBER

WORLD BANK president Lewis Preston has lauded the progress in structural reforms in India and told Bangladesh that it should not lag behind.

"India is doing very well," Mr Preston told a news conference on Tuesday at the end of his three-day visit to Bangladesh.

He said eventhough Bangladesh was doing good at its structural reforms, its neighbours like India were doing very well. Pakistan was also progressing with its reforms. "We do not want your country (Bangladesh) to lag behind," he added.

Mr Preston said countries receiving loans from the overseas development assistance should realise that there was serious budgetary constraint as major donor countries, including the United States, were adjusting their own budget deficits.

He said that the ninth replenishment for Interantional Development Assistance was facing a serious problem and compounding it was the additional pressure for funds with the emergence of Central Asian republics and new claimants like Vietnam and Cambodia.

In reply to a question on the much-publicised Jamuna multipurpose bridge in northern Bangladesh, the World Bank chief said the bank's participation in the proposed bridge could be ascertained in December when its estimated cost and environmental effect were known.

Asked about resumption of loan to the energy sector of the country, Mr Preston said the bank was anxious to release funds, but there were certain undertakings to the donors of reaching some targets.

He said about $5 billion loans, including $1.8 billion IDA soft loan funds were in the pipeline for Bangladesh.

In view of the backlog in utilisation, the donors would not be in a position to commit additional funds for the country, he added.

22784

OBSERVER
NOV 19, 1991

Preston lauds reforms in India

United News of India

DHAKA

WORLD Bank president Lewis Preston lauded the progress in structural reforms in India and told Bangladesh that it should not lag behind.

India is doing very well, Mr Preston told a news conference on Tuesday at the end of his three-day visit to Bangladesh.

He said even though Bangladesh is doing good at its structural reforms, its neighbours like India are doing very well. Pakistan is also progressing with its reforms. "We don't want your country (Bangladesh) to lag behind," he added.

Mr Preston said countries receiving loans from the Overseas Development Assistance should realise that there is serious budgetory constraint as major donor countries, including the United States, are adjusting their own budget deficits. □

THE DAILY SUNDAY
NOV 15, 1992

Medha Patkar arrested and badly beaten

By The Daily Staff

BOMBAY, Nov. '4

THE NARMADA Bachao Andolan leader Medha Patkar, Arundhati Dhuru and Mani Mistry of YUVa along with 60 others were lathi-charged and arrested by the police late this evening.

Eye-witnesses to the incident said that Patkar, Dhuru and Mistry along with at least five journalists were brutally beaten up by the police outside the Taj Mahal Hotel. Hemant Pithwa of *India Today*, Rahul Goswami and Kalyanta Shaha of the *Observer* group and Neeraj Priyadarshini of the *Indian Express* sustained serious injuries. Pithwa and Goswami were among those arrested.

The World Bank president, Lewis Preston, had reportedly sent a message to the NBA activists who were holding a dharna, that he was ready to meet them and discuss the Sardar Sarovar Project issue at the Taj Mahal hotel where he was staying.

But apparently he had objections on the size of the delegation that was to meet him. So only a delegation of seven people which included Medha, Arundhati and Mani and four other representatives of Gujarat, Maharashtra and Madhya Pradesh was allowed to go in for the meeting.

However, this group was stopped on the way and was told that Preston could not give them audience as he and his wife were busy watching a fashion show in the Taj.

Medha tried to argue with the man who brought the message saying that this was an insult to them. They were, however, not allowed to meet the WB president.

The group then came down

■PAGE 3

GET OUT WORLD BANK: *One hundred Fifty tribals from the Sardar Sarovar Project (SSP) affected areas and* Narmada Bachao Andolan (NBA) activists protested *the World Bank's funding various destructive development projects in India.*

22258/18

10 Narmada activists held

By The Daily Staff

BOMBAY, Nov. 14

TEN NARMADA Bachao Andolan (NBA) activists, belonging to the Bombay support group, were today arrested outside Varsha, the chief minister's official residence, while they were holding a peaceful demonstration against World Bank President Lewis Preston.

Preston was today scheduled to meet Chief Minister Sudhakarrao Naik and discuss possibilities of the World Bank funding various development projects in the city.

Sources said, the police did not provide any reason for the arrest. Those who were arrested include Indutai Khanolkar, Medha Patkar's mother and Lata PM, who is in charge of the city office of the NBA.

NBA activists and about 150 tribals from the affected areas held a demonstration outside Churchgate station, to protest against the the talks.

Addressing a press conference, Medha Patkar, leader of the Andolan claimed: "the WB president's visit to India is a significant step in opening up India's economy to multinational companies and its development projects to the funding of the Bank."

The complete assessment of the rehabilitation and resettlement (R&R) programme of the three states and the environmental impact assessment cannot be completed within six months, the time given by the bank to the Indian government, she said. "Neither Preston nor the bank is really interested in knowing the ground realities. The committees reviewing the R&R programme would include government officials headed by Gujarat Chief Minister, Chimanbhai Patel and Babubhai Patel," she alleged.

Medha claimed that instead of using local resources, technical knowing for WB loans even for primary education and agricultural programmes, in the country.

Medha asked: "if we were to accept Chimanbhai's claim that the Sardar Sarovar Project (SSP) can be completed without finance from the WB, why was the government bent on putting the burden of this debt on India, if it has the money?"

Medha

■PAGE 1

and joined activists who were peacefully demonstrating outside the Taj.

The activist decided to hold a symbolic one-hour rasta roko. When the police learnt of this, they allegedly lathi-charged the demonstrators. Medha, Arundhati and Mani were brutally beaten up and dragged by their hair to the van. Rahul Goswami and Hemant Pithwa were also reportedly kicked in the police van and brought to the Colaba police station.

The police has refused to disclose the charges on which they were arrested. Medha, speaking to the press said: "This has been a insult to us. When Preston could meet non-governmental organisations like the Arch-Vahini, why could not meet us for atleast half-an-hour?"

Medha claimed that there was no need for the police to have lathicharged the group as the demonstration was very peaceful and there was no provocation on their part.

"The incident exposes the World Bank's attitude. They do not really want to know the ground reality," she said.

It is further learnt that both Pithwa and Goswami had to be admitted to St George hospital because of the serious nature of their injuries. Police in- and demanded surety before permitting them to be taken to the hospital.

22258/14

Medha Patkar Beaten up

(Continued from Page 1)

beaten up.

Medha Patkar was badly beaten up with fists and her hair was pulled by policemen. "I have scratches which are burning," she told this reporter at the Colaba police station, where she has been detained. Even her bag was taken away and its contents were torn by the police. According to eyewitnesses, policemen manhandled even female demonstrators.

Incidentally, the police did not allow any reporter to meet either the two injured journalists or Patkar and even this reporter was asked to leave Patkar's room immediately.

"We will give an official press note tomorrow," one police officer said.

Patkar said that the police had not told the activists about the charges. "They cannot detain us without charges, but they have done so. What they keep on saying is only rioting," she added.

Narrating the entire episode, Patkar, who was visibly upset, claimed that the demonstrations were peaceful and she saw no reason why the police should resort to lathi-charge. "We told the police that it was only a symbolic rasta roko, but they did not listen to us," she said.

"This confirms our assessment of the World Bank's attitude," she averred.

The symbolic rasta roko was in fact not in the agenda of the activists, but it was hurriedly decided only when the World Bank President, Lewis Preston, refused to meet a delegation led by Patkar, despite a prior appointment as he was reportedly watching a fashion show.

"In fact the police had escorted us to Taj. But first one pulic relations person objected to the size of delegation. We had only seven persons. Later, one Heinz Virgins told us that Preston was very busy. We argued that he can always spare about half an hour since it was the question of three states," Patkar said.

"We told Virgins that we represented 85 per cent of the people and if Preston can spare time for NGOs headed by Sanati Mehta and Urmila Patel (wife of Chimanbhai Patel), he can always meet us.

"We said that this was very insulting," Patkar said and added that when the delegates walked out of the hotel, she moved towards people sitting at the road-divider and immediately a decision was taken for the symbolic one-hour rasta roko.

"In fact we were sitting on the road-divider peacefully and the traffic was not obstructed either," she claimed.

2258/13

Police taking Medha Patkar to a van after beating her up for staging a rasta roko outside the Taj Mahal Hotel on Saturday. Pic: John Abraham

SUNDAY FREE PRESS JOURNAL
(BOMBAY)
NOV 15. 1992

Medha Patkar Beaten up

By A Staff Reporter

BOMBAY: EXHIBITING brutal power, the police kicked with boots, bashed up with fists and caned journalists yet again, along with Medha Patkar and nearly 60 activists of the Narmanda Bachao Andolan, here on Saturday evening.

The police resorted to the dastardly act when the journalists were covering a symbolic "rasta roko" by Patkar and her colleagues outside the Taj Mahal hotel at around 7 p.m.

Among the journalists, Hemant Pitwa, a cameraman of India Today, and Rahul Goswamy of the Observer Group, sustained major injuries and at the time of going to the press, were still kept at police lockup at Colaba Police Station. Among the activists, Ashish Chanda and Gyanchand were badly

(Continued on Page 8)

REDUCTION OF IMPORT TARIFFS

Make plans clear, says Preston

By Our Special Correspondent

BOMBAY, November 14.

THE government must announce a "transparent" schedule for reduction of import tariffs and other taxes, which will enable Indian industry to understand exactly what kind of external competition it can expect, and when. This is the message which Mr Lewis Preston, president of the World Bank, conveyed at a press conference in Bombay.

The World Bank president said he was satisfied with the reforms. However, he said loans of up to $ 500 million each to compensate the Indian government for revenue losses caused by future import tariff reductions and to enable it to push financial sector reforms would be considered only as and when clearer implementation plans are worked out in these areas.

Mr Preston said the purpose of his visit to India was to "gauge the commitment of the Indian government to the economic reforms". His conclusion: "I'm impressed with the government's commitment and determination to continue with the reform process. It has the political will to do so, and the World Bank will support it fully."

The World Bank president said he met members of the opposition too, and, surprisingly, "I sensed that political opposition has real enthusiasm for the course the country is on. And I expect that to continue — and that is very important. For a stop-go programme would not be good for the country."

According to Mr Preston, who believes that "sustainability is terribly important in a reform programme", it is vital for the government to ensure that the process does not cause avoidable hardship to people. In this regard, he expressed "a sense of gratification" at the concern being shown by the Central and state governments.

A suggestion made by the Prime Minister, Mr Narasimha Rao, in his discussions with Mr Preston in New Delhi, may find a favourable response. The PM wants the government to be allowed to utilise unused (saved) sums from Bank-aided project funds for adding to the National Renewal Fund, the "social safety net" which has been proposed to mitigate the suffering created by structural changes in the economy.

The only problem with the suggestion is that these funds are provided through the concessional lending programmes of the International Development Agency (IDA), and the permission of the donor countries will have to be sought for the "excess" funds to be utilised for purposes other than the projects for which they were originally sanctioned. But the Bank president is hopeful that the donors will agree to the PM's request.

Mr Preston told the press that he agreed with the government's step-by-step approach to the removal of subsidies. For a sudden elimination of all subsidies could cause hardship on such a large scale that the government would not be able to do anything to alleviate it.

(Continued on Page 3)

TIMES OF INDIA
(BOMBAY)
NOV 15, 1992

Make plans clear: Preston

(Continued from Page 1)

The World Bank president also stressed the importance of the infrastructure. His discussions with the Maharashtra state government today covered possible Bank support for the power sector as well as for housing development and literacy programmes. Oil is another sector "where we are very enthusiastic", said Mr Preston, because investments in it will help the country manage its foreign exchange expenditure better.

The World Bank obviously considers the Narmada dam an important part of the country's effort to build its infrastructure. Hence, despite the Morse report, it will not suspend aid for this project.

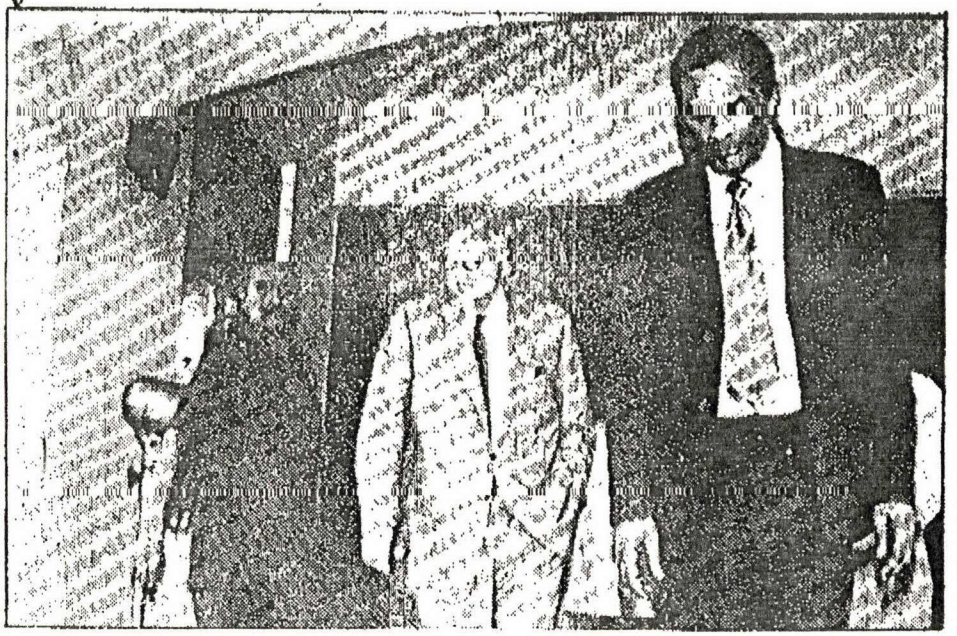
Mr Preston believes that "Narmada is important for the people of India." The Bank has had detailed discussions with the Centre and the state government's concerned, and now, "more realistic targets" have been worked out which are expected to neutralise the adverse impact on the people displaced by the dam. "The Bank board will insist on suspension of aid if these targets are not met," he said.

Outside the hotel where he was addressing the press conference, villagers from the areas affected by the Narmada project shouted slogans against the World Bank.

2258/16

Financial Express (Calcutta)
Nov 16, 1990

2258/21



World Bank president Lewis Preston being seen off by West Bengal chief secretary N Krishnamurty after his talks with Chief Minister Jyoti Basu at Mr Basu's Salt Lake residence on Sunday.
Photo: Pranab Kumar Das

Preston hints at greater IBRD funding in WB

FE Bureau

CALCUTTA, Nov 15

The World Bank would like to be involved in a bigger way with the development of West Bengal, the president of the International Bank for Reconstruction and Development (IBRD), Mr Lewis Preston, told reporters here on Sunday after an hour-long meeting with Chief Minister Jyoti Basu at the latter's Salt Lake residence.

The discussions between the Bank president and the Chief Minister ranged from the projects in which the IBRD was involved in West Bengal to the broader national economic issues of importance.

Mr Preston refused to comment, however, on the nature of the discussions on the new economic policy and its impact. "No comments", he said, when asked about the opposition of the Left Front government to the central policy of economic liberalisation.

He said his discussions with the West Bengal Chief Minister were "brief" but useful.

The IBRD, he said, was involved in a number of projects in West Bengal and the progress of some of these projects were reviewed at the meeting.

He did not give any categorical reply to the question if any specific project was discussed which could be taken up by the IBRD in West Bengal in future. But, he said that "the Bank would like to assist West Bengal in a more meaningful way" and expand its involvement in the state.

Briefing reporters on behalf of the state government after the meeting, Dr Asim Dasgupta, the state finance minister, said that the discussions were centred on the Bank financed projects in West Bengal. The projects on stream were reviewed.

The IBRD was involved mainly in the areas of minor irrigation and rural development. The total quantum of Bank-financed projects during the Eighth Plan period would be about four per cent of the state's plan size.

The World Bank president appreciated the policy of decentralisation through panchayats which the West Bengal government had adopted for implementation of development projects, Dr Dasgupta said.

According to the Bank officials, the state government was "going ahead of others" in this regard.

Dr Dasgupta refused to reply to reporters' questions on the observations of the Bank president on exit policy, National Renewal Fund and closing down of sick public sector undertakings. "No comments", he said, when asked if the Chief Minister told the Bank president of the opposition of the Left Front government to these policies.

Besides Mr Preston, Mr Joe Wood, the vice-president of the World Bank, Mr Binnal Jalan and two other senior officials also attended the meeting on behalf of the Bank. Besides the Chief Minister, the West Bengal government was represented by the finance minister and the chief secretary.

Mr N K Singh, the Union joint secretary in the department of Economic Affairs, was also present.

Earlier, Mr Preston's convoy was shown black flags by demonstrators en route from the airport to the Chief Minister's residence. While members of the SUCI staged a demonstration near the airport hotel, the Indian People's Front organised one at the Ultadanga crossing.

The police, however, chased the demonstrators away before they could reach the convoy.

The SUCI and some Naxalite factions are opposed to the central policy of taking loan from the International Monetary Fund and of opening up the economy to foreign direct investment.

Mr Preston arrived in the city in an Indian Air Force plane from Bombay and left for Dhaka after the meeting. Mrs Preston paid a visit to Mother Teresa's Missionaries of Charity.

2258/26

World Bank president Lewis Preston speaking to West Bengal chief minister Jyoti Basu at Mr Basu's residence in Salt Lake on Sunday. A Telegraph picture by Nirmal Jendu Majumdar

Preston praises WB schemes

BY A STAFF REPORTER

Calcutta, Nov. 15: The World Bank president, Mr Lewis Preston, today appreciated the West Bengal government's concept of decentralisation through the panchayats in implementing various schemes during his meeting with the chief minister, Mr Jyoti Basu.

Mr Preston faced demonstrations at a couple of places on his way from the airport to the chief minister's residence at Salt Lake. He was shown black flags and "Go Back Preston" slogans were shouted by supporters of the 10 Left parties combine, including the SUCI.

Mr Preston, who arrived here in a special aircraft from Bombay along with his wife and other senior World Bank and Union government officials, was at Mr Basu's residence for about 45 minutes. While he was busy with the chief minister, Mrs Preston visited the Missionaries of Charity on AJC Bose Road and met Mother Teresa. The World Bank president left with his entourage for Dhaka after his meeting with Mr Basu.

Talking to newsmen at the chief minister's residence, Mr Preston said the meeting was constructive in providing an opportunity to exchange ideas on how the World Bank could be more useful to West Bengal.

Describing the meeting as "brief," Mr Preston said talks were held on several proposed and ongoing projects in the state. The World Bank aids a number of projects in West Bengal as well as in Bangladesh, he added.

When asked about his reaction to the Left Front government's opposition to the Centre's current economic policy, Mr Preston declined to comment.

The state finance minister, Dr Asim Dasgupta, who was also present at the meeting, told newsmen that besides praising the state government's policy of decentralisation through panchayats, the discussions revolved mainly round the World Bank credited ongoing projects in the state. Mr Preston also praised the West Bengal government for its achievement in implementation of the projects, the minister said. Dr Dasgupta quoted Mr Preston as saying: "You are going ahead of other states."

Dr Dasgupta said four per cent of the state government's total fund allocation in the Eighth Plan outlay was credited by the World Bank for its projects. The World Bank funded projects in the state are in several sectors, including the minor irrigation and the panchayats, he added. The chief secretary, Mr N. Krishnamurthi, also attended the meeting.

TELEGRAPH
CALCUTTA
Nov 16, 1990

Black flags, protests greet Preston

BY A STAFF REPORTER

Calcutta, Nov. 15: Several supporters of the 10 Left Parties combine, including the SUCI, today staged black flag demonstrations and blocked roads at Ultadanga and in front of Airport Hotel protesting against the World Bank president, Mr Lewis Preston's meeting with the chief minister, Mr Jyoti Basu.

The police rounded up 72 persons, including the expelled CPI(M) leader, Mr Badshah Alam, for blocking roads in different parts of the city.

Trouble started at 11 am when about 150 SUCI activists, waving black flags and shouting anti-CPI(M) slogans squatted on the road at Ultadanga, near Hudco, disrupting traffic for an hour. Senior police officials resorted to a lathicharge and the blockade was lifted after half-an hour.

Trouble also broke out in front of Airport Hotel while the World Bank president was on his way to the chief minister, Mr Jyoti Basu's residence at Salt Lake. The police lifted the blockade by resorting to a lathicharge.

Later, the SUCI and the CPI(ML), condemned "the police reaction on peaceful demonstrators" and strongly criticised the state chief minister's meeting with the World Bank president.

2258/26

World Bank president Lewis Preston speaking to West Bengal chief minister Jyoti Basu at Mr Basu's residence in Salt Lake on Sunday. A Telegraph picture by Nibmajendu Majumdar

Preston praises WB schemes

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Mr Preston, who arrived here in a special aircraft from Bombay along with his wife and other senior World Bank and Union [illegible] Basu's residence for about 40 minutes. While he was busy with the chief minister, Mrs Preston visited the Missionaries of Charity on A.J.C. Bose Road and met Mother Teresa. The World Bank president left with his entourage for Dhaka after his meeting with Mr Basu.

In newsmen at the chief minister's residence, Mr Preston said the meeting was constructive in general [illegible] ideas on how the World Bank could be more useful to West Bengal.

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When asked about his reaction to the Left Front government's opposition to the Centre's current economic policy, Mr Preston [illegible] decentralisation through panchayats, the discussions revolved mainly round the World Bank credited ongoing projects in the state. Mr Preston also praised the West Bengal government for its achievement in implementation of the projects, the minister said. Dr Dasgupta quoted Mr Preston as saying: "You are going ahead of other states."

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Statesman (Calcutta) Nov 16, 1990.

Black flags, protests greet Preston

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Later, the SUCI said, "the reaction on peaceful demonstrators" and strongly criticised the state chief minister's meeting with the World Bank president

2258/11

INDIAN EXPRESS, NOV 15, 1991 (BOMBAY)

Narmada Bachao Andolan leader Medha Patkar being dragged inside a police van, in front of the Taj Mahal Hotel, on Saturday evening, when she along with other activists staged a rasta roko — Express photo Neeraj Priyadarshi

Protests greet Preston

EXPRESS NEWS SERVICE

BOMBAY - The Narmada Bachao Andolan (NBA) and more than 20 other environmental, tribal and social action organisations and women's groups welcomed the World Bank President Louis Preston on his visit to the city Saturday with a day-long dharna and protest demonstrations.

About twelve activists of the NBA were also taken into custody by Gamdevi police for violating prohibitory orders by demonstrating outside 'Varsha', the official residence of the Chief Minister, where Mr Preston had concluded a meeting with Mr Sudhakarrao Naik.

Though the demonstrators reached the site too late to catch the World Bank President, they decided to register their protest against the Chief Minister for holding talks with Mr Preston, said anti-dam leader Medha Patkar.

Later addressing a press conference, Ms Patkar said that the World Bank President was obviously 'scared of the people's agitation'. The Governments of Maharashtra and Gujarat also want to keep him away from the project-affected people so that he obtained a 'clean' picture of the vexatious Narmada dam issue, funded by the World Bank.

Mr Preston's scheduled visit to Gujarat's Kevadia Colony was also cancelled after the clearing of [illegible] for his visit sparked off angry protests by dam oustees, Ms Patkar said.

Asked whether the NBA viewed his avoidance of a meeting with the anti dam activists as a pointer to the final result of the six-month waiting period, wherein the Bank would continue its funding for the controversial project, Ms Patkar said that indications were already available by the new bench marks set for the project. However, 'it is not going to be so easy', she said.

In any case, he could only produce a 'fake report by sitting in Taj Hotel and Varsha', she said. World Bank funded projects brought untold misery to millions of Indians and more such aid would push more citizens to poverty and deprivation.

In an open letter to Mr Preston, they said that the Bank's own operation manual aimed at giving displaced persons a higher standard of living but due to faulty implementation or inadequate monitoring of projects, the only result was misery and destruction.

2258/10

THE HEAVY HAND OF THE LAW: Narmada Bachao Andolan activist Medha Patkar being dragged along the ground by her hair to the waiting van after police violently broke up a peaceful demonstration by the greens over World Bank president Lewis Preston's refusal to meet them. This picture was taken by our staff photographer JAYANTA SAHA who was also beaten up in the melee.

SUNDAY OBSERVER, NOV. 15-22, 92

Bombay police go on the rampage

By OUR CORRESPONDENT

BOMBAY, NOV 14: In a violent attack on Narmada Bachao Andolan activists peacefully protesting World Bank president Lewis Preston's refusal to meet them, police of the Colaba Police Station first lathi charged and then arrested several persons demonstrating outside the Taj Mahal hotel here this evening, where the WB chief is staying.

Among those taken into custody was the well-known environmental activist Medha Patkar. Also arrested were two journalists Rahul Goswami of *The Sunday Observer* and Hemant Pithwa, a photographer with *India Today*.

The activists had gathered to gain audience with the World Bank president Lewis Preston who had agreed to see them. Then, according to an Andolan spokesman, Preston sent word that he and his wife wouldn't be able to meet the delegation because they were attending a fashion show.

Andolan members had first lined up along the road divider and then decided on a rasta roko in protest against this. At 6 pm, the police swung into action with their lathis without an attempt at negotiating with protest leaders or a warning. Several persons including Patkar were dragged by their hair along the ground - and not by women cops - and forced into waiting police vans.

Also caught up in the melee were several members of the city's press corps. While Rahul Goswami of this paper was stripped of his shirt and beaten by the cops, Hemant Pithwa of *India Today* had his cameras snatched away for daring to take pictures of the event. While they were the only two journalists arrested, several others, mainly photographers, were also hit in the police's attempts to stop them photographing the unprovoked lathi charge on the demonstrators.

Both arrested journalists were charged with obstruction under IPC 114 and later released on bail.

As this paper goes to print, the Bombay city press is considering boycotting the president's visit to Bombay beginning tomorrow as a protest against today's police high handedness towards journalists performing their duty.

Economic Times (Calcutta)
Nov 16, 1992

2258/23

Gujarat hails World Bank chief's decision to continue aid to SSP

Press Trust of India
BARODA 15 NOVEMBER

NON GOVERNMENT organisations, trade and business organisations and political workers in Gujarat have hailed the announcement of World Bank president Lewis Preston that the Bank would continue to fund Sardar Sarovar Project across the Narmada river at south Gujarat's Kevadia village, about 130 kms from here.

Speaking to reporters in Bombay on Saturday, Mr Preston ruled out suspension of funds to the multi crore project asserting that "the project is very important to the people of India".

Welcoming Mr Preston's statement Gujarat Congress(I) committee president Prabodh Rawal hoped that wiser counsel would prevail among those opposing the project "just for Opposition's sake as it is the life line of Gujarat".

Mr Preston hoped that new targets for implementation of the project would be met. There were mistakes in the past on the part of both the Bank and state governments. "But we have come up with a sensible programme which will require implementation over time," he added. He hoped that the states involved would work towards realisation of the project.

The WB had committed $450 million as to the project of which $367 million had been given and $40 million was to be disbursed in six months before another review mission visits the dam site in April next.

Shramik Vikas Sansthan, Anand Niketan Ashram, Federation of Gujarat Mills and Industries, Central Gujarat Chamber of Commerce, Narmada Abhiyan Samiti and many other organisations supporting the project praised Mr Preston's announcement.

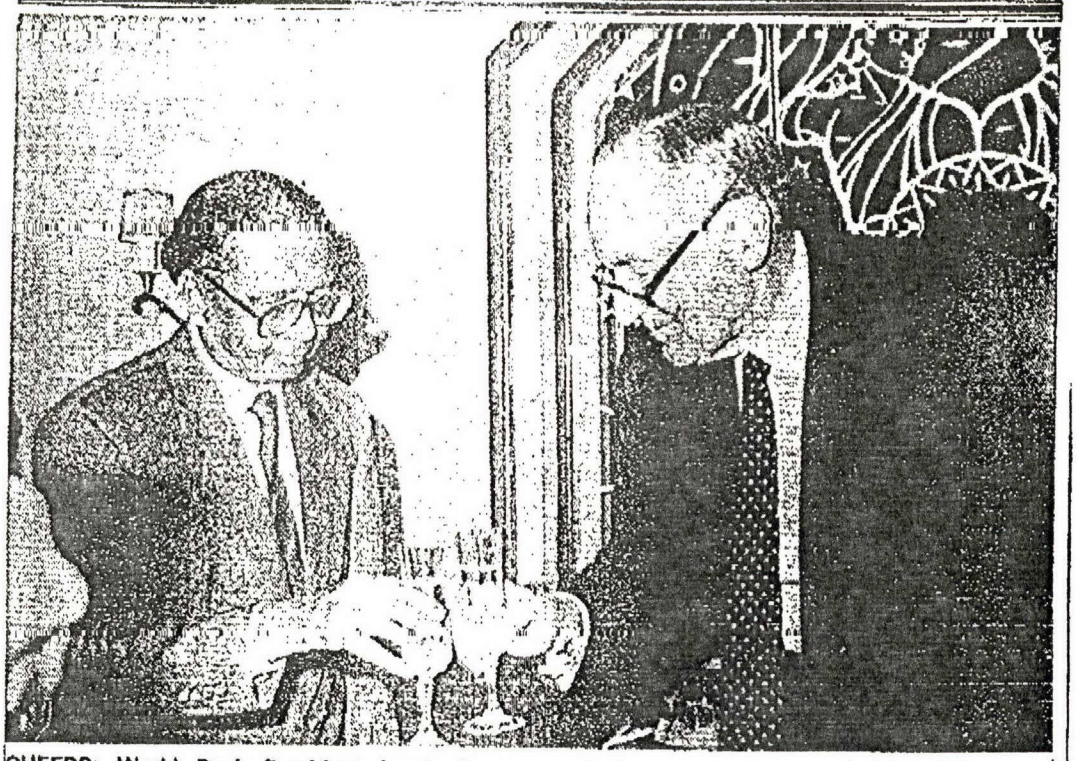
However, they criticised WB for carrying out fresh review of the project in April 1993 on grounds that it would affect the project implementation.

The organisations supported Gujarat chief minister Chimanbhai Patel and Mr Rawal for their stand that there was no question of reviewing the project as Gujarat government had initiated all steps needed to implement rehabilitation and resettlement schemes for project oustees.

WB had sent its teams of experts in various disciplines to study safety, economic viability, efficiency of water use, sustainibility of irrigation, environmental and rehabilitation aspects and other related issues. Only after proper scrutiny of each issue, WB had decided to provide aid which amounted to hardly 15 per cent of total project cost.

Following the Morse Committee report, the Bank had decided to attach the condition of an action plan to continue aid. The people of Gujarat would not accept aid at the cost of their self respect, they added.

-2258/14



CHEERS: World Bank President Lewis Preston and Reserve Bank of India Governor S Venkitiramanan raise a toast at the Taj Mahal Hotel yesterday. But with runaway inflation, what they were toasting is anybody's guess. Atleast Medha Patkar wasn't amused. [See story below]. *Picture by M M Shirodkar.*

PROTEST BE DAMNED

[redacted]

THE PROTESTERS were peaceful — it was the police that turned violent, without apparent cause.

One hundred and fifty Narmada Bachao Andolan activists led by Medha Patkar, Arundhati Dhuru and Mani Mistri arrived outside the Taj [illegible]

When Patkar's attempt to meet Preston ended in failure, the NBA activists staged a rasta-roko outside the hotel.

At this point the police, present in force, moved [illegible] indiscriminate lathi-charge that took no account of bystanders's affiliations.

Even as the activists bore the brunt of the police charge, Rahul Goswami of the *Sunday Observer* was also at the receiving end of some blows. Despite loudly asserting that he was a member of the press covering the protest, Goswami was badly beaten, his T-shirt torn. He was finally dragged into [illegible] volunteers.

Hemant Pithwa of *Business Today*, who also proclaimed his press identity, was also set upon. After being roughed up, Pithwa too was hauled off to the Colaba police station.

World Bank president Lewis Preston with West Bengal Chief Minister Jyoti Basu at his Salt Lake residence on Sunday. Bank vice-president D J Wood is also present

Preston meets Basu, woos the Left

By A Staff Reporter

In what is seen as a World Bank move to bend if not break the rigid public stand of the CPI(M) on economic reforms, Bank president Lewis T Preston's made a special stopover in Calcutta to meet Chief Minister Jyoti Basu on Sunday.

Though, later, while speaking briefly to reporters, Preston refused to comment if they had discussed economic reforms, it is widely known that the World Bank is keen to have the left on the side of the present Union government so that the reforms can go on.

The urgency is all the greater as the P V Narasimha Rao government is under threat from the BJP and needs left support to survive. The role of the left is seen by the World Bank as crucial.

The Bank started wooing the left a while ago, when some senior Bank officials paid a secret visit to the Citu office in Delhi in an attempt to gauge the leftists' mood on the question of reforms. Until then, it was unthinkable that the Bank would condescend to talk across the table with the leftists.

Publicly, the left, particularly the CPI(M), has maintained a belligerent stand on reforms, rejecting them as a World Bank-IMF

Continued on Page 2

Preston meets Basu, woos Left

Continued from Page 1

pill which India can ill-afford to swallow.

However, apart from the rhetoric - even now the CPI(M) holds daily public meetings in Calcutta to rubbish the reforms - the CPI(M) has done nothing to really stop the Prime Minister in his tracks.

Jyoti Basu has played a more positive role in this than his other party colleagues. The state has for some time been trying to offload some of government owned units. But success has eluded it largely because of opposition from party hardliners.

The World Bank has obviously taken note of this. Therefore, Sunday's meeting between Preston and Basu cannot be viewed merely as a courtesy call or to review World Bank projects in the state as both Preston and finance minister Asim Dasgupta claimed.

For record, however, Dasgupta who was present at the talks, later told newsmen Preston was full of praise for West Bengal's panchayat system for the implementation of minor irrigation and other rural development projects.

In the meeting Preston was accompanied by one of the World Bank vice-presidents, D J Wood. West Bengal chief secretary N Krishnamurthy were also present.

PTI and UNI add: Dasgupta quoted the president as having said that West Bengal was ahead of the other states in many spheres.

(CALCUTTA)
BUSINESS STANDARD
NOV 16. 1992

2258/12

World Bank President Lewis T Preston with Chief Minister Sudhakarrao Naik and Bombay Sheriff Bakul Patel, at *Varsha*, on Saturday. — Express photo Reporter

Unused WB funds for social sector likely

EXPRESS NEWS SERVICE

BOMBAY - The World Bank President Lewis Preston on Saturday agreed in principle with Prime Minister Narasimha Rao's [illegible] component of IDA (International Development Association) funds for the National Renewal Fund (crucial for implementation of the much awaited Exit Policy) and other socially relevant development programmes.

Mr Preston however included a proviso stating that this (redeployment of funds) would have to be done in consultation with the donor countries and expressed the hope that these nations will agree to the concept. Mr Preston added that the issue was not confined merely to India's specific needs but was also a key input for other developing countries.

Referring to the Bank's lending programme to India, Mr. Preston said, in addition to the assistance promised for financial sector reforms and the NRF, the Bank would consider granting a trade adjustment loan of upto US $ 500 million for bridging the gap in the balance of payments. However, this assistance will be linked to the proposed reduction in the import tariffs.

Addressing a press conference here, Mr. Preston revealed that the Bank is satisfied with the pace at which the reforms are being carried out in the financial sector. He was hopeful that the Bank would consider US $ 500 million loan promised earlier to meet the cost of financial sector reforms. In fact, the Bank so far, was reluctant to make any commitments on grounds that the Government was going slow on reforms.

Mr. Preston added that he was heartened by the progress made had "the Indian government's commitment to deepen and broaden the on going reforms. There is a clear understanding that the forward movement has to be sustained because it would very costly if it is lost. Sustainability was therefore terribly important in an adjustment programme."

In his meeting with Mr Preston in Delhi earlier this week, Mr Rao [illegible] Bank's [illegible] available for funding social development programmes. Out of the $ 16.2 billion approved by the Bank for India upto June 13, 1992, the undisbursed loans amounted to $ 6.576 billion.

In fact, the International Development Association had early this year warned India and other South Asian countries that there would be a significant drop in aid from IDA in future unless they enforced speedier utilisation of the unused funds.

The World Bank chief appreciated India's cautious approach to external borrowings and hoped that with the improvement in domestic savings, capital flow and foreign investments as a result of reforms, the continued dependence on external assistance would be reduced.

In his statement issued to the press, Mr. Preston said, "I have been impressed by the support which the representatives of the private sector, whom I have met, have expressed for the Government's reform actions. They fully understand the need for these actions and are eager to work with the Government."

Mr. Preston said the Government, both at the federal and the state level have an essential role to play in developing India.

Significantly, Mr. Preston explained that the Bank shares the Government's concern that the poorest segments of the society should not bear a disproportionate share of the cost of adjustment. Earlier in the day the World Bank chief met Maharashtra Chief Minister Sudhakarrao Naik and reviewed the progress of various World Bank assisted projects and also visited Dharavi, the site of a massive bank-assisted housing project.

INDIAN EXPRESS
(BOMBAY)
NOV 15 1992

22581/9

SUNDAY OBSERVER
NOV 15-22, 1992

Preston pledges support

By OUR CORRESPONDENT

BOMBAY, NOV 14: The World Bank is favourably inclined to extend trade adjustment loans to the tune of $500 million to India provided the import tariff is brought down, World Bank President Lewis Preston stated here today.

Addressing a select group of joufhalists he said that the World Bank is proposing this facility as a sop to the private sector. Replying to a question as to whether the World Bank was dictating the monetary pol icy of India, Preston said that if it was so he probably would have not come to India, adding that the bank was satisfied with the "level of commitment of the Indian government in their structural reforms and the World Bank would continue to support India."

Asked why the loan worth $500 million dollars which the World Bank had agreed to extend to the nationalised banks in India was not released as yet, Preston said that the government of India was yet to initiate banking reforms agreed as a precondition to loan.

Preston also indicated that India would have no problem in availing further World Bank loans or any other form of assistance. "They have the capacity to borrow and India will, in fact, be borrowing $2 billion more than they wanted to borrow from the International Monetary Fund this year," he said.

He however cautioned that the size of the foreign debt was not the issue but what was import was how it was utilised. Foreign debt linked to export earnings would be acceptable while the barometer of debt linked to an increase in domestic savings may not be accepted. Foreign debt should result in higher capital flows preferably in the form of foreign direct investments (FDI) being 'the best kind of flow'.

On the controversial Sardar Sarovar Project, Preton reiterated the view that no further assistance would be possible in case the project authorities do not meet the May 1993 deadline adding that a report of the Independent Review Commission was not favourable to India.

On the crucial question of whether the World Bank would would permit the unutilised funds committed to previous programmes to be transferred to the National Renewal Fund, the World Bank president said he was hopeful that such a policy would be decided upon by the bank's board, though the issue mainly concerned the International Development Assistance (IDA) projects requiring IDA donors to take a common view of the problem, he said.

20587

The State Chief Minister greeting Mr. Preston at 'Varsha' on Saturday.

Preston agrees to PM's plea

Unused IDA funds for NRF likely

FE Bureau

BOMBAY, Nov 14

THE World Bank President, Mr. Lewis Preston, today agreed to consider the Prime Minister, Mr. Narasimha Rao's request to make available the unutilised International Development Association (IDA) funds for the National Renewal Fund (NRF) and for other social development programmes.

Mr. Preston, however, said this was an issue not confined only to India but applicable to several other countries as well. Besides, he calls for redeployment of IDA funds which needs to be done in consultations with donor countries. He hoped that the donor nations would agree to this suggestion.

Mr Rao during his meeting with Mr. Preston on Thursday had suggested that the unutilised IDA funds should be made available for financing and social development programmes. Out of the $ 16.2 billion approved by the Bank for India upto June 13, 1992, the undisbursed loans amounted to $ 6.576 billion.

In fact, the IDA had early this year warned India and other South Asian countries that they would get less aid from IDA in future unless they made use of the huge amounts of unutilised fund.

Referring to the Bank's lending programme to India, Mr. Preston said, in addition to the assistance promised for financial sector reforms and the NRF, the Bank would consider granting a trade adjustment loan of upto US $ 500 million for bridging the gap in the balance of payments.

However, this assistance will be linked to the proposed reduction in the import tariffs.

Addressing a Press conference here today, Mr. Preston said the Bank is satisfied with the pace at which the reforms are being carried out in the financial sector. He was hopeful that the Bank would consider US $ 500 million loan promised earlier to meet the cost of financial sector reforms. In fact, the Bank so far, was reluctant to commit funds on the grounds that the Government was going slow on reforms.

Mr. Preston said, he was heartened by the progress that has been made and by the evident commitment on the side of the Indian Government to deepen and broaden the on-going reforms. There is a clear understanding that the forward movement has to be sustained because it would prove very costly if it is lost. Sustainability was therefore terribly important in an adjustment programme," he added.

Appreciating India's cautious approach to external borrowings, the World Bank president hoped that with the improvement in domestic savings, capital flow and foreign investments as a result of reforms, the continued dependence on external assistance would be reduced.

In a statement issued to the press, Mr. Preston said, "I have been impressed by the support which the representatives of the private sector, whom I have met, have expressed for the Government's reform actions. They fully understand the need for these actions and are eager to work with the Government."

Mr. Preston said the Government, both at the federal and the State level have an essential role to play in developing India's infrastructure and

(Continued on page 14 Col. 4)

FINANCIAL EXPRESS (BOMBAY)
NOV 15, 1992

22588

Preston's visit

(Continued from page 1, Col. 7)

able factors having a great bearing on economic growth. (See World Bank Papers by Arrau, Romer and Rebello).

The basic values such as honesty and hard work pays, punctuality, diligence and team work wins and that knowledge is power are missing in the Indian social system. An Indian student is more than a match in all these than anyone in the World. But later on in the system that only promotes the negative aspects he seems to lose all these. It is these aspects that the Government and parliament should concern more than getting worked up over the unfair competition from foreign banks and companies if India has to catch up with the rest of fast growing countries.

Mr Preston's observation that the Indian industrialists are confident of facing competition from foreign companies is corroborated by official sources who find greater enthusiasm among the younger than the older generation of Indian industrialists for the reforms. The fears of top politicians and political parties of impending invasion by the multinationals may be unfounded for the time being as these foreign investors have greener pastures elsewhere but might become real after a few years particularly if the Indian sectors does not gear themselves for higher performance efficiency in the meanwhile.

The attendant corruption in high places is another aspect that should cause concern. The Joint Parliamentary Committee is rightly addressing itself to this question. According to informed sources another cabinet minister from south is likely to fall a victim. Beyond this they seem to have no big catch. The bank scam basically seems to be a system failure. But the malaise is much deeper than what the Finance Minister seem to discern. The present Government, however, lacks the guts to take drastic reform measures and action as one of the usually ebullient ministers seem to have openly questioned at a recent Cabinet meeting presided over by Mr. Narasimha Rao.

Another major concern of Preston was the social cost involved in the adjustment programme. This naturally has political overtones. The Government is not in a position to do away at one go the huge subsidies on fertiliser and power. The dual pricing in fertiliser that the Prime Minister insisted last year to protect the small farmers did not work and has been given up. The small farmers are proposed to be given benefits by other ways. The Prime Minister now had to call a meeting of Pradesh Congress Committee Presidents to oppose total withdrawal of subsidy on fertilisers. The steep increase in fertiliser prices recently effected seems to have raised uproar from farmers in all the states. It is not that the World Bank is not aware of the political problems involved in the implementation of adjustment measures. In their report on the implementation of the Banks adjustment programme, there is a realisation that stabilisation measures in economies like India affected by steep fiscal deficits, inflation and balance of payment imbalances must precede the structural and sectoral reforms like the public sector pricing and financial sector reforms.

So when Mr Preston has praised the achievements of the Government in stabilising the economy, he is only hinting that the other reforms are over due now. The Bank puts not only stability but predictability of the economy as a precondition for the further stage of reforms. (See World Bank paper: Adjustment Programs - Rationale and Main Results-1991).

Whether the Indian economy at present satisfies these two conditions or not, the Finance Ministry is claiming that it has and is confidently predicting that the inflation rate would come down to eight per cent by this financial year and would by next year further go down to four to five per cent and that the GDP growth has climbed from the low of 2 per cent last year to 3.5 to four per cent this year and will touch five per cent next year. Though there seems to have been no major success in cutting down non-plan expenditure, it is claimed that fiscal deficit will be contained at five per cent of GDP. The Ministry seems to be making a strong case for further reforms.

With the Uruguay Round of trade negotiations now on the brink of collapse, the Finance Ministry seems to have demanded modification in the Bank's project lending into quick disbursement loans. The quantum of aid of $ three billion per annum for next thee years, most of it by way of quick disbursements, might not be large but will be necessary for India to implement the reforms as failure of Uruguay Round might adversely affect the export target.

Mr Preston, however, only agreed to sanction $500 million this year for the safety net programmes as demanded by Prime Minister Narasimha Rao if that emboldens the Government for further quick reform programmes. There are differences between the older and younger generations within the ruling party on the speed of further reforms. The Bank obviously would like to support the latter view.

2258/25

TELEGRAPH
(CALCUTTA)
NOV 16, 1991

Mrs Gladys Preston, wife of Lewis Preston, with Mother Teresa at Nirmal Hriday on Sunday. A Telegraph picture by Rajib Du

■ Report on Preston's visit to the city, another picture on P 6

Preston's wife meets Mother

BY A STAFF REPORTER

Calcutta, Nov. 15: "A word of love sometimes works more than anything else," Mother Teresa said to Mrs Preston, wife of the World Bank president, Mr Lewis Preston, today.

Mrs Preston visited Mother Teresa at the Missionaries of Charity on A.J.C. Bose Road while her husband was busy in a meeting with the chief minister, Mr Jyoti Basu.

During the brief meeting which lasted about half-an-hour, Mother Teresa and Mrs Preston discussed a wide range of subjects, including problems relating to AIDS. Both expressed concern over the dreaded disease.

Mother Teresa received Mrs Preston with her characteristic love and affection. Mrs Preston expressed deep admiration for the selfless and dedicated service rendered by the sisters of the Mission. Before leaving, Mrs Preston, along with Mother Teresa paid a visit to the Shishu Bhavan.

Economic Times (Calcutta)
Nov 18, 1992

2258/24

Primarily, education

THE VISITING World Bank president, Mr Lewis Preston, has expressed concern at the reduction in social spending. He is right to be concerned. Health and primary education have been paid scant attention by the authorities in the past. The result is a population which is is not only generally in poor health, but also illiterate by and large. It is difficult to say which is the bigger problem. But on balance, it would appear that it is the latter. The figures speak for themselves. A mere 3.03 per cent of GNP is allocated for education, of which a small amount is spent on primary education the rest being earmarked for higher education. This in spite of the fact that in the 1960s, the Kothari Commission had recommended earmarking 6 per cent of GNP for education. Not only was this not done, in the last 40-odd years the share of primary education has come down from 56 per cent to 29 per cent, while for higher education it has gone up from 18 per cent to 44 per cent. This bias towards higher education at the cost of primary education lay in the belief that by giving major attention to professional and technical education the commanding heights of the economy could be scaled. Instead, today the country has the dubious distinction of being second only to China in the number of illiterates. Yet, 41 per cent of China's spending is on primary education while India's is 27 per cent. The government is aware but lacks a clear strategy.

Education is a long-term investment and fire-fighting techniques — such as the much-vaunted literacy missions, are no solution. It is a slow and gradual process where people need to learn more than just how to sign. The purpose must be to upgrade human capital and there is no better way of doing this than educating the people. The process must start with primary education. This basic fact appears to have escaped the attention of successive governments. The consequences can be seen in the drop-out rate. The pattern among the Asian countries reveals a big difference in proportion of grade I entrants who reach secondary school. While Korea and Malaysia have a survival rate of about 40 per cent, India has just about 12 per cent, lower than even Nepal. The periodic rush of blood that governments have only seem to make matters worse, in as much as everyone thinks something is being done. Operation Blackboard launched with fanfare during Rajiv Gandhi's tenure included improvement of school buildings in its programme. However, that received little attention with the result schools receive teaching material which remain packed because of lack of safe, convenient space. According to a recent all-India survey conducted by the NCERT around 57 per cent of primary schools lack roofs and around 8 per cent function in open spaces. In the present circumstances of fiscal austerity, it is essential that the government reduces the subsidy for higher education. The system that replaces it should be one of merit-based scholarships and bank loans, which can be paid by the employer directly after the student gets a job. Also, the rich must pay for higher education what it costs.

In this context the extra funds promised by the World Bank could come in useful provided they are used to educate the children and not pay non-functioning or non-existent school teachers. Primary education is not a glamorous subject but it is critically important. It must rank, in terms of priorities, along with things like national security.

This news item appeared on page of the November 15, 1992 issue of

TIMES OF INDIA (India)

I'm impressed, says Preston

By Business Times Staff

BOMBAY, November 14: The Indian government must announce a transparent schedule for reduction of import tariffs and other taxes, which will enable the Indian industry to understand exactly what kind of external competition it can expect, and when. This is the message which Mr Lewis Preston, president of the World Bank, conveyed at a press conference here today.

The World Bank president said he was satisfied with the reforms. However, he said loans of upto $ 500 million each to compensate the govetnment for revenue losses caused by future import tariff reductions and to enable it to push financial sector reforms would be considered only as and when cleared implementation plans are worked out in these areas.

Mr Preston said the purpose of his visit to India was to gauge the commitment of the Indian government to the economic reforms. His conclusion: I'm impressed with the government's commitment and determination to continue with the reform process. It has the political will to do so, and the world bank will support it fully".

The World Bank president said he met members of the opposition too, and, surprisingly, "I sensed that political opposition has real enthusiasm for the course the country is on. I expect that to continue — and that is very important. For a stop-go programme would not be good for the country".

According to Mr Preston, who believes that sustainability is terribly important in a reform programme, it is vital for the government to ensure that the process does not cause avoidable hardship to people. In this regard, he expressed a sense of gratification at the concern being shown by the central and state governments.

A suggestion made by the Prime Minister, Mr Narasimha Rao, in his discussions with Mr Preston in New Delhi, may find a favourable response. The PM wants the government to be allowed to use unused funds from bank-aided projects for adding to the National Renewal Fund (NRF), the social safety net which has been proposed to mitigate the difficulties created by structural changes in the economy.

The only problem with the suggestion is that these funds are provided through the concessional lending programmes of the International Development Agency (IDA), and the permission of the donor countries will have to be sought for the excess funds to be utilised for purposes other than the projects for which they were originally sanctioned. But the bank president was hopeful that the donors will agree to the PM's request.

Mr Preston said that he agreed with the government's gradualistic approach to the removal of subsidies.

The World Bank president also stressed the importance of the infrastructure. His discussions with the Maharashtra state government today covered possible bank support for the power sector as well as for housing development and literacy programmes. Oil is another sector where we are very enthusiastic, said Mr Preston, because investments in it will help the country manage its foreign exchange expenditure better.

According to Mr Preston, the World Bank considers the Narmada Dam an important part of the country's effort to build its infrastructure and despite the MORSE report, it will not suspend aid for this project.

Mr Preston said narmada was important for the people of India. The bank has had detailed discussions with the Centre and the concerned state governments, and now, more realistic targets have been worked out, which are expected to neutralise the adverse impact on the people displaced by the dam. The bank board will insist on suspension of aid if these targets are not met, he said.

While he was addressing the press conference, villagers from the areas affected by the Narmada project gathered outside the hotel and shouted slogans against the World Bank.

This news item appeared on page of the November 16, 1992 issue of

INDEPENDENT (UK)

WB to help 'meet nation's needs'

CALCUTTA: World Bank President Lewis T Preston yesterday reiterated assurances of full support to India to meet the country's exceptional needs for the implementationn of the economic reforms underataken by the government, report UNI and PTI.

Preston rounded off his six-day visit to the country with an hour-long meeting with West Bengal Chief Minister Jyoti Basu at the latters residence. State Finance Minister Ashim Dasgupta, who was present at the meeting, told newsmen that the World Bank chief had appreciated the West Bengal government's scheme of decentralisation adopted through panchayats, adding there had been a threadbare discussion between Preston and Basu on this aspect. He said at one stage a member of Preston's team had remarked that the West Bengal government was well ahead in many spheres. The world bank vice-president, its resident officer and a union finance ministry official were also present during the talks.

The police yesterday rounded up 58 supporters of the association for protection of human rights for holding a black flag demonstration during Preston's brief visit to the city.

The demonstrators, some of them also stated to be supporters of the Indian People's Front, a naxalite faction, had assembled at the VIP road area where they suddenly waved black flags and shouted slogans against Preston's visit. They were immediately whisked away by the police.

Preston's wife, Gladys P Preston, called on Mother Teresa and visited the missionaires of charity for destitutes.

Rahman Jahangir reports from Dhaka: Angry protesters here yesterday fruitlessly tried to break tight police cordon to hold demonstration in front of local office of the World Bank when its president arrived in the Bangladesh capital on a three-day official visit.

'Down with the World Bank imperialism,' said one of the placards carried by about 500 protesters belonging to the Democratic Students Organisation.

The militant demonstrators were restrained by armed police battalions, but they chanted slogans like 'shame to World Bank interference in Bangladesh,' 'Preston go back home.'

Preston was received at the Zia International Airport by Finance Minister M Saifur Rahman.

In a brief statement, the World Bank president said his organisation will work closely with Bangladesh in poverty alleviation and economic reforms.

Meanwhile, a series of seminars were organised here yesterday to decry the World Bank 'prescriptions' for Bangladesh, pressurising Prime Minister Begum Khaleda Zia for large scale privatisation and terminalion of jobs of an estimated 3,00,000 excess workers in public sector units.

The militant Sramik-Karmachari Oikya Jote (workers employees unity council) called a 48-hour continuous general strike throughout Bangladesh from November 20.

This news item appeared on page 24 of the November 15, 1992 issue of

HINDUSTAN TIMES (India)

$ 500m WB loan likely

HT Correspondent

BOMBAY, Nov. 14

World Bank chief Lewis Preston said here today that his organisation is likely to extend a trade adjustment loan of upto US $ 500 million to India to assist her to tide over its problems relating to necessary imports.

He was convinced that if the ongoing reforms were sustained, India would be able to significantly accelerate its social and economic development.

Mr Preston said the beneficiaries should bear a part of the cost of the projects of benefit. This meant that the World Bank (WB) is for the imposition of "betterment levy" on all beneficiaries of Government created infrastructure, like irrigation systems and power projects, both for the industrial and the agricultural sectors.

Mr Preston, who was addressing a Press conference said that a pragmatic policy for India would be encouraged to direct foreign investments in the country instead of looking for foreign exchange borrowings.

Replying to a question, he said that Narmada dam project had assumed emotional dimensions and all concerned could not be satisfied on this issue. He added, realistic and achievable targets have been fixed and are being formulated for this important project and the position would be reviewed by the World Bank in May next year.

Referring to various World Bank-aided housing projects in this (Bombay) slumpolis, where half of the over ten million population lives in the slums, Mr Preston expressed satisfaction over the pace of work and the enthusiastic response of the people. He, however, was not happy with the decline in Governmental efforts in the implementation of social welfare programmes.

He said, it was not true that the World Bank tried to dictate policies and programmes to Government of India. He added, he was impressed with the determination with which the Government was pushing up the programme. He added, the necessary political will was evident. The World Bank would continue to support these efforts. He was optimistic about the withdrawal of all subsidies in a year or two. He considered, the subsidy system as "unwise and unrealistic".

He said, heavy defence expenditure was a worldwide phenomenon. It is a cause of concern but the problem had to be resolved on regional basis, so that more funds could be available for development and social programmes.

The World Bank has been actively supporting the impressive measures adopted by India over the past 18 months to stabilise and reform economy. He was happy over the implementation of these reforms and was convinced that no efforts would be spared to deepen and broaden the ongoing reforms. There is a clear understanding on part of the Government that the forward momentum, in this area, had to be sustained.

He said, he was equally impressed with the reaction of the private sector to the Government reform actions. The private sector fully understood the need for these reforms and is eager to work with Government to generate the supply responses.

The private sector representatives had emphasised to him their readiness to make the often difficult and risky adjustments in their own corporate plans in response to the challenges that the competitive environment poses to them. In return, they have asked the Government for clear signals about the direction of the reform programmes and for increased attention to the costly infrastructural bottlenecks confronting India's private sector.

Mr Preston said, the Government, both at the Central and State levels, has an essential role to play in developing India's infrastructure and in investing in its people. Each of the State, he visited presented an impressive list of infrastructure projects for the Bank to consider. He assured them that the World Bank would assist when it could, but India would have to recover more of the costs of investments from those who directly benefit if it is to sustain a reasonable level of investment in vital infrastructure. Electric power is a good example, similarly in the social sector the Government has a vital role.

Impressed by the determination of the Prime Minister, the Union Finance Minister and the Chief Ministers he had met, not merely to sustain but actually to increase investments in primary health, education and other social programmes, the Bank, he said, shared the Government's concern that the poorest segments of society should not bear a disproportionate share of the cost of adjustment. World Bank would support the Government's efforts to increase funding and improve the effectiveness of the core social programme.

He said, heavy defence expenditure was a world-wide phenomenon, it is a cause of concern but the problem had to be resolved on regional basis, so that more funds could be available for development and social programmes.

Referring to the financial reforms, Mr Preston said that the World Bank has been actively supporting the impressive measures adopted by India over the past 18 months to stabilise.

This news item appeared on page of the November 15, 1992 issue of

ECONOMIC TIMES (India)

World Bank may lend up to $500m as trade adjustment

ECONOMIC TIMES, NOV 15, 1992

Our Bombay Bureau

BOMBAY 14 NOVEMBER

WORLD Bank president Lewis Preston, on Saturday, indicated that the Bank was willing to provide a loan of up to $500 million as a trade adjustment loan. This would help ease the strain on government revenues following reductions in import tariffs.

He said it was important that the trend in import tariff was made clear to industry so that it could prepare itself for competition.

Mr Preston said the bank would be willing to consider the $500 million Financial Sector Adjustment Loan (FSAL) and said the pace of reforms was satisfactory. He was happy with the level of commitment of the government.

It was necessary, he felt, that inefficiencies in the system were removed and was pleased that the government was moving ahead with the reforms. Subsidies, he hoped, would be completely removed in a year or two, saying it was quite unrealistic to eliminate them at one stroke.

Talking of the exit policy, the World Bank president said, that it was a long-term goal and he had no doubts that the government would come up with a policy in time. Social safety net schemes would give both public and private sector corporations greater flexibility.

Asked whether the bank would allow the government to utilise the unused aid of roughly $6 billion for the National Renewal Fund, Mr Preston observed that the donors of International Development Association (IDA) to whom the funds belonged, would find the NRF programme satisfactory.

The World Bank president was glad that the government had exercised caution in making overseas borrowings and said it was a sensible move. It would not be prudent to increase borrowings while the export scenario was still unclear, he felt. He hoped that the new measures taken by the government would boost inflows of capital, which were the best form of borrowings. As for cutting defence expenditure, Mr Preston hoped that a regional solution would enable the government to bring down its expenditure on this front.

Commenting on the Sardar Sarovar Project, Mr Preston said that while it may have been easier to suspend the project as recommended by the Morse Committee, the Bank did not feel it would be the right thing to do. Both the Bank and the state governments may have made mistakes in the past but a sensible programme had been drawn up. He indicated that if the government could not meet the targets laid down by the Bank, then the Bank might have to suspend the loan.

Speaking of his meetings with opposition parties, he said the opposition was enthusiastic about the course which the country was pursuing, adding that he expected the enthusiasm to continue.

PTI adds: Referring to the unutilised funds, Mr Preston said: "It is a common problem with several countries, but in India's case the quantum is significant. I am hopeful of a positive response to Indian prime minister's request at the forthcoming meeting."

Mr Preston said that he was impressed with the government's level of commitment and determination to continue the reforms, but "there is a tendency to relax". Sustainability was, therefore, "terribly important in an adjustment programme," he remarked.

As the World Bank president renewed commitment to the project, activists of Narmada Bachao Andolan staged a noisy demonstration outside the hotel where the briefing was held, raising slogans. Mr Preston said the project had become "an emotive issue, I don't think we can satisfy everybody". He hoped that the states involved would work towards realisation of the targets.

This news item appeared on page of the November 15, 1992 issue of

PATRIOT (India)

Positive response soon: Preston

Bombay, Nov 14 (UNI)— World Bank president Lewis Preston today said the board of directors of the World Bank will soon take a 'positive devision' on Prime Minister P V Narasimha Rao's proposal of diverting the surplus funds from the World Bank-aided projects to the social sector, particularly to the National Renewal Fund (NRF).

Addressing a press conference here, Mr Preston said the surplus of funds in the project sectors was a common problem in various countries and the idea of diverting there funds to the social security met like NRF was not 'compatible' with the bank's common policy world over.

However, the bank would like to give a 'positive response' to the Prime Minister's proposal to see Indian going through its current economic adjustment programme, he said.

About five to six billion US dollars is likely to come to NRF from such diversion.

The World Bank president, visiting India for past three days, today met Reserve Bank governor S Venkitaramanan and Maharashtra Chief Minister Sudhakarrao Naik. He said he was 'very much impressed' with the discussions he had with them. He also visited some housing projects funded by the bank in the Bombay suburbs.

Expressing satisfaction over the progress made in the economic reform programme, Mr Preston said that India had now reached an important phase of its economic programme, which needed sustained follow-up measures, and the government should not lose its momentum in implementing the policy measures.

In this context, he said the reforms in the financial sector, import trade duties various food subsidies and deregulation of public sector units (PSU) ought to be carries forward cautiously in the coming years.

This news item appeared on page of the November 15, 1992 issue of

TELEGRAPH (India)

Unutilised aid to be redeployed

World Bank to consider plea on Renewal Fund

FROM OUR SPECIAL CORRESPONDENT

Bombay, Nov. 14: The World Bank president, Mr Lewis Preston, today said the bank's board of directors would soon consider India's request of deploying the huge pile-up of unutilised aid for a National Renewal Fund that would act as a social security net for those hit by the financial reforms.

The Prime Minister, Mr P.V. Narasimha Rao, in his meeting with Mr Preston on Thursday had suggested that these unutilised funds from the International Development Agency (IDA) be made available for the National Renewal Fund and also for use in social sector projects like education and health.

The World Bank president told a news conference here this evening that he was hopeful of a positive response to the Prime Minister's request at a forthcoming meeting of the bank. Unutilised funds, which are sanctioned for specific projects but not used up because states could not provide counter funding resources, was a problem in several other countries, too, Mr Preston said.

Answering a question on the exit policy, the World Bank president said he would want in time a social safety net that would "give flexibility to the public and private corporations to seek efficient levels of employment." Mr Preston said he was delighted to learn of the financial sector reforms during his meetings in India and was impressed by the level of commitment. He said if the desire and political will to continue the reforms was present, the World Bank would continue to support India's effort.

The World Bank president said "sustainability is terribly important in an adjustment programme," and cautioned against a "tendency to relax" after "you have an initial success...and think the process is over." He added that it was important for the government not to lose momentum and to adhere to the reform process.

In a statement released at the news conference, Mr Preston said, "I am very heartened by the progress that has been made and by the evident commitment on the side of your government to deepen and broaden the ongoing reforms. There is a clear understanding that the forward momentum has to be sustained because it would be very costly to regain if it is lost."

However, in reply to a question on why a $500 million loan for financial reforms had not yet been disbursed, Mr Preston remarked, "that is because nothing has been done on thousands of reforms that have been proposed." He said, "When we are satisfied the World Bank will consider this and the loan for financial reforms is likely to come through."

Mr Preston said a "trade adjustment loan" of $500 million was also "worthy of consideration" and would come "in due course" when import tariffs are revised to see India through the period of reduced revenue collections. He said it was important for India to have a transparent policy on import taxes and tariffs so that business can prepare for competition that will be coming from imports.

"Let the (domestic) private sector have an indication about import tariffs. When they will be reduced, they have much time to get ready for a more competitive world," Mr Preston added.

This was among the "clear signals" Mr Preston said the government should give to the private sector.

This news item appeared on page of the November 14, 1992 issue of

HINDU (India)

World Bank clearance for Rajasthan schemes

From Our Staff Reporter

JAIPUR, Nov. 13.

The World Bank President, Mr. Lewis Preston, today expressed happiness over the progress made by Rajasthan in implementing the Bank-aided projects. Talking to reporters at Sanganer airport, he said "India is passing through a critical phase in its economy and further efforts ought to be made in the generation of internal resources."

Mr. Preston, accompanied by the Bank's vice president, Mr. Joseph Wood, and Director (Asia), Mr. Vergin, held talks with the Chief Minister, Mr. Bhairon Singh Shekhawat. The Secretary (Agriculture and Policy Planning), Mr. M. L. Mehta, who was also present, said later that Mr. Preston was happy with the achievements of the State in the agriculture sector. "Rather than emphasising on subsidies, India should develop infrastructure," he is reported to have said.

Mr. Preston told Mr. Shekhawat that the World Bank Board at Washington yesterday cleared a Rs. 400 crores comprehensive agriculture project. Further, another Rs.131 crores for development of medical infrastructure in 13 districts was also in the pipeline.

According to Mr. Mehta, the World Bank group praised the efforts made by Rajasthan in combating drought, generate internal resources and for having the highest investment in the Eighth Plan.

A bank reconnaisance mission will visit the State next month to oversee the progress made in the 2nd stage of the Indira Gandhi Canal, Mr. Mehta added. In January, another team, led by Mr. Vergin, will visit the State for the same purpose.

The Rajasthan Government has demanded Rs.5,040 crores from the World Bank as additional aid for completing the canal. In the first stage, Rs. 286 crores was given for canal work while another Rs.240 crores for the command area development was given. Mr. Preston is said to have given a clean chit to the State Government and stated that the project is "repaying" since the annual production of agriculture in the canal area is at present Rs.560 crores.

Mr. Wood was told that a literacy project (Lok Jumbish) of Rs.600 crores funded partially funded by the Swedish International Development Agency, has started work in three districts.

The State Government has demanded Rs.4,400 crores for two major drinking water projects, Mr. Mehta said.

Mr. Preston also lauded the role the State Government is playing in Family Planning

The State Government had passed a legislation recently whereby only persons with no more than two children are eligible to contest the coming panchayat elections. The "Rajlakshmi" (girl child) scheme, in particular, was also appreciated by Mr. Preston.

According to Mr. Mehta, at present eight World Bank aided projects of Rs.1,080 crores are under implementation in the State. Two of these will be over this year. Two more projects of Rs.5,400 crores are being sanctioned soon. While the first one, for drinking water, (including Jaipur sewerage) is of Rs.400 crores, the second one is the Suratgarh thermal power station, at a cost of Rs. 1,200 crores.

This news item appeared on page of the November 16, 1992 issue of

HINDU (India)

Preston lauds West Bengal's decentralisation scheme

CALCUTTA, Nov. 15.

The World Bank president, Mr. Lewis T. Preston, today reiterated assurances of full support to India to meet the country's exceptional needs for the implementation of the economic reforms undertaken by the Government.

Mr. Preston rounded off his six-day visit to the country with an hour-long meeting with the West Bengal Chief Minister, Mr. Jyoti Basu, at the latter's residence. The State Finance Minister, Mr. Ashim Dasgupta, who was present, told newspersons that the World Bank chief appreciated the West Bengal Government's scheme of decentralisation adopted through panchayats.

Leaves for Bangladesh: Earlier, accompanied by his wife and a high-power team, Mr. Preston flew in here from Bombay to call on Mr. Basu, before his departure for Dhaka.

Medha Patkar held, refuses bail: The Narmada Bachao Andolan leader, Ms. Medha Patkar, who was arrested in Bombay yesterday along with 23 activists, today refused to accept bail, police said. Ms. Patkar and her followers were detained while allegedly forcing their entry into the Taj Hotel to seek an audience with Mr. Preston. Police canecharged them injuring some. A couple of journalists and photographers were also hurt in the melee.

A Baroda report said non-government organisations, trade and business organisations and political workers in Gujarat hailed Mr. Preston's announcement that the Bank would continue to fund Sardar Sarovar Project across the Narmada.

Welcoming Mr. Preston's statement the Gujarat Congress(I) Committee president, Mr. Prabodh Rawal, hoped that wiser counsel would prevail among those opposing the project "just for opposition's sake as it is the lifeline of Gujarat."

The Shramik Vikas Sansthan, Anand Niketan Ashram, Federation of Gujarat Mills and Industries, Central Gujarat Chamber of Commerce, Narmada Abhiyan Samiti were among the organisations which hailed Mr. Preston's announcement. However, they criticised the World Bank for carrying out a fresh review of the project in April 1993, on the ground that it would affect project implementation.

The organisations supported the Gujarat Chief Minister, Mr. Chimanbhai Patel and Mr. Rawal for their stand that there was no question of reviewing the project as the Gujarat Government had initiated all steps needed to implement rehabilitation and resettlement schemes for the project oustees. — UNI, PTI

This news item appeared on page of the November 16, 1992 issue of

FINANCIAL EXPRESS (India)

MIGA ratification

Pressure from WB increasing

FE Bureau

NEW DELHI, Nov 15

India is coming under increasing pressure from the World Bank for an early ratification of the Multilateral Investment Guarantee Agency (MIGA) convention.

Though India had signed the convention earlier this year and MIGA has reserved 3,048 shares for it, the convention is yet to be ratified by Parliament.

MIGA chief is expected to visit India shortly for discussion with the Indian Government leaders in this regard.

However, after entering into the $ 2.2 billion standy arrangement with the International Monetary Fund and availing of the structural adjustment loan from the World Bank following the balance of payments crisis, it was left with little option but sign the MIGA convention.

The Agency, which a part of the World Bank group, offers investment insurance to mitigate political risk through its guarantee programme protects investors against losses arising from the non-commercial risks of currency transfer, expropriation, and war and civil disburbance.

The Government has not yet gone to Parliament for ratification of MIGA convention fearing a fresh political fall out. It is has going slow on the reforms programme, keeping in view the political sensitiveness of the issues involved.

Going by current practice, MIGA may only insure new investments, including the expansion of existing investments, privatisations, and financial restructurings. Projects are required to be registered with MIGA before the investments are made or irre-

subject to a limit of $ 50 million of coverage per project. Eligible investments include equity, loans made or guaranteed by equity holders, and certain other forms of direct investment.

The Agency may insure a loan made by a financial institution if it is also ensuring a shareholder's investment in the project. The standard policy covers investments for 15 years though in exceptional cases the coverage

This news item appeared on page of the November 13, 1992 issue of

NATIONAL HERALD (India)

Aiding development

THE World Bank President, Mr Lewis T. Preston's certificate that India's economic reforms are proceeding as planned and his assurance that the Bank will continue to support them should cheer the mandarins in South and North blocs. A no-nonsense economist, Mr Preston was equally categorical in insisting that India should use the accumulated unutilised aid of $ 20 billion. This multilateral and bilateral assistance has been lying idle for quite some time for a variety of reasons which cannot be justified. As it happens, this is not unprecedented. Several times in the past India has allowed aid to lapse even as it has sought new aid! It is generally argued that such aid cannot be utilised because there is nothing to import from the donor-countries. Mentioned in this regard are some developed countries whose economies are in the reverse gear. There is some truth in this argument, particularly in regard to capital and consumer goods. It is also true that using aid just for the sake of using it only enhances the debt burden.

However, it is necessary to recognise that long-term aid on low interest rates is not available for the asking. Such assistance is expected to promote the development of markets of the receiver and help the economy of the giver. India so far has been found wanting in aggregate aid utilisation mainly because of policies which barred the private sector from undertaking a wide variety of projects. With that restriction no longer there, the level of aid utilisation must improve. $ 20 billion is no small sum. The country simply has to evolve the requisite blueprint for a constructive utilisation of this aid, especially in building the still woefully inadequate infrastructure. Mr Preston touched upon this topic, in his discussions with Indian businessmen, in response to their plea that the World Bank should directly finance infrastructure projects. He hinted at amendments to World Bank rules to facilitate this. If this is done and if India can channel the unused aid for this purpose it would greatly help accelerate growth.

India must recognise that while it is very strong in respect of cheap, skilled labour, it lacks growth-oriented industrial infrastructure. The country will have to make special efforts to develop this by concentrating on proper road communication, regular power and water supply and port and air facilities. With most Indian roads unfit for rapid transportation, a great deal of time is lost in transit. This coupled with erratic power and water supply have been undermining efforts at speedy development. India should identify different areas for development of different industries and create the appropriate infrastructure. The aid lying idle could come handy in doing this. If $ 20 billion are spent on these lines alone, India would have won half the battle of development.

This news item appeared on page of the November 18, 1992 issue of

HINDU (India)

Aid from the World Bank

INDICATIONS ABOUT THE extension of support — hopefully in a far greater measure than India had been getting in the past — given by the President of the World Bank, Mr. Lewis T. Preston, during his recent visit and discussions with the Prime Minister, Mr. P. V. Narasimha Rao and the Finance Minister, Dr. Manmohan Singh, should reassure the Government that the far-reaching economic policy changes it has initiated are eliciting the anticipated response. Mr. Preston, for his part, has also left the Government in no doubt that it will have to go ahead resolutely with its structural adjustment programmes which would spell out daunting obligations involving, among other things, the reining in of inflationary trends and progressive reductions in the budgetary deficit from year to year.

The Government will probably be expected by the World Bank to meet those obligations in a substantial measure to be sure of being able to count upon the support of the Bank as well as the other countries for the $9 billion assistance it needs during the next three years. When he was projecting this huge amount as the country's requirements, it should indeed have been embarrassing for the Union Finance Minister to have to explain to the World Bank President the Government's predicament at having as much as $11 billion of unutilised credit because, among other reasons, the State Governments which had to execute the projects funded by such credit did not have the rupee counterpart funds. The record in respect of aid utilisation has generally been that while the pace has been fairly good in the case of industry there seems to have been considerable tardiness in the implementation of agricultural projects for the most part by the State Governments. The strengthening of the governmental machinery responsible for management of aid funds to agriculture, particularly at the State level is, therefore, vitally important for ensuring against external assistance remaining unutilised.

If the World Bank and the International Monetary Fund are now more responsive than they had been at any time in the past to India's case for support for making its economy robust and self-sustaining, this has largely been brought about by the U-turn which the Government has given to its economic policies to attune them to their own economic philosophy. This has predictably provoked criticism from leftist political quarters in the country. While such criticism does not now have the same sting it would have had earlier because of the collapse of the centrally planned economies of the erstwhile Soviet Union and Eastern Europe, the Government will be well-advised not to ignore the fears of labour over possible loss of jobs. A grim fact which nobody could possibly overlook is that the country's external debt has risen from Rs. 18,400 crores in 1980-81 to well over Rs. 100,000 crores at present. India will ultimately have to liquidate this debt from its own export earnings and liberalised external assistance from the World Bank, the IMF or the aid-giving countries can at best be a breather. The danger of India being drawn into a debt trap is very real as has been repeatedly pointed out by even those who approve of the Government's new economic policy. The Government will do well to take up a very much more serious export effort in the medium term.

This news item appeared on page of the November 13, 1992 issue of

OBSERVER (India)

Reforms and the World Bank

WORLD Bank President Lewis Preston's parleys during the first leg of his six-day visit to India have helped to generate a better understanding of the role that the premier international lending agency should play in assisting the process of structural adjustment initiated by the Narasimha Rao government. This, in itself, can be seen as a positive outcome of his visit. However, apart from assuring continued World Bank support to India's reform programme, Mr Preston has not given any new promises, not the least on the question of the pending demand of the NTPC for a $1.2-billion loan to push through new projects during the eighth plan period. The World Bank's stand on the funding of power projects is well known and unless steps are taken to bring down the state electricity boards' dues to the NTPC, the impasse is likely to continue.

When it came to Indian industry leaders' demand for more Bank assistance for infrastructure projects in the private sector, Mr Preston merely promised to see how the articles of the World Bank could be amended to meet this demand. Currently, all private sector funding is routed by the Bank through its affiliate, the International Finance Corporation (IFC). But the IFC, as constituted at present, is not in a position to mobilise large funds needed for infrastructure projects. Nevertheless, the suggestion for increased concessional aid for infrastructure projects in the private sector does make a lot of sense. For one, such projects involve long gestation periods before they start yielding returns. Commercial loans, with their inherent high cost, are obviously not suited for infrastructure funding, though these loans could be utilised better for export-oriented or other quick-yielding projects. Another, infrastructure is basic to the development of the economy as a whole and, indeed, for the success of the economic reforms programme itself. Therefore, in order that the private sector plays a bigger role in the development process, as indeed is stressed by the World Bank and the IMF, more soft loans must be made available to the private sector for investment in infrastructure projects. It would thus appear that the logic of structural adjustment has a few lessons for the multilateral lending agencies, too.

However, in order to utilise concessional assistance for infrastructure projects, the chronic problems of inadequate matching rupee resources, particularly with the states, and faulty pricing and commercial policies pertinently in the power sector - remain to be resolved. More matching resources can be found only through financial institutions, who, in turn, should be allowed to raise capital from the market.

Although Mr Preston is reported to have talked of the desirability of some modifications in the reforms programme, neither he nor the finance minister has elaborated on this point. But what is obvious is that the pace of reforms in the financial, labour and administrative sectors needs to be quickened. Mr Preston's words of praise about India's reform programme notwithstanding, the policy of drift in these crucial areas is bound to retard the overall reform process. While asking for more aid, we must also take steps to improve our capacity to utilise such aid.

This news item appeared on page of the November 16, 1992 issue of

FINANCIAL EXPRESS (India)

No two opinions

ON Thursday last, a report in this newspaper quoted the visiting World Bank President, Mr Louis T. Preston as saying that the World Bank was looking for modifications in its aid programme. What these are going to be he chose not to elaborate. In the light of a concern voiced over the cut-back in social spending, one may expect an enhanced stress on areas like primary education, basic health and nutrition which are likely to be neglected as the Government pursues a tough course of fiscal correction. But, this may not quite add up to a modification. After all, the Bank is already deeply involved in matters of human development. Can the modification be in respect of utilisation of aid? During Mr Preston's discussions with the Union Finance Minister, Dr Manmohan Singh and officials of the Ministry, one aspect of the Bank's assistance to this country that received a lot of attention was its slow utilisation. For quite some years now, this has been a sore point with Bank officials, and justifiably since the aid that is still to be used is in the region of $ 15 billion cumulatively. It is doubtful if Mr Preston was satisfied either with Dr Singh's explanation that the fiscal difficulties of State Governments were largely to blame for this or his assurance about the future. A longstanding complaint of States has been that the Centre did not pass on to them the entire portion of external assistance received for specific projects. This will be met with North Block deciding to release 100 per cent of the assistance as against 70 per cent hitherto. Central advances to States towards matching expenditure for World Bank-assisted projects as well as others should also help speed up aid utilisation. But, with New Delhi committed to strong measures of fiscal correction and to reducing the fiscal deficit progressively, one should not be too very optimistic about a substantial improvement in aid utilisation.

Yet, such an improvement is imperative in the light of Mr Preston's assurance of a fast disbursing assistance of $ 9 billion from the World Bank and other agencies over the next three years. Matching resources have to be found within a regime of fiscal restraint and discipline if this scale of aid is to get absorbed in various sectors of the economy. Though right now, officials of the World Bank may not be doing this, it would be a mistake for New Delhi to assume that they would not at some stage begin to question the wisdom of the Bank blocking so much of its lendable funds in India with a rate of utilisation that is close to cursory, it not dismal. All these years, without the Centre adopting a course of fiscal correction, there have been serious problems finding the matching rupee funds for internationally assisted projects. Now, with the Centre and States alike having to tighten their belts, rupee funds will be harder to find. One cannot blame World Bank officials if they start thinking on these lines. Such people do not have to be anti-India, just professional economists with a challenging job to handle – challenging as the available resources have to be distributed among an increasing number of developing countries short of resources for development spending.

Environmental clearance is also adding to the problems in utilisation. The World Bank is insisting on a development strategy that is eco-friendly, consistent with its concern for safeguarding the environment. Already, a number of power projects are being held up because of environmental factors and things are going to get aggravated with a more rigorous prescription of environment clearance. The Economic Survey, 1990-91 noted that under-utilisation of aid was on account of the time lag between commitment and conclusion of specific credit arrangements, time-consuming procedures governing procurement of stores and equipment, delays in land acquisition for construction work and domestic budgetary constraints in providing counter-part funds. To this, we must add the hazzles of environment clearance. But then, whatever the problems, aid utilisation has got to be improved by a substantial margin. There can be no opinions on this.

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ECONOMIC TIMES (India)

Primarily, education

The visiting World Bank president, Mr Lewis Preston, has expressed concern at the reduction in social spending. He is right to be concerned. Health and primary education have been paid scant attention by the authorities in the past. The result is a population which is is not only generally in poor health, but also illiterate by and large. It is difficult to say which is the bigger problem. But on balance, it would appear that it is the latter. The figures speak for themselves. A mere 3.03 per cent of GNP is allocated for education, of which a small amount is spent on primary education, the rest being earmarked for higher education. This in spite of the fact that in the 1960s, the Kothari Commission had recommended earmarking 6 per cent of GNP for education. Not only was this not done, in the last 40 odd years the share of primary education has come down from 56 per cent to 29 per cent, while for higher education it has gone up from 18 per cent to 44 per cent. This bias towards higher education at the cost of primary education lay in the belief that by giving major attention to professional and technical education the commanding heights of the economy could be scaled. Instead, today the country has the dubious distinction of being second only to China in the number of illiterates. Yet, 41 per cent of China's spending is on primary education while India's is 27 per cent. The government is aware but lacks a clear strategy.

Education is a long-term investment and fire fighting techniques—such as the much vaunted literacy missions, are no solution. It is a slow and gradual process where people need to learn more than just how to sign. The purpose must be upgrade human capital and there is no better way of doing this than educating the people. The process must start with primary education. This basic fact appears to have escaped the attention of successive governments. The consequences can be seen in the drop out rate. The pattern among the Asian countries reveals big difference in proportion of grade I entrants who reach secondary school. While Korea and Malaysia have a survival rate of about 40 per cent, India has just about 12 per cent, lower than even Nepal. The periodic rush of blood that governments have only seem to make matters worse, in as much as everyone thinks something is being done. Operation Blackboard launched with fanfare during Mr Rajiv Gandhi's tenure included improvement of school buildings in its programme. However, that received little attention with the result schools receive teaching material which remain packed because of lack of safe, convenient space. According to a recent all-India survey conducted by the NCERT around 57 per cent of primary schools lack roofs and around 8 per cent function in open spaces. In the present circumstances of fiscal austerity, it is essential that the government reduces the subsidy for higher education. The system that replaces it should be one of merit based scholarships and bank loans, which can be paid by the employer directly after the student gets a job. Also, the rich must pay for higher education what it costs.

In this context the extra funds promised by the World Bank could come in useful- provided they are used to educate the children and not pay non functioning or non-existent school teachers. Primary education is not a glamorous subject but it is critically important. It must rank, in terms of priorities, along with things like national security.

This news item appeared on page of the November 15, 1992 issue of

ECONOMIC TIMES (India)

Schnorr enough

AMONG European jews there used to be a special class of person called the schnorrer, who was a beggar with tradition and effrontery. He accepted gratuities not as a dole, but as his right. There is the story of one schnorrer's encounter with Baron Rothschild, philanthropist and financier of nations and empires. The baron said to him, "You know you will receive your weekly gift, so it's not necessary to whine so much about your condition. A little less cringing, a little less snivelling would be better not only for your patrons but for you." "Baron Rothschild," said the schnorrer stiffly, "I don't teach you how to be a millionaire. Please don't teach me how to schnorr!"

If senior officials and India-based representatives of international lending agencies and individual donor countries have heard the story, they probably chuckle over it when they return from exasperating negotiations with Indian officials. For, all along India has been like a schnorrer, approaching such negotiations with a gifted pomposness, ill-concealed sense of superiority and righteous rigidity - or what may be termed the 'white air-conditioned Ambassador with tinted windows' perspective. The attitude was: just give us the money, don't tell us how to use it; who else would know our requirements better than us? Well, India did not know how to use it, and now the Finance Minister, Dr Manmohan Singh, has to explain to the visiting World Bank president, Mr Lewis Preston, why and how it happened, like an errant schoolkid reporting to the headmaster. Perhaps Mr Preston said "Don't snivel" in appropriate diplomatic jargon before agreeing to support India's need for $9 bn more over the next three years. The wind has been so badly knocked out of the economy that Dr Singh could not have made the schnorrer's retort.

Mr Preston later had an encounter with more schnorrers when he met industrialists. There, however, he said he would 'consider' the issue of direct World Bank funding of private sector projects. He said the Bank was watching the progress of liberalisation. After the initial euphoria of Dr Singh's reforms, the word 'liberalisation' sends shivers down the spine of much of industry. It means market place fight for survival, quality products, retooling, reorganising management and marketing practices, innovation, investment in R&D, wider choice for consumers who know their rights and are better informed about product developments in other countries. It was so much simpler in the good old days when monopoly and protection could be purchased. The rhetoric persists, of course, but it is a little less assured. Perhaps those muffled cries of distress remain purposeful. Prof John Kenneth Galbraith, that totem pole of irreverence who offers an apt quote for almost everything under the sun, has one for this situation: "...social tranquility in all modern societies is advanced by screams of anguish from the affluent. These persuade the poor that the rich are suffering, too."

It is unlikely that this schnorring situation will last. Lending agencies are under pressure from too many distressed areas of the world, and might be compelled to make a strict division between investment for growth and charity for basic survival. In India henceforth it will be calculated investment with the proviso that returns must be tangible, or else. That should put some very superior noses out of joint in the gigantic government enterprise.

This news item appeared on page of the November 16, 1992 issue of

ECONOMIC TIMES (India)

Lewis the Gullible

MR. LEWIS Preston, President of the World Bank, thinks India is managing the reform process very well. So well indeed that he thinks it is one the smoothest in the world. Good for him, but he was probably fooled by some of the ministers he met. Mr. Balram Jhakhar, for one, who he described as a tiger. In any case, as a VVIP guest of the Government of India, he could hardly say otherwise.

Mr. Preston has another difficulty. The World Bank has lent several billions to India. $30 billion has not been used—and wants to lend more. It can't now say India is botching it up. It must keep lending in order to get the earlier loans back. The World Bank is supposed to lend for structural adjustment. So it ought to be satisfied only if such an adjustment is on. The sad truth is that it is not, at least not where it really matters.

Consider the two main elements of reform: the exit policy which will allow firms to close down without permission from the government if they are not doing well and financial sector reform, which will allow money to be used for the benefit of the economy, rather than politicians. Where the former is concerned, the politicians are unanimous: they won't let it happen. As far as they are concerned, the 18 million in the organised sector can hold the rest of the 317 million in the unorganised sector to ransom.

Two hundred people to service one Air India flight to New York, 300 to service one container arriving in Bombay port, 2,40,000 people to produce six million tonnes of steel in SAIL (against 16,000 who produce 12 million tonnes in just one plant in Korea), labour productivity of 0.8 in the coal industry, compared to as much 35 elsewhere in the world, nearly Rs 10,000 crore locked up in sick units, a return of three per cent on the investment of over Rs 3,25,000 crore in the public sector. That is the measure of the need for an exit policy.

But there is no talk of retrenchment, only of bribing people to retire voluntarily. The going rate is something like Rs 2 lakh per potential retiree. Even that is considered too small. The Olivers want more. As much as Rs 10,000 crore could be swallowed up this way if even half the babus in the Central government were to go home.

Nor is that all. The financial sector is crying for reform, aimed primarily at rescuing it from the clutches of politicians. Thanks to them, 18 nationalised banks are in the red, some irretrievably. And yet, the finance minister says that there is no proposal to loosen the politician's grip. The government pre-empts thousands of crores of depositors' money, yet there is only a very hesitant movement towards reducing such pre-emption.

Forty per cent of all deposits are lent out at artificially low rates, to the deserving and the undeserving alike. The Narasimham Committee suggests that the ratio should be brought down to 10 per cent. The government agrees. But the politicians howl, and the finance minister backtracks, not to a 20 per cent compromise but to all of 40 per cent.

Fooling the *firangi* is a time honoured tradition on the sub-continent. The tradition is alive and well, it would appear. It only remains for Mr. Preston to discover this, which he no doubt will in the fullness of time.

2236/16

Hindu, Nov 15, 1991

Narmada oustees show black flags to World Bank chief

From Our Special Correspondent

BOMBAY, Nov. 14.

Black flags and posters stating "World Bank go back" greeted the World Bank President, Mr. Lewis T. Preston, during his brief visit to Bombay today. Around 200 oustees of the Sardar Sarovar Project from Gujarat, Madhya Pradesh and Maharashtra gathered under the banner of the Narmada Bachao Andolan (NBA) to protest against the World Bank's policies.

Ms. Medha Patkar of the NBA said they were protesting not just against World Bank aid to the Sardar Sarovar Project but to "challenge the Bank's aid policies in general and the decision-making process which excludes people." She said the NBA had been unable to meet Mr. Preston during his Indian visit. This, however, was not surprising as unlike the former Bank President, Mr. Arthur Conable, who had responded to the protests of non-government organisations by setting up an Independent Review of the Narmada project, Mr. Preston had failed to consult Indian or international environmental groups on this particular issue, she said.

The next six months, said Ms. Patkar, would be a testing period not just for the Governments of Gujarat, Maharashtra and Madhya Pradesh which had been asked by the World Bank to fulfil several conditions before the rest of the loan would be released, but also for the NBA. The three Governments would find it impossible to reach the performance benchmarks set by the World Bank which would determine future funding. Just the archaeological and anthropological survey, for which only one meeting had been held so far, would take at least three to four years on the Government's own admission.

Ms. Patkar, however, was perturbed that the World Bank was prepared to accept the credentials of a government committee which would review and prepare a report of the progress made on various aspects such as resettlement and rehabilitation of oustees rather than an independent agency.

World Bank ready to offer $500m loan

From Our Special Correspondent

BOMBAY, Nov. 14.

The World Bank president, Mr. Lewis T. Preston gave an assurance of the World Bank favourably considering a $500 million loan each for funding financial sector reforms and external trade adjustments.

Addressing newspersons, Mr. Preston said the loan for financial sector reforms was 'something that we are prepared to consider' as the Central Government had intimated its programme of action. The aid proposal will go to the Board of World Bank shortly. If the funds have not yet come in it is only because the 'Government had not intimated the World Bank of its programme.'

An equivalent loan for trade adjustment is linked to proposed cut in customs tariffs and will help the Government get over the balance of payments problem in the interim. Also it will, in a way, make up for the loss in customs revenue. Import tariffs made the products expensive, Mr. Preston said, and private business would have to be prepared to compete for imports.

A World Bank official later clarified that the World Bank aid was part of the total $9 billion requested for by India to be spread over three years. Contributions will be made by the IMF, World Bank and ADB.

The World Bank chief is inclined to favourably consider the Prime Minister's suggestion of routing idle World bank funds for the social safety net programmes symbolised by the National Renewal Fund (NRF). This problem is common for developing countries and a solution can be effected only after talking to donors.

Subsidies to go: He also hoped subsidies would go in a year or two as it is 'unwise and unrealistic'. He said the Indian Government was taking a gradual approach which 'we understand and support.' Mr. Preston gave the impression of not being unhappy with the reform process underway even as he emphasised on 'sustainability' of the adjustment programme. 'There is a tendency to relax and think the process is over. It is unfortunately a long process. The next phase is important for the Government and it should not relax especially in developing infrastructure like power.' He felt the Indian private sector was 'more enthusiastic than expected' to reforms. Linked to reforms is the issue of external borrowings. 'We applaud the caution of the Government on foreign debt. Caution is desirable and we are happy that Government has taken the position', he said.

On Narmada funding he reiterated support for the project and admitted to making some mistakes in the past 'we did not think suspension of aid is right.' New targets had been set for a sensible programme on Narmada and if these were not met, the issue of aid suspension could crop up.

2236/22

PIONEER
MAY 15. 92

WB loan tied to pace of reforms

State Correspondent

Bombay

THE $ 500 MILLION World Bank loan to India for carrying out financial sector reforms will be considered only if the Bank is satisfied with the pace of the reforms process which is underway, Bank President Lewis Preston said at a news conference here on Saturday.

Although Mr Preston was all praise for the current liberalisation process, he felt the Indian Government was showing signs of slackening on the reform front. There is a tendency to relax after foreign exchange reserves have built up and the balance of payments positions show a slight improvement, he observed.

Mr Preston asked the Government to make public its plans on import tariff reduction and enable the corporate sector to plan its strategy accordingly. The Government must give clear signals to the private sector about the reform programme, he added.

Cautioning India against excessive external borrowing, Mr Preston said India should instead accord top priority to capital inflow from overseas and allow direct foreign investment to make up for the shortfall in foreign exchange.

Mr Preston said the success of the restructuring programme can be gauged from the fact that representatives of the private sector have appreciated the need for for reforms and and have even made risky investments to prop up the reforms process.

Sharing the Government's view that the socially backward sections should not bear the costs of structural adjustment, the World Bank President said the Bank would support the Government's to increase funding for social programmes.

22-36/7

World Bank seeks bigger role in Bengal projects

Financial Express Nov 16, 1991

FE Bureau

CALCUTTA, Nov 15

The World Bank would like to be involved in a bigger way with the development of West Bengal, the World Bank President Mr Lewis Preston, told newsmen here on Sunday after an hour-long meeting with the Chief Minister, Mr Jyoti Basu.

The discussions between the Bank President and the West Bengal Chief Minister ranged from the projects in which the bank was involved in West Bengal to broader economic issues. Mr Preston refused to comment, however, on the nature of the discussions on the new economic policy in India and its impact. "No comments", he said, when asked about the opposition of the Left Front Government to the Central policy of economic liberalisation.

He said his discussions with Mr Basu were "brief" but useful. The World Bank, he said, was involved in a number of projects in West Bengal and Bangladesh and the progress of some of these projects were reviewed at the meeting. He did not give any categorical reply to the answer if any specific project was discussed which could be taken up by the bank in West Bengal in future. But, he said "the Bank would like to assist West Bengal in a more meaningful way" and expand its involvement in the State.

~~Today's edition is of 16 pages including an eight-page pull-out.~~

Briefing newsmen on behalf of the State Government after the meeting, the State Finance Minister, Dr Asim Dasgupta, said the discussions were centred round the Bank-financed projects in West Bengal. The on-going projects were reviewed. The bank was involved mainly in the areas of minor irrigation and rural development. The total quantum of Bank-financed projects during the Eighth Plan period would be about four per cent of the size of the Eighth Plan for the State.

The World Bank President appreciated the policy of decentralisation through panchayats which the West Bengal Government had adopted for implementation of development projects, Dr Dasgupta said. According to the Bank officials, the State Government was "going ahead of others" in this regard.

Dr Dasgupta refused to reply to questions on the observations of the Bank president on the exit policy, the National Renewal Fund and closing down of sick public sector undertakings. "No comments", he said, when asked if the Chief Minister had told him of the opposition of the Left Front Government to these policies.

Besides Mr Preston, the World Bank vice-president, Mr Joe Wood, Mr Bimal Jalan and two other senior officials also attended the meeting on behalf of the Bank.

2236/3

Preston praises Bengal's panchayat plan

OBSERVER, Nov 16, 1991

Press Trust of India

CALCUTTA

WORLD Bank president Lewis T Preston on Sunday praised the West Bengal government's concept of decentralisation through panchayats to bring about a rational development in the state.

Mr Preston, who held a 50-minute meeting with chief minister Jyoti Basu, told newsmen that although his visit was brief, it was "really interesting".

Asked about his discussions with the chief minister, Mr Preston said that they were mainly on how best the Bank could help of West Bengal, where it was involved in a number of projects.

State finance minister Ashim Dasgupta and chief secretary N Krishnamurty were also present at the meeting.

Mr Preston refused to comment when asked about his reaction to the Left Front government's opposition to the Centre's new economic policy.

Later talking to newsmen, Dr Dasgupta said that Mr Preston had appreciated the Left Front government for its concept of decentralisation through panchayats, particularly minor irrigation and other rural development projects.

Sunday's discussions, he said, were mainly on the Bank credited projects in the state and Mr Preston had hailed the state government for its achievement. "You are going ahead of other states", he quoted Mr Preston as having said.

The total volume of the Bank funded projects in the country in terms of money was four per cent of the country's total plan outlay, the minister said.

Earlier, Mr Preston was shown black flags by people stated to be supporters of SUCI, when he was on his way to the chief minister's residence. The police, however, denied the incident.

Before leaving for Calcutta, Mr Preston expressed satisfaction at the pace of reforms. He had an upbeat assessment of the country's performance and expressed appreciation of the various measures initiated, finance ministry sources said.

BUSINESS STANDARD
NOV 15, 1991

Unused IDA funds to flow to NRF, social sector schemes

IBRD to allow diversion of $20bn

BOMBAY, NOV 14 — The World Bank is likely to allow diversion of the $20 billion unused funds from IDA-financed projects to social sector schemes and the National Renewal Fund, report agencies.

Bank president Lewis Preston said he expected the board of directors to take a positive decision soon on India's request to release the unused money for other schemes. If the bank approves the proposal, $5-6 billion will flow to the NRF which now has a corpus of $500 million.

Preston also said the Bank would not stop funding the giant Narmada project.

Referring to the unused funds, sanctioned by the International Development Association, the Bank's soft loan window, Preston said several countries had not been able to use their IDA loans fully, but in India's case the amount was significant.

Prime Minister P V Narasimha Rao had made the request for diversion of the funds when he met Preston in Delhi on Thursday.

"I am hopeful of a positive response to the Indian Prime Minister's request at the forthcoming meeting (of the board)," Preston said.

Expressing satisfaction with the reforms, Preston said the momentum must not be lost as it would "be very costly" to regain it.

He said he was impressed with the government's level of commitment and determination to continue the reforms, but "there is a tendency to relax".

Preston said the World Bank would also consider a trade adjustment loan of up to $500 million to offset any cut in import tariffs.

He said it was important for India to make the tax and tariff systems transparent to set the stage for the domestic private sector to be competitive with foreign companies in the wake of liberalisation.

Asked about allegations that the new economic policies were being dictated by the World Bank, Preston quipped: "If they are being dictated, I don't think I would come here".

Preston said the representatives of the private sector whom he had met during his current visit "emphasised to me their readiness to make the often difficult and risky adjustments in their own corporate plans in response to the challenges which a more open, competitve environment poses to them"

In return, they were asking the government for clear signals about the direction of the reform programmes and for an increased attention to the infrastructure problems, he said.

About the impact of the reforms, he said "the Bank shares the government's concern that the poorest segments of society should not bear a disproportionate share of the costs of adjustments".

The Bank endorsed the government's stand that the poor must not be affected by the withdrawal of subsidies. It would back the government's efforts to increase funding and improve the effectiveness of the core social programme, he added.

Applauding India's cautious approach to external borrowings, the World Bank president hoped that, with the improvement in domestic savings, capital flow and foreign investment as a result of reforms, the continued dependence on external assistance would be reduced further.

On financial sector reforms, he commented that the World Bank was looking forward to learning about its progress and the discussions between the Centre and states in resolving the related issues.

As for the controversial Narmada project, Preston said "there were mistakes in the past on the part of both the Bank and state governments, but we have come up with a sensible programme which will require implementation over time".

Even as he was iterating the Bank's commitment to the project, activists of the Narmada Bachao Andolan staged a noisy demonstration outside the hotel where the briefing was held, shouting "World Bank go back".

Preston said the project had become "an emotive issue... I don't think we can satisfy everybody". He hoped that the states involved would work towards realisation of the targets.

The World Bank chief, who met Reserve Bank of India governor S Venkitaramanan and Maharashtra chief minister Sudhakarrao Naik during the day, said he was "very impressed" with the discussions he had had with them.

Later, he also visited some World Bank aided projects at Dharavi, Asia's largest slum, here.

4/BSNL

Financial Express
Nov 15, 1994

2236/21

Preston agrees to unutilised IDA fund for NRF

BOMBAY, Nov 14

The World Bank President, Mr Lewis Preston, on Saturday agreed in principle, the Prime Minister, Mr P.V. Narasimha Rao's request to make available the unutilised component of IDA (International Development Association) funds for the national renewal fund (NRF) (crucial for implementation of the much-awaited Exit policy) and other socially relevant development programmes, reports ENS.

Mr Preston however included a proviso stating that this (redeployment of funds) would have to be done in consultation with the donor countries and expressed the hope that these nations will agree to the concept. Mr Preston added that the issue was not confined merely to India's specific needs but was also a key input for other developing countries.

Referring to the Bank's lending programme to India, Mr. Preston said, in addition to the assistance promised for financial sector reforms and the NRF, the Bank would consider granting a trade adjustment loan of up to $ 500 million for bridging the gap in the balance of payments.

2258/2

Medha Patkar, 70 others arrested

World Bank chief faces Bombay stir over Narmada aid

FROM JAGDISH RATTANANI

Bombay, Nov. 14: The leader of the Narmada Bachao Andolan, Ms Medha Patkar, and about 70 anti-dam activists were arrested outside the Taj Mahal Hotel here this evening.

The police earlier lathicharged the demonstrators, who were protesting against the continuance of World Bank aid to the Sardar Sarovar dam project. The World Bank president, Mr Lewis Preston, was staying at the hotel during his one-day visit to the the city today

A photographer of *India Today* and a reporter for the *Observer* group, covering the protest, were also beaten up by the police and taken into custody.

Policemen were present in large numbers outside the hotel, obviously expecting demonstrations against the World Bank chief. Hundreds of demonstrators who were lined up along the dividers chanted *Preston murdabad* (Death to Preston). They carried banners like "World Bank stop taking so much interest in us," and "I make the profit, you go broke World Bank."

The demonstration was peaceful and did not disturb road traffic. It was not immediately clear what caused the police action against Ms Medha Patkar and her co-protesters, who had a day-long dharna elsewhere in the city, but moved to the Taj Mahal for the demonstration in the evening.

The World Bank president was to leave the hotel in the evening for dinner with the Maharashtra Governor, Mr C. Subramaniam, at Raj Bhavan. He also addressed a press conference at the hotel earlier.

Asked about the Bank's view on aid for the dam project, Mr Preston said, "Narmada has been a very difficult process at the World Bank. I don't think we are ever going to satisfy everybody. I don't think we can ever satisfy the extreme members of the environmental community."

Mr Preston told newsmen, "It would have been easier to suspend aid as recommended in the Morse Report, but we don't think it was the right thing for the people of India and we have worked out a programme. I think it's a project which is important for the people of India."

Ms Patkar had earlier told newsmen at the dharna site at Churchgate in south Bombay, "We challenge the World Bank aid in general and also their entire decision-making process. They do not want to reach out to the people and know the field realities."

Asked to comment on the statement, Mr Preston said, "That's an environmentalist's view of life." He said the World Bank had come up with a "sensible programme."

World Bank aid on Renewal Fund

FROM OUR SPECIAL CORRESPONDENT

Bombay, Nov. 14: The World Bank president, Mr Lewis Preston, today told a press conference that the bank's board of directors would soon consider India's request to deploy the huge pile-up of unutilised aid for a National Renewal Fund that would act as a social security net for those hit by the financial reforms.

■ Full report on Page 4

TELEGRAPH (CALCUTTA)
NOV 15, 1992

NO

2228/17

Environmental aid

NATIONAL HERALD, NOV 13, 92

US to vote against World Bank plea

WASHINGTON, Nov 12 (UNI) — The US and other donor countries are likely to vote against the World Bank's request for a $5 billion grant for environmental projects in protest against the international lending agency's environmental record, especially its support to the "faulty" Narmada project.

The US had opposed the $3 billion Gujarat project at the meeting of the bank's executive directors here last month. It shared the popularly held view that it was environmentally unsound.

A Bush administration official was quoted in Thursday's *New York Times* as having said that the US would vote against the special fund which he said was unlikely to be approved in full for economic and environmental reasons.

The bank had loaned $450 million for the Narmada project in 1985 and India's two other loan applications are currently pending with the lending agency.

The environmental issue will come up at the two-day donors meeting beginning in Paris on Thursday to discuss the bank's three-year budget. The bank provides $20 billion a year to the Third World nations for their development.

The daily also quoted one of the authors of the independent review of the project especially commissioned by the bank as having continuation of the project.

"What I find alarming were the misrepresentations," said Mr Don Gamble, a Canadian who served as chief of staff for the review." The bank twisted the report to say the opposite of what is actually true.

Bank officials, however, deny the charge arguing that there had been good progress with the Government of India and the bank had to build upon it.

They reiterated the bank's decision to send a team in April to monitor the progress of the dam

NATIONAL HERALD
NOV 13, 1992

2236/31

$ 606-m WB aid for Rajasthan farm project

FINANCIAL EXPRESS

by M P Jain NOV 14, 91

FOC

JAIPUR, Nov 13

The World Bank President, Mr Lewis Preston, has said the series of economic reforms being undertaken by India should continue unabated.

He told news persons after his talks with the Chief Minister, Mr Bhairon Singh Shekhawat on Friday that the Bank has approved an assistance of $ 606 million for the State's integrated agriculture project.

Mr Preston appreciated the efforts of the Rajasthan Government to improve the functioning of various public sector undertakings and described the State's population control programmes as "remarkable".

He was also happy with the Indian economic reform programmes but hastened to add "do more".

In reply to a question, Mr Preston said there was no proposal to finance private enterprises by the World Bank.

2236/12

Unutilised IDA funds for NRF, says Preston

INDIAN EXPRESS, NOV 16, 1994

ENS ECONOMIC BUREAU

BOMBAY -- The World Bank president, Mr Lewis Preston, on Saturday agreed in principle, Prime Minister Narasimha Rao's request to make available the unutilised component of IDA (International Development Association) funds for the National Renewal Fund (crucial for implementation of the much awaited exit policy) and other socially relevant development programmes.

Mr Preston, however, included a proviso stating that this (redeployment of funds) would have to be done in consultation with the donor countries and expressed the hope that these nations will agree to the concept. Mr Preston added that the issue was not confined merely to India's specific needs but was also a key input for other developing countries.

Referring to the Bank's lending programme to India, Mr. Preston said, in addition to the assistance promised for financial sector reforms and the NRF, the Bank would consider granting a trade adjustment loan of upto US $ 500 million for bridging the gap in the balance of payments. However, this assistance will be linked to the proposed reduction in the import tariffs.

Addressing a press conference here, Mr. Preston revealed that the Bank is satisfied with the pace at which the reforms are being carried out in the financial sector. He was hopeful that the Bank would consider US $ 500 million loan promised earlier to meet the cost of financial sector reforms. In fact, the Bank so far, was reluctant to make any commitments on grounds that the Government was going slow on reforms.

Mr. Preston added that he was heartened by the progress made and "the Indian Government's commitment to deepen and broaden the on-going reforms. There is a clear understanding that the forward movement has to be sustained because it would be very costly if it is lost.

2236/2

PATRIOT, NOV 16, 92

Prestonian pat for Jyoti Basu

Calcutta, Nov 15 (UNI) — World Bank President Lewis T Preston today reiterated assurances of full support to India to meet the country's exceptional needs for the implementation of the economic reforms undertaken by the Government.

Mr Preston rounded off his six-day visit to the country with an hour-long meeting with West Bengal Chief Minister Jyoti Basu at the latters residence. State finance minister Ashim Dasgupta, who was present, told newsmen that the World Bank chief had appreciated the West Bengal Government's scheme of decentralization adopted through panchayats.

Earlier, accompanied by his wife and a high power team, Mr Preston had flown in here on a brief visit from Bombay to call on Mr Basu, before his departure for Dhaka.

State chief secretary N Krishnamurti saw off the World Bank president and his entourage at the Calcutta airport.

Mr Preston told newsmen that although his visit was brief, it was "really interesting".

Asked about his discussions with Mr Basu, Mr Preston said that they were mainly on how best the World Bank could help of West Bengal, where it was involved in a number of projects.

The police today rounded up 38 supporters of the association for protection of human rights for holding a black flag demonstration during Mr Preston's brief visit to the city.

2236/30

Bengal industry looking forward to Preston's visit

by Nirmalaya Banerjee

FE Bureau

CALCUTTA, Nov 13

On the eve of Mr Lewis Preston's meeting with Mr Jyoti Basu in Calcutta on Sunday, the industry would like the Chief Minister to discuss with the World Bank President two important issues concerning the eastern region: the availability of adequate infrastructure facilities and the all-important question of a structural adjustment for a smooth changeover from traditional and sick units to modern and profitable ones.

The ostensible purpose of the visit of the World Bank President is to review the progress of World Bank-aided projects in West Bengal. And, there are quite a few such projects in the State. Apart from the Bank-assisted Calcutta Urban Development Project, the Bank is also involved in areas such as minor irrigation, forestry and family planning.

But, there is no specific itinerary for the Chief Minister's meeting with the Bank President, and it is believed that the opportunity would be the right one to raise subjects of vital concern to the State. In fact, political circles in the State, too, believe that one of the reasons why the World Bank President is keen to meet the Marxist Chief Minister of West Bengal is to assess how the new economic policy is working in the country and how far it is acceptable to the people.

Leading chambers of commerce in the city feel that the World Bank may assist in areas such as telecommunication, roads, port facilities and power generation. All these areas need improvement for industries to flourish in the eastern region. In the area of power generation, of course, the International Finance Corporation is involved and it has already lent large sums to the CESC. But, with Mr Preston's assertion in Delhi that the Bank would be interested in assisting directly in power projects in the private sector, the scope for negotiations has widened. Besides, the power starved eastern region would require the injection of a lot of funds.

For every industrialist intending to modernise in the eastern region, the nightmare is of course what to do with the surplus labour. While the bulk of the industries in the private sector are traditional ones, the problem of sickness among the public sector units is also the most pronounced

FINANCIAL EXPRESS
Nov 14, 1990

2236/35

OBSERVER, NOV 14, 91

$106 m WB aid for farm project

■ JAIPUR: THE World Bank has approved an assistance of $106 million for the integrated agriculture project of Rajasthan. The decision was taken in Washington on Thursday, Bank chief Lewis T Preston, told reporters after an hour long meeting with chief minister Bhairon Singh Shekhawat, here on Friday. Mr Preston appreciated the efforts of the Rajasthan government to improve the functioning of various public sector undertakings and described the state's population control programme as "remarkable."

2228/1:

PM asks Preston to pass unused funds

TIMES OF INDIA, NOV 13, 199.

The Times of India News Service

NEW DELHI, November 12.

THE Prime Minister, Mr Narasimha Rao, today suggested to the World Bank (WB) President, Mr Lewis Preston, that savings from projects assisted by... should be passed on to ... schemes in the social ... and the National Renewal Fund (NRF).

The Prime Minister's meeting with Mr Preston, who called on Mr Rao today, lasted over an hour. It was followed by a lunch hosted by him in the honour of the visiting dignitary. The finance minister, Dr Manmohan Singh, and senior officials of the ministry were present during the discussions.

The Prime Minister made the point that the Bank's disbursement of funds would increase if the unused funds earmarked for specific projects, following their completion, were made available for increasing the size of the NRF for compensating those workers who are found surplus in the public sector.

As for the savings from projects funded by the IDA (soft affiliate of the Bank), these should be made available for health, education and nutrition schemes, he said.

UNUSED SAVINGS: Savings from WB-funded projects have accrued as, to utilise the aid, matching rupee funds have to be spent on the projects. Because of the depreciation of the rupee over the years, the rupee component in projects has gone up, resulting in considerable savings of the Bank

Continued on Page 12

TIMES OF INDIA
Nov 13, 199-

2262/3

NATIONAL HERALD Nov 18, 1992

Preston's clean chit to WB flayed

CALCUTTA, Nov 17 (UNI)— The West Bengal Congress leaders will urge the Prime Minister, Mr P.V. Narasimha Rao, not to provide any further World Bank assistance to the state government without "physical verification" of the work of such projects undertaken so far.

The PCC vice-president, Mr Subrata Mukherjee, M.L.A. told reporters here that they were "surprised" to see the published reports on World Bank President Lewis Preston's "clean certificates" to the Left Front Government about the functioning of the panchayats. He said state party President Somen Mitra and he, himself, would meet the Prime Minister and urge him not to get swayed by the reported "certificates" issued by the World Bank chief during his stay in the city on Monday lasting a few hours.

TELEGRAPH (CALCUTTA)
Nov 16, 1994

Lewis Preston's servile followers are ruining the country by adopting the World Bank's bogus economic policy

Shylock comes calling

By NIKHIL CHAKRAVARTTY

The *laat sahib* has come and the courtiers, henchmen and minions have done their crawling and grovelling before his august presence. The chief of the World Bank president, Mr Lewis Preston, to New Delhi has been regarding for us all. It has afforded Manmohan Singh and his team of ten colleagues an opportunity to regale us with a demonstration of servility one had thought had disappeared with the British Raj.

Their moneylending boss was treated so obsequiously by the Manmohan Singh cabinet it reminded one of the days when the viceroy used to visit the native states to receive their fealty. Even the pictures of Mr Preston's recent released by the official media showed this in full measure, and there was not a single picture of the finance minister conducting himself like accredited representative of a sovereign country; he was a supplicant before all powerful boss.

One only has to recall the visit of a previous World Bank president, Mr Robert McNamara, in 1968 to mark the contrast. One does not have to be naive or ignorant of the moneylender's role to be able to see us without having to put on a self-abasing "I am not worthy to be" act.

This is a very important component of the politics of a democracy, namely how to project the character of a ruling establishment before the inquisitive public. Barring the prime minister himself who appeared in photographs talking to the World Bank president in a businesslike manner, most of his colleagues presented themselves before Mr Preston as though he were the final arbiter of this country's destiny. Shall we not maintain at least a facade of being self respecting India?

What did the World Bank president bring the government? Along with the gracious testimonial he offered to the finance minister for his utter loyalty in rowing out the World Bank's behests he made no bones about his insistence on whittling down the public sector by rapid disinvestment and on forcing the exit policy as Mr Manmohan Singh promised last year. So, one could very well expect the government would have to take steps to implement its commitment to the World Bank on both these counts.

Also steps are being taken to go in for further dose of disinvestment. The authorities concerned have decided upon minimum level for selling the shares. Meanwhile the first instalment of investment has been exposed this telling data in a study conducted by the Institute of Public Enterprises.

The report shows the government lost 50 per cent of realisable income from the 1991-92 public sector disinvestment. More revealing has been the disclosure before the joint parliamentary committee inquiring into the stock market scandal. Some of the brokers actually had access to these shares before these were listed in the stock exchange. This indicates serious corrupt practices were indulged in by the authorities concerned.

The World Bank president's visit has made it abundantly clear the government will find it difficult to shelve the implementation of the exit policy any longer. This would mean millions would be thrown out of employment with hardly any prospect of getting alternative jobs.

Despite all the lollipops of the so-called National Renewal Fund the government is holding out. The trade unions as a body have denounced the exit policy. In other words, the government is being forced by the logic of the World Bank ordered structural adjustment to enter the arena of confrontation with the organised sector of the work force in the country.

The political fallout of such a confrontation may turn out to be suicidal for the government itself.

What are the fresh contours of the Manmohan Singh designed economic scenario emerging out of the shackles of massive World Bank indebtedness? The prospect of containing price rise is extremely bleak. The excitement of having brought down inflation to the single digit slot has been shortlived as it has already gone above 10 per cent.

Second, the exports are not picking up at all as promised by the finance minister at the time of the rupee devaluation. At the same time, Mr Singh has been repeating his plea for massive borrowing to the extent of nine billion dollars for the next three years.

With hardly any hard currency earnings from exports, while huge loans are contracted, the inexorable road to the debt trap is being laid out with calculation.

Third, imports are being liberalised while the excise duty level on indigenous product of the same items are being kept high. This means virtually inviting the foreign producers to capture the Indian market.

Fourth, there has been little actual foreign investment so far, mainly because of chronic political instability. So the promise of a massive transfer of technology is turning out to be pure nonsense. Instead, it is likely the public sector unit shares that survive, the open disinvestment drive will be thrown open to foreign investors.

In other words, what has been built with our own resources and our own talents will now face the prospect of being taken over by the foreign businessmen. There is not even a tinge of shame on the part of the perpetrators of such a sellout of national assets to foreign owners.

The new economic strategy holds out the bleak prospect of the creation of a wide gulf between the super rich wedded to the Western free market and the vast multitudes of the underprivileged in this the largest democracy. It also reveals the colossal cheapening of whatever posturing has been built up in our economy since independence.

But the ghost is yet to arrive at the banquet. The labours of the JPC, assiduously monitored by its distinguished chairman, would bring no peace for Preston's boys in the finance ministry. When these come to light, it will be a nightmare for those who strut about as the moneylender's accredited touts today.

Even the briefings of the JPC chairman have revealed not only the extent of the corrupt practices in the entire banking sector, but also the undeniable abettment of the bosses of the Reserve Bank of India whom the finance minister has defended so heroically all this time.

Even the record of the finance ministry on the sordid scandal that the securities scam has brought out is suspect in the eyes of the public. One can discern a sense of nervous concern in the ruling establishment as to what the JPC will reveal.

Mr Manmohan Singh may not have lost his sleep over the scam as he had said months ago when the lid was blown off. But the prime minister and his colleagues can hardly afford to be complacent about the political fallout of the exposure of the scam.

Stormy days are ahead for the government as public awareness grows about the consequences of the new economic strategy borrowed from the World Bank.

P.V. Narasimha Rao and Lewis Preston: even Nehru had his Mountbatten

NEW DELHI, INDIA
FACSIMILE No. : 619393

2320/1
TRIP FILE

THE WORLD BANK
RESIDENT MISSION IN INDIA
FACSIMILE TRANSMITTAL FORM

Date : Nov 24, 1992

Number of Pages : 11

From : Mrs Beula Nanda Biswas (Ext. Affairs Officer)

To : Ms. M. Gisu ..... EXS ..... (Dept. code) ..... E-1235 ..... Rm. No.

cc. Mr. Heeny Vergese SHARE
cc. Mr C.L. Robbins SASEO
E-3025
E-10-083

Message Number : 2320

Subject

COMMENTS : Please see attached newspaper clippings for your information.

Regards.
Biswas.

Authorized by _____ (Signature)

B.N. Biswas/ Ext. Affairs Officer (Name)

Becoming obtuse

R Chandrasekhar profiles Lewis T Preston, the World Bank president, who has brought in changes in the traditional lending priorites of the institution

2320/3

THE NEWS of his appointment on September 1 last year as president of the World Bank was treated with some scepticism among development bankers around the world. Having spent his entire 40 year career with J P Morgan and Co, a front-ranking global merchant bank, Lewis Thompson Preston, 65, had been known for long essentially as an investment banker. Unlike his distinguished predecessors like Barber Conable, Preston had neither a background in social issues like poverty eradication, rural development, health care and family planning, nor was he familiar with the World Bank's unique role in promoting socio-economic development in the Third World.

Critics pointed out another major difference. J P Morgan was the most secretive of banks with an exclusive client base. The World Bank was the most public of financial institutions whose client base was made up exclusively of the world's poorest countries.

The general refrain was that that Geroge Bush, who as the US president had the right to nominate his personal candidate as the chief executive of World Bank, may well have erred in his choice.

The apprehensions quickly faded away when, within a fortnight of taking over the presidency, Preston announced changes in the organisation structure of the bank that created a minor stir among its 5,900 employees. "The World Bank's credibility has been weakened by a cumbersome bureaucracy that is slow to move on new issues," he declared and said that the jobs of three executive vice-presidents, who had exercised virtual autonomy for years in the World Bank, were being axed. The move was part of an exercise to reduce management layers in the bank with a view to speed up communications and decision making. It was also aimed at expanding the "outreach" of the president and increasing internal efficiency by providing faster and less formal opportunities for clients to gain access to the bank.

"Lewis has been an aggressive manager and is known for this kind of change," said Anthony Solomon, a former president of the New York Federal Reserve Bank, at that time. "He makes changes quickly and dramatically and moves on. He is merely putting into force at the World Bank the management strategy he used so effectively during his J P Morgan days."

Preston's first ever address to the top brass of the bank was tough ...and provocative. "So much of the idealism that once [illegible] sclerosis," he told them, adding, "the irrefutable fact, however, is that the World Bank still remains the greatest hope of the less fortunate of mankind."

The "dramatic" change came close on the heels of a comprehensive organisational restructuring. Preston announced, on September 18, his decision to create a new office within the bank to deal with Europe and the Soviet Union. A change was now imminent in the traditional lending priorities of the bank. Evidently, Preston knew which way the developmental wind was blowing. A cutback in funding for Third World nations was in the air even as the bank moved into its new role of assisting the erstwhile Soviet Union and its eastern European satellites in their passage from communism to market driven economies. Clearly, it is in the latter task that Preston would be more closely involved in coming years.

Born in New York city on August 5, 1926, Preston graduated from Harvard College in 1951 after serving briefly in the US Marine Corps. He joined J P Morgan Inc that year and moved on as head of its London office in 1966 where he steered the company's involvement in the then newly emerging Euro-currency market. He was appointed executive vice president of the firm two years later with responsibility for international banking at a crucial time when financial markets were being globalised. In 1976, he became vice-chairman of the board and became chairman and chief executive four years later.

His new preferences for the development of countries in the erstwhile communist block notwithstanding, Preston has every intention of continuing to help traditional clients like India which are also experimenting with change. "Your transition to a free market economy has been one of the smoothest so far," he is said to have told a number of Indian officials in private gatherings when he was here last week, "and I am committed to provide all support for your historic endeavours."

Capital Notes

Tavleen Singh

Lift veils of secrecy

WORLD Bank President Lewis Preston was greeted in Delhi last week with the enthusiasm that we, in former times, reserved only for visitors from the late, lamented Soviet Union. Which must be taken as an indication of just how much the times have changed. I, alas, was not among the small group of especially-favoured-hacks who were invited to meet the great man himself, but got my own taste of the new mood from a lunch for Mrs Preston. It was a ladies' lunch and, boy, was it different from similar events of socialist times when our grim dedication to ideology and egalitarianism ensured that only the dullest, dowdiest, women got invited.

For Mrs Preston not only were there no dowdy women in sight, but there was even a fashion show during lunch to prove to her that although we may still need a small amount of money from the Bank, we are becoming increasingly globalised in more ways than economic. Glamorous models – thin enough to be drifting down the catwalks of Paris and New York – spun around between courses as we glittered and gasped and discussed the intricacies of fabrics, embroideries and styles, but never prices. An unimpressed, fellow-hack commented cynically at the end of the first course: "In the old days she would have been shown the SOS children's villages. Times have changed."

They have, indeed, but only enough to keep money-supplies flowing in from the World Bank and the International Monetary Fund. For the benefit of VIP visitors from these great lending institutions, we talk endlessly about globalisation and opening up the economy, as if simply saying, "Open Sesame", would do the trick, but we ignore the fact that there can be no serious opening up as long as we do not open up the country in a wider sense as well. For instance, in the area of information.

The fact that the government does not even mention lifting restrictions on the

World Bank president Preston with Haryana villagers: clash of worlds

right information enables the state to remain as powerful as it was in those valid countries of Eastern Europe and the per Soviet Union. Take even the mist of finance (which speaks of open up more than anyone else): It comes to have under it various agencies investigating economic offences who indulge in midnight arrests and torture suspects. Is this compatible with economic liberalisation? On the one hand the government talks of making the rupee convertible but on the other hand a Supreme Court inquiry recently established that a Delhi businessman, Sawinder Singh, was tortured to death for FERA violations.

The businessman was not under arrest but was nevertheless ordered into the Enforcement Directorate for interrogation. So powerful are these agencies that neither Sawinder Singh nor his sister protested even on the fact that their interrogation was conducted at night instead of during normal office hours. Despite the Supreme Court's reprove have not heard one word of apology from the finance ministe our leading champion of liberalisation.

If the government continues to get away with murder it is almost entirely due to its control over information. That is about the right of ordinary citizens to know what their elected representatives are up to; even journalists with accreditation and access to the highest offices in the land find it impossible to obtain vital information easily. Various methods of evasion are used.

Generally, after a reporter has spent a few days trying unsuccessfully to obtain information from the government, he gives up. So the evasion – *seat mein nahin hain*, meeting *mein hain*, *kamrey mein nahin hain*, etc. – amounts to a kind of censorship.

Dear old Doordarshan is totally censored anyway, so there is no danger on that front. As for the video magazines, they are subjected to pre-censorship under some musty, old law that was made long before video was even a speck on the horizon. Technically, a video magazine should be treated in the same way as the Press and pre-censorship should only apply if it also applies to newspapers. But the government chooses not to see it this way. The argument is that in a poor, illiterate country like ours passion can easily be inflamed by pictures, whereas words are not necessarily something that everyone can read.

This, however, is only an excuse to protect the government from questions it cannot answer. It is the experience of most video magazines that the nimble fingers of the censor only start moving when there is a story that is critical of the government. For instance, any number of highly inflammatory video stories on the rise of the Ayodhya problem have slipped past the censor's scissors. But try criticising the role of the finance ministry in the case of Sawinder Singh's murder and you will find yourself censored.

As for Kashmir, censorship is so stringent that only interviews with repentant terrorists get passed, or stories which praise the security forces. The irony is that while the Indian Press finds itself censored in this way, the government appears not to mind the fact that highly critical stories by foreign networks appear frequently on Indian television sets, thanks to satellite and cable.

The government appears to believe that if China can succeed in mixing an authoritarian political system with free market economics, so can we. It is always hard to know whether something is actually working in China or not, but in India this kind of manoeuvre is guaranteed to give liberalisation a bad name. Already there are signs that our servants bureaucrats are using foreign banks as employment agencies for their progeny. This newspaper recently published a long list of bureaucratic offsprings who have landed lucrative jobs in foreign banks. It is hard to believe that merit was the only consideration. This is only a very small beginning.

Unless government functioning becomes more transparent, we could end up with scams that would make the present one look like peanuts.

The JPC has discovered that our major public sector corporations were up to all kinds of hanky-panky when it came to investing vast sums of our money. This would not have been possible if information about these things was not so hard to come by. The government's excuse for the veils of secrecy under which it functions is generally 'national interest.' For exactly this reason we should now start lifting some of the veils.

INDIAN EXPRESS
Nov 22 94

2320/5

The Statesman

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THE FRIEND OF INDIA · Founded 1818

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'WHIP OF COMPETITION'

THE black flags notwithstanding, from the flambuoyant reports it would appear that the World Bank President has gone back after his six-day survey of Indian reforms, fairly satisfied. The question may now be asked how satisfactory has his visit been for India. If indeed the bank agrees to transfer the $20 billion unutilized loans to the National Renewal Fund, it would be a welcome development. Mr Preston's emphasis on environmental aspects of the projects that the bank will promote — quite a departure from its cussedness on the Narmada project — may be a new condition but not altogether undesirable. There is also increasing pressure to have India's signature to the Multilateral Investment Guarantee Agency convention ratified by Parliament, which may be politically unpalatable for the Narasimha Rao Government because of its conditionalities. But the MIGA too is not without its advantages. The main thrust of Mr Preston's visit, however, seems to have been on rolling back customs tariff by about 10 per cent in the forthcoming Budget, which may mean a loss of as much as Rs 4,000 crores — and there is understandable panic in the Finance Ministry about its possible impact on the fiscal deficit. Various permutations and combinations are, therefore, being worked on to attain optimum revenues and simultaneously keep the foreign lenders happy. Adding to the problem is the fear of the sudden rush of imported items that may ruin domestic industry, still struggling to globalize. The argument, of course, would be that the hitherto sheltered industry should be able to stand up to the "whips of international competition" or close shop, as Dr Manmohan Singh exclaimed at the recent Asia-Pacific Conference on the private sector.

The main worry is on another score - the onrush of imports against India's sluggish exports performance and the ever-widening trade deficit. As things now stand, of the Rs 30,000-crore turnover of the capital goods industry, nearly Rs 10,000 crores is accounted for by imported goods. Understandably, these alarming figures have sent the bureaucrats scurrying to work out more export-oriented schemes, while they are still trying to grapple with the problems of the liberalized exchange rate management scheme, which seems to have dealt a raw deal to exporters. The consequences are evident in the $2.3-billion trade deficit for the first quarter of the current year from last year's $919 million deficit. Dr Manmohan Singh's recent rhetoric on the need for exports and his attempt to blame past policies for India's miseries will not help the country bag a better share of global exports than the present miserable 0.6 per cent. The country has not yet evolved the right policy environment to strengthen the competitive base. Exporters have a litany of woes - inefficient duty-drawback system, inadequate income-tax inducements to report higher foreign exchange earnings, absence of an unified exchange rate, expensive pre- and post-shipment credit. The list is endless; the hopes, for keeping the shipments and the economy afloat, are dim.

2320/6

Hang on, Mr Preston

TIMES OF INDIA NOV 23. 91

By KIRON KASBEKAR

The World Bank president, Mr Lewis Preston, says he is impressed with Indian industry's commitment to the process of economic reforms. he should not be too impressed — yet. He should not be impressed enough to believe that Indian industry can withstand competition from imports right away.

To begin with, the views of a few industrialists he has met may not be representative of Indian industry. Also, he may soon find some of the most vocal supporters of reform trying their damnest to stall the liberalisation process when it begins to hurt them, as it will. Industrialists the world over try their best to safeguard their corporate interests, and Indian businessmen, who have been burdened with excessive costs because of government policies, should be expected to be no different.

Mr Preston should also realise that, accustomed as they have been to protectionist and anti-competitive policies, many Indian businessmen hope not to fight but be once imports are made freer and cheaper. Complacency is not strength.

But the question is not merely one of businessmen's commitment. The government has not planned the reform process systematically enough to ensure that Indian industry is strengthened as much as possible before import tariffs are slashed to a 25-per cent level. Its hands are also tied by a lack of resources. And industry is in the midst of recessionary crisis, giving it little room to manoeuvre.

Mr Preston is absolutely right when he says the government should announce a schedule for the reduction of import tariffs. That would give businessmen a clear idea of what kind of foreign competition they can expect, and when. Considering that the government has not done this yet, it is likely that the businessmen he talked to are being hopeful rather than confident of facing international competition, which they think will come later rather than sooner.

The fact is that, much as it is needed, the slashing of import duties, if it is done hastily, will push Indian businesses to the wall. And that could mean widespread job losses, which could jeopardise the rest of the reform process.

A distinction must be made between allowing companies to reduce excess labour (a process which will make Indian industry

BUSINESS NOTES

more competitive and hence more able to expand and to create more jobs in the long run), and allowing imports to push companies to close down because past government policies (including high import and excise duties, the lack of an exit policy and the like) have loaded the dice against them. Industry must be given some time to get over its unfairly-imposed weaknesses.

The levying of countervailing duties on imports to neutralise excise (a large element of the cost of Indian industry) is not enough — that does not take care of the excessive costs of manufacture in India as a result of past policies. A reduction of excise duties must therefore precede a reduction in import tariffs.

Among the steps which the government must take urgently are:

★ reducing excise duties;

★ slashing import duties on capital goods needed by Indian companies to modernise at a low cost, while simultaneously exempting Indian capital goods from excise;

★ reducing interest rates to improve corporate profitability;

★ adjusting taxes to encourage ploughback and discourage unduly large dividends payouts;

★ implementing an exit policy to allow industry to restructure quickly to be able to compete with imports and to be able to expand sales abroad;

★ allowing and encouraging mergers and acquisitions, to give Indian companies more muscle;

★ chopping down all the bureaucratic hurdles which continue to stymie the efforts to attract large scale foreign direct investment;

★ beginning a drive to improve the infrastructure, without which industry cannot become competitive, and without which substantial foreign investments will not be attracted.

Across-the-board reduction in import tariffs must follow these other steps. But Mr Preston will say, as he told this writer last Saturday, that these are matters for the Indian government to consider.

The finance minister, Dr Manmohan Singh, has recently said, on different occasions, that he will reduce excise duties, and that import duties will not be reduced dramatically in the next budget. Let's hope that Mr Preston has not persuaded Dr Singh to change his mind in this matter.

There is a great deal the government needs to do — it has barely begun. Let us hope Mr Preston and his colleagues at the World Bank will hang on and remain supportive as long as the government follows its conditions in spirit if not in letter — which may not always be the optimal thing to do.

What Preston saw

2320/7

World Bank President Lewis Preston's visit to India and confabulations with the Indian leaders can be deemed to have been fruitful from his point of view. That they were equally productive for this country is, however, debatable. Notwithstanding the sympathetic notes he often struck in his pronouncements about the difficulties of implementing the economic adjustment programme prescribed by his organisation and the International Monetary Fund, as a precondition to bail the Indian government out of a balance of payments crisis, he did not show any inclination of softening the terms. The maximum he was prepared to offer was a slight rephasing of the time schedule for putting the programme into effect; but that is a very minor concession forced by the resistance various groups, particularly the farmers and the organised labour, have been putting up against hasty action on matters affecting their vital interests. This at best amounts to a breather. Mr Preston knows that the Indian government, once it has ridden the tiger of the economic adjustment programme, cannot get off its back. It has neither shown the foresight to assess the economic and social consequences of a thoughtlessly accepted adjustment scheme nor demonstrated the political will to work out an alternative plan of action. With this firm assurance of the government's steadfast commitment to the policy framework laid down for it, it does not worry Mr Preston if the time frame for its enforcement is altered a bit or even the framework itself is modified a little to make it easier for the government to push it through. With the World Bank's long interaction with this country, he obviously is aware of its distaste for any kind of dictation, howsoever benevolent, and considers it wise not to be stingy in granting a concession which keeps the substance of the package intact. It is, therefore, Mr Preston's firm insistence on keeping the adjustment programme on track and repeated exhortations to the government to accelerate the pace of its implementation that should be considered more relevant than the testimonials he has handed out about the government's "creditable" record in pushing through the programme. Having never been a totally centrally-planned economy in the manner the erstwhile USSR and East Europe's socialist countries were, nor having a command system of their genre, India has not needed the kind of treatment they perhaps needed to become economically vibrant. It has always been essentially a market economy with only the extent of free- marketism curtailed in a few areas to serve some social ends. It is, therefore, meaningless to suggest, as the World Bank does that it requires any basic restructuring of its economic system to be able to build an internationally competitive economy. All that it needs is to shed the deadweight of the rigidities that any system can accumulate over the years. However, the identification of this avoirdupois and the manner it should be got rid of are a national prerogative.

PATRIOT
Nov 20, 92

HINDU, NOV 18, 1991

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Aid from the World Bank

INDICATIONS ABOUT THE extension of support — hopefully in a far greater measure than India had been getting in the past — given by the President of the World Bank, Mr. Lewis T. Preston, during his recent visit and discussions with the Prime Minister, Mr. P. V. Narasimha Rao and the Finance Minister, Dr. Manmohan Singh, should reassure the Government that the far-reaching economic policy changes it has initiated are eliciting the anticipated response. Mr. Preston, for his part, has also left the Government in no doubt that it will have to go ahead resolutely with its structural adjustment programmes which would spell out daunting obligations involving, among other things, the reining in of inflationary trends and progressive reductions in the budgetary deficit from year to year.

The Government will probably be expected by the World Bank to meet these obligations in a substantial measure to be sure of being able to count upon the support of the Bank as well as the other countries for the $9 billion assistance it needs during the next three years. When he was projecting this huge amount as the country's requirements, it should indeed have been embarrassing for the Union Finance Minister to have to explain to the World Bank President the Government's predicament at having as much as $11 billion of unutilised credit because, among other reasons, the State Governments which had to execute the projects funded by such credit did not have the rupee counterpart funds. The record in respect of aid utilisation has generally been that while the pace has been fairly good in the case of industry there seems to have been considerable tardiness in the implementation of agricultural projects for the most part by the State Governments. The strengthening of the governmental machinery responsible for management of aid funds to agriculture, particularly at the State level is, therefore, vitally important for ensuring against external assistance remaining unutilised.

If the World Bank and the International Monetary Fund are now more responsive than they had been at any time in the past to India's case for support for making its economy robust and self-sustaining, this has largely been brought about by the U-turn which the Government has given to its economic policies to attune them to their own economic philosophy. This has predictably provoked criticism from leftist political quarters in the country. While such criticism does not now have the same sting it would have had earlier because of the collapse of the centrally planned economies of the erstwhile Soviet Union and Eastern Europe, the Government will be well-advised not to ignore the fears of labour over possible loss of jobs. A grim fact which nobody could possibly overlook is that the country's external debt has risen from Rs. 18,400 crores in 1980-81 to well over Rs. 100,000 crores at present. India will ultimately have to liquidate this debt from its own export earnings and liberalised external assistance from the World Bank, the IMF or the aid-giving countries can at best be a breather. The danger of India being drawn into a debt trap is very real as has been repeatedly pointed out by even those who approve of the Government's new economic policy. The Government will do well to take up a very much more serious export effort in the medium term.

TIMES OF INDIA
NOV 14, 1991

LETTERS

23/2/9

Welcome Preston

Sir, — While we welcome Mr Lewis T. Preston, the president of the World Bank to Bombay, we want to inform him that six million of the Bombayites — every second person in the city — live in slums and on the streets.

Many of these have migrated to the city after being displaced by large dam projects that were and are being funded by the World Bank. Attempts to resettle and rehabilitate them were probably perfunctory. Unable to live under the circumstances forced on them by the World Bank-funded projects, they head towards cities, where they end up in misery.

On the other hand, the World Bank's operation manual aims to ensure that "the displaced people regain at least their previous standard of living". The credit agreements for the Sardar Sarovar project go a step further, even wanting to improve their standard of living.

Due to incompetent and uncaring implementation, or inadequate monitoring of projects, or a combination of these and other factors, the World Bank-funded projects have generally brought increasing misery and destruction to India. The evidence is all around. Forty-five years after independence, even with enormous amount of World Bank aid, we have not been able to make a decent, dignified life available to hundreds of millions of our countrymen. And more World Bank-funded projects are pushing more fellow citizens into poverty and deprivation.

We want to ask Mr Preston whether the World Bank's annual balance sheets account for the damage caused by the projects funded by the bank? Is the large-scale uprooting and subsequent poverty of displaced people a factor in the bank accounts? Are profits calculated after taking into consideration the setbacks to food production caused by the irrigation projects? Should the World Bank be funding these projects that cause destruction and displacement?

DILIP D'SOUZA
For Narmada Bachao Andolan,
Bombay Sarovadaya Mandal,
Bombay Civic Trust and
others
Bombay.

Asian Wall Street Journal
Nov 13-14, 92

World Bank Chief Lauds Reforms in India

By Suman Dubey
Special to The Asian Wall Street Journal

NEW DELHI — World Bank President Lewis T. Preston ended two days of talks with Indian officials and businessmen saying that so far, India's reform program had been one of the smoothest adjustment processes "that we've seen in many a moon."

Mr. Preston said he came to India "with a slight worry about the enthusiasm of the government" for its economic reform process. "That's been totally dispelled by our discussions."

The reforms have necessitated hard decisions on cutting subsidies, reducing revenue-earning taxes, duties and tariffs, cutting government spending, temporarily curbing imports and forcing highly protected or inefficient concerns to face competition and play by market rules.

As a result, growth has been negligible for almost two years, and inflation has been above average. This — combined with political opposition within the ruling Congress party and the fallout of a $1.26 billion securities scandal — has prompted speculation that government reforms are slowing.

But Mr. Preston seems to have concluded otherwise. Talking to a group of Indian business journalists and editors shortly before meeting with Prime Minister P.V. Narasimha Rao, Mr. Preston said that all things considered, "the (Indian) economy is doing pretty well."

He singled out the 16% to 17% export growth in dollar terms in August and September as being "pretty darned good," considering the slowdown in the global economy and the collapse of India's trade with the former Soviet Union.

Mr. Preston said he recognized that reforms take longer, and are harder than sometimes expected. He also noted that they can be influenced by other factors, such as the Uruguay Round of trade talks, which are now stalled. But "once you relax and lose the momentum, it's very, very difficult to start it again," he said.

An official who participated in Mr. Preston's meetings with Finance Minister Manmohan Singh and other government members said Mr. Preston's message was that the reform momentum shouldn't be lost.

Along with the International Monetary Fund, the World Bank is one of India's biggest donors. It organizes annual Aid India Consortium meetings, where the Western world pledges aid to India, and it has strongly supported the reform program.

A $500 million Structural Adjustment Loar sanctioned in December 1991 was conditional on the government meeting certain fiscal goals. Mr. Singh's February 1992 budget broadly met these goals, and the amount was disbursed a few months later.

Since reforms began in July 1991, the World Bank sanctioned $1.7 billion under its usual project-lending program and $1.02 billion through its soft loan window, where only a small service charge is levied.

Mr. Preston and the Indian officials also discussed the need to ensure that the poor don't suffer as a result of the reforms. They discussed how to provide a "safety net" against the social costs of structural adjustment.

For the first time it is likely that the World Bank will provide a line of credit aimed at bolstering the Indian government's spending on social programs, which has been held down to meet fiscal and budgetary targets.

This will come in the form of another structural adjustment loan of $500 million, which is in the final negotiating stages. The money will be used for programs in primary health, nutrition, primary education and employment.

AGAINST THE TIDE

It is a matter of regret that the World Bank President should have chosen to dismiss the anti-Narmada dam agitation as the point of view of the "extreme members of the environment community". For, while some of the leaders of the movement such as Medha Patkar, may be environmentalists, to the thousands in the process of being dispossessed and others totally uprooted from their unfamiliar surroundings, the World Bank-aided Sardar Sarovar project means total doom. Placing Medha Patkar and several anti-dam activists behind bars because they had dared to launch a day-long dharna in Bombay and a demonstration in front of the hotel where the World Bank President was staying, the Bombay police showed equal insensitivity. What has made the bank's position all the more untenable is its own review commission's report, which it has ignored in a bid to press forward with the controversial project. What is even more unacceptable is Mr Lewis Preston's statement that "it would have been easier to suspend aid, as recommended in the Morse report, but we do not think it was the right thing for the people of India". Not only the people of India, especially those in the affected regions of three Indian States, but people around the world have voiced concern about the World Bank's violation of human rights on the SSP dam and the least Mr Preston could have done was to have insisted on some time to talk to the agitationists to determine for himself what the noise was all about, if the programme was all that "sensible", as he made it out to be. Receiving encomia from the supporters of the Gujarat Chief Minister should have offered little cheer to him.

That the controversy was not baseless is clear from the manner in which the Chairman of the Sardar Sarovar Nigam, Dr C. C. Patel, had to resign suddenly on health grounds, that his tenure as Chairman was far from inspiring was never in question and the decision of the Gujarat Chief Minister, Mr Chimanbhai Patel, to form and head a separate agency to handle rehabilitation work indicates an element of desperation in trying to change things in terms of generating funds, pace of work, and cost control. This is precisely what the environmentalists have been protesting against - bulldozing one's way without doing homework on how to handle those left destitute by the project or installing honest social security measures for the oustees. Mr Preston, of course, believed that the issue was an "emotive" one and that he did not believe the bank could satisfy everybody. But would the bank make a beginning by satisfying at least some neutral parties, the members of its own commission, for instance?

Saintly Mother

MOTHER TERESA is not an easy subject for a biographer because there are two Teresas in one body; the human which is mortal and the legacy of her good work which will never die. The mortal Teresa is not very exciting: a non-descript, homely looking woman wreathed in wrinkles and without any physical charisma. She has very little to say about herself. "What books, if any, have influenced your

Mother Teresa

thinking?" I once asked her. "The only book I read is the Bible," she replied. "Are there any people like Gandhi or Nehru — or anyone else, who inspired you?" I asked her. Her answer was almost as mono-syllabic, "Only Jesus Christ". It is a different story when it comes to her work: homes for the dying, leproseria, children's hospitals etc. spread across the globe. A catalogue of good works cannot make exciting reading. No romance, no sex, no thrilling adventures. And on top of that unenlightened attitudes towards subjects like use of contraceptives, sterilisation and abortion to control increase of population. How could any writer put life into a character like Mother Teresa? Malcolm Muggeridge, one of the wittiest and best prose writers of his time was unable to make his *Something Beautiful For God* exciting and had to resort to introducing miracles to hold his readers interest. His account of Mother Teresa was the poorest of his many books. And now we have Naveen Chawla's *Mother Teresa* (Gulmohar Press).

Navin Chawla came into the limelight as the presiding deity in the Sanjay Gandhi-Maneka Anand wedding and as not too civil a servant during the Emergency. No one would have suspected that he was also an ardent admirer of Mother Teresa and had it in him to produce a readably comprehensive book on this remarkable woman. Indira Gandhi rightly summed her up: "To meet her is to feel utterly humble, to sense the power of tenderness, the strength of love."

Mother Teresa's strength comes from her simple, uncomplicated beliefs which she has inscribed on her visiting card:

The fruit of Silence is Prayer
The fruit of Prayer is Faith
The fruit of Faith is Love
The fruit of Love is Service
The fruit of Service is Peace

As with Mahatma Gandhi, so with Mother Teresa, the guiding spirit was St. Francis of Assisi. His words were their common prayer:

Lord make me a channel of thy peace...
That where there is despair I may bring hope,
that where there are shadows, I may bring light,
that where there is sadness, joy...

Chawla has been sensible enough not to ascribe miracles or magical powers to Mother Teresa. He has however referred to the enormous respect in which people hold her. He cites the instance of Mother Teresa arriving from Rome with a life-saving drug for a child dying in Calcutta. When she deplaned in Delhi, the plane for Calcutta had taxied to the runway ready to take off. Message was sent to the pilot that Mother needed to catch the flight to save the life of a child. The pilot disregarded all rules and waited till the car carrying Mother Teresa drove up the tarmac to the aircraft and boarded it. The child's life was saved.

Navin Chawla's biography was authorised by Mother Teresa. I don't know what exactly the word authorised means but it has several unfortunate omissions. Chawla does not mention people responsible for bringing Mother Teresa to the notice of Indians and the world. First was Dr B. C. Roy who as Chief Minister of Bengal gave her a blank cheque to do her work. Then there was *The Statesman*, particularly Desmond Doig who wrote extensively about her. *The Illustrated Weekly of India* put her on the cover page in 1975. Mother Teresa acknowledged that it changed the attitude of Indians towards her. The BBC and Malcolm Muggeridge made her known to the English speaking world. Biographers like E. Le Joly catalogued her career. It is a pity because but for such omissions it could have been as complete a biography as possible.

Hindustan Times
Oct 31. 91

BANGLADESH - STATEMENT OF TRIP OBJECTIVES

COUNTRY DIALOGUE	APPRECIATION OF DEVELOPMENT ISSUES
1. Give the basic message that we agree with the Government's underlying development strategy, but that more decisive reform and rapid project implementation will be necessary to prevent an erosion of donor support. Stress that • Bangladesh is capable of more rapid growth and poverty alleviation; • Aid flows will decline significantly unless performance improves; • Project implementation must improve; • The needs of the truly poor must be given higher priority than vocal special interest groups.	1. Improved understanding of the political economy of development in Bangladesh.
2. Key Problem Areas and Messages to Reinforce are: • Extreme Poverty. Half of Bangladesh's population is below the poverty line. Population pressure means two million more people must be fed, educated and employed each year. Their needs can only be met effectively if the privileges of special interest groups such as public sector employees and the recipients of subsidies are curtailed.	2. Better feel for the difficulty of redistributing patronage in favor of the poor.
• The needs of the poor can be met. Bangladesh's population growth rate has been cut to 2%. Your field visit will provide concrete examples of low-cost innovative programs that meet the needs of the poor effectively.	3. How community based programs can improve the lot of the poor.
• Project Implementation must improve. Even the best designed programs face project implementation problems because of weaknesses in public administration, lack of counterpart resources, procurement delays and inconsistent policies. The Government must give priority to this issue to attain its development objectives.	4. Better feel for the constraints to improved aid utilization.
• Bangladesh faces the prospect of lower aid flows unless performance improves. The global climate for aid giving has worsened dramatically. Bangladesh's poverty will not automatically generate continued support. Donors are asking why they should provide additional support for Bangladesh when undisbursed balances are over $5 billion. Aid utilization will be a major criterion for new commitments.	5. Why Bangladesh feels it is entitled to aid flows.
• The pace of reform needs to be accelerated. There is a risk that the current gradualist approach will be ineffective in achieving meaningful change and be insufficient to attract high levels of donor support. Bangladesh risks falling behind its South Asian neighbors who are redoubling their reform efforts.	6. The risks and difficulties of political change.
• The potential for growth is great. Bangladesh has achieved great progress in the agricultural sector, rice self sufficiency is at hand. Garment exports are a great success story and you will have the opportunity to meet some of the country's dynamic entrepreneurs. However, consistent market-friendly policies are needed to unleash the full potential of the economy.	7. Better feel for the prospects for private sector led growth.
3. Confirm Bank's intention to continue strong support of Bangladesh's development efforts, but stress that the amount of Bank lending is linked to the capacity of the Government to make steady progress on the above issues.	

Prime Minister Narasimha Rao felicitating Mother Teresa who received the "Bharat ki mahan suputri" award in New Delhi on Sunday. — HT photo by Santosh Gupta

Mother Teresa honoured

NEW DELHI, Nov. 8 (PTI) Prime Minister P. V. Narasimha Rao today presented "Bharat ki Mahan Suputri" award to Nobel laureate Mother Teresa at a simple function here.

Mr Rao also gave Bharat Ekta awards to former Vice-President and freedom fighter B. D. Jatti, eminent vocalist Mallikarjun Bheemarayappa Mansoor—both posthumously—Jain saint Sushil Kumar, former Chief Justice of India Justice Ranganath Mishra and Mrs Mohsina Kidwai, former Union Minister.

The awards have been instituted by the Bharat Ekta Andolan, a fledgling organisation headed by former Union Home Minster Buta Singh.

Speaking on the occasion, the Prime Minister said it was a pity that a need was being felt to launch a movement to preserve the unity of a nation which had a rich cultural heritage and a long chequered history.

"Arre similar movements being launched in the USA, UK or another countries? If not then why need is being felt to launch such a movement in India whose cultural ethos, philosophy, way of life and thinking seek to promote unity, he asked.

The Prime Minister said somewhere someone must have done some mistake that the need was being felt to launch a movement for promoting uni-

Continued on back page col 6

Award for Mother Teresa

Continued from page 1 col 1

ty. "There is a need for introspection", he said.

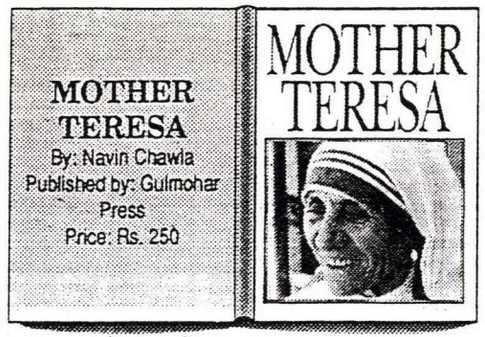
Without referring to the Ayodhya tangle, the Prime Minister said religion should act as a unifying force. Instead it has a tendency to encourage diversity. Something has gone wrong which needed to be analysed.

He said either something was wrong with those preaching and interpreting religion or in the understanding of their message.

ANOTHER AWARD: President Dr Shankar Dayal Sharma today presented the 1991 "Bharat Shiromani" award to Mother Teresa at a function in Rashtrapati Bhavan.

Wishing Mother Teresa strength and good health, the President expressed deep appreciation of the spirit of compassion and service with which Mother Teresa cares for the poor and the needy. He said that Mother Teresa has shown the light and hoped that various other voluntary organisations and the youth of our country would follow the example.

The award has been instituted by the Shiromani Institute and has been given to Mother Teresa for her outstanding contribution towards upliftment of the poorest, the most-suffering and the worst among the destitute. It carries Rs 51,000 in cash, a citation and a momento.



To serve with love

Nandhini Iyer

"WHAT do you want..."

"Nothing" answered Mother Teresa, "I have only come to offer my sisters to work among the poor suffering people"

"What will the sisters do?"

"We will give whole hearted free service to the poorest of the poor".

"What qualifications do they have?"

"We try to bring tender love and compassion for the unwanted and the unloved".

These excerpts from a conversation in the ante room prior to Mother Teresa's audience with the late Emperor of Ethiopia in many ways sum up, if somewhat starkly all that Mother Teresa stands for.

A living legend in her own time, few individuals have deserved recognition, honours and awards from the Nobel Peace prize to the Bharat Ratna as much as Mother Teresa. With few resources beyond her faith and her intense desire to alleviate suffering, Mother Teresa has offered hope to the poor, the destitute trapped in the slums of Calcutta. Her pioneering efforts have created an order of social workers and a network of institutions for the dying, the leprosy affected, handicapped orphans, which has over the years branched out from its humble beginnings in Calcutta to embrace the poor in ghettos of Latin America, New York, even the shadow of the Vatican.

Several biographers have attempted to chronicle her extraordinary life including Malcolm Muggeridge and Desmond Doig, with considerable success. Navin Chawla's "Mother Teresa" is the latest attempt to capture something of her extraordinary life, in literary terms for posterity. As a literary genre, the appeal of biographies has arisen from the opportunities it creates for personal insights into the lives of individuals whose work is often well, even, over documented. This "human face of greatness" is often recreated through a variety of techniques, interviews with the subject, acquaintances and associates, and family.

It is this aspect that is both Navin Chawla's strength and weakness, for despite Mother Teresa's endorsement and palpable encouragement of his work, her injunction that he focus on her work rather than her life is a major handicap. Certainly this has meant that Mother Teresa's early life in Skopje, Albania is somewhat documented rather sketchily. More disappointing for the curious reader is his treatment of "inspiration", "the call". Where the more religious or more credulous reader would without difficulty accept "a call", as motivation enough to set Mother Teresa on the extraordinary path of selfless sacrifice and devotion to the poor and needy, the craving to "understand" this major watershed in Mother Teresa's life in more secular terms remains unfulfilled. This absence of a personal touch, personal insights into Mother Teresa's aspirations, her emotions, her ambitions, her frustrations, surfaces again and again in the narrative particularly her decision to leave the sheltered portals of the convent and begin her work on the streets and in the slums of Calcutta and when she decides to establish an order exclusively devoted to service to the poor.

However, where other biographers might have been daunted by this handicap, Navin Chawla turns this to his advantage by candidly confessing to the reader the myriad obstacles in his task, whether it is Mother Teresa's own reticence or that of her associates. Indeed "Mother Teresa" needs to be read as the author's personal voyage of discovery, for Chawla laces the narrative with personal accounts of his visits to the Entally orphanage where it all began, his interview with Mother Teresa's spiritual adviser – Father Celeste Van Exem, her first room in Creek Lane Calcutta, and his interaction with her.

It is from these interactions that somewhat, fitfully, the human face of Mother Teresa emerges, whether it is her unexpected humour or the occasional revelation of an incident that made a deep impact on her.

One of the most moving and powerful of these is the incident that led to create a home for the dying – Nirmal Hriday. Navin Chawla chronicles how, Mother Teresa once came across a bundle of rags, covering an unconscious middle aged woman, whose face had been ravaged by rats and ants. When Mother Teresa took her to the hospital for treatment, she was turned away initially but after considerable difficulty was able to ensure a place on the floor for the woman, who died hours later. This pitiable incident made Mother Teresa aware of the need for a place where human beings could die in dignity.

Equally interesting is the pragmatic dimension of Mother Teresa, which Navin Chawla highlights and is seen in the manner she tackled the complex antagonisms and suspicions that might arise out of her work among the dying. To ensure that local sentiment was not alienated Mother Teresa adopted the pragmatic policy of ensuring that last rites were performed according to the religious denomination of the individual concerned and where this could be ascertained. In cases of doubt, the last rites were performed in accordance with Hindu tradition.

Similarly Navin Chawla highlights her extraordinary Catholicism, her breadth of vision, which despite her own intense faith, encourages faith rather than any particular religion. Often she would question the author if he had begun to pray.

Mother Teresa is undoubtedly an elusive subject and the effort to capture her spirit within the confines of a book, merely hints at her greatness. There are vivid, yet intangible images that flit through the narrative – the picture of her emerging from an international flight clutching soap, biscuits and leftovers, for the children of Shishu Bhavan. Or there is the sketch of Mother Teresa, comforting a woman delirious with fever, undoubtedly dying, yet whose heart was breaking because she had been abandoned by her son.

In many ways one cannot but be struck by the similarity between Mahatma Gandhi and Mother Teresa. They never met but both shared an intense faith and a capacity to serve, to alleviate the despair of the poor, the destitute. The hall mark of Mother Teresa has been her respect of the individual's worth and the need for dignity, dignity to live albeit in poverty, dignity to die in peace.

In a manner, Mother Teresa is synonymous with her work and Navin Chawla's crisp, even lyrical prose encourages the reader to judge this work not so much as a biography but a journey of discovery, a discovery that the reader is encouraged to participate in. And yet the questions remain, springing unbidden, from the recesses of the mind, to begin to understand this extraordinary woman. ■

BRIEFS

IV. Briefings for Individual Meetings/Events

Wednesday, November 11 (Delhi/Haryana)

A. Field Trip to Haryana
   1. Irrigation Project
   2. Village Water Supply

B. Meeting with Minister of Finance

C. Meeting with Minister of Agriculture

D. Meeting with Minister of Power

E. Round Table Meeting with Business Associations

IV. Briefings for Individual Meetings/Events

Thursday, November 12 (Delhi)

F. Press Discussion

G. Meeting with Prime Minister

H. Meeting with Minister of Environment/Forests

I. Courtesy Call on President

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Prime Minister, Mr. Narasimha Rao
(Thursday, November 12, 12:00 noon)

[Pre-meeting briefing by Messrs: Wood, Vergin, Yenal]

Issues Likely to be Raised by the Prime Minister

As with the Finance Minister, the Prime Minister is likely to seek assurances of continued Bank support, especially in the form of fast-disbursing adjustment operations, for the Government's reform efforts. You should reconfirm the Bank's readiness to support these efforts (ref. the Finance Minister's Brief).

Issues to be Raised by the Bank

You should commend the Prime Minister on the considerable success already achieved by his government in addressing the acute fiscal and balance of payments crisis which it inherited and in beginning the process of structural reform. But you should stress that the program will only succeed if decisive and early action is taken to accelerate the process in the areas of (i) taxes; (ii) trade; (iii) the financial sector; (iv) public enterprises; and (v) labor market regulations preventing firms form flexibly determining employment levels. **The strong linkage between early progress on a major tax reform and a credible trade reform should be emphasized.** You should seek the PM's views on the likely pace and depth of further reforms in these areas, many of which will be technically difficult and involve tough political choices.

You should stress the importance that you attach to this visit in terms of better understanding the role of the private sector in India and the key ingredients necessary to providing an enabling environment for increased private sector participation. You might explore the Prime Minister's perceptions about what the private sector (domestic and foreign) considers the most urgent areas for reform in order to facilitate a rapid supply response (especially exports), as well as the prospects he sees for a much greater private sector role in key areas of the economy, including hydrocarbons, power and financial services.

You should also commend the Government and the Prime Minister personally for the high priority given to the poorest segments of the population during the process of reform, especially the emphasis put on basic education and health (particularly for girls). You should ask how he sees progress evolving in these areas. You should express your pleasure at seeing that the Indian Government and the Bank have been collaborating in these areas which fit in well with the use of IDA resources, and express the hope that through literacy and education, the poorer sections of the population may be brought into the main stream of development.

Finally, you should reiterate the concern already expressed to the Finance Minister about the increased attention that is now being given by the donor community, and especially the Bank's shareholders, to portfolio management. You should stress that the Bank's ability to continue to commit resources, especially IDA, at the planned levels will depend importantly on there being discernable progress in reducing the large volume (more than $11 billion) of committed but undisbursed IBRD and IDA balances.

P.V. Narasimha Rao

Prime Minister of India (since June, 1991)

Age: 71

The Prime Minister presently also holds the portfolios of Industry, Commerce, External Affairs, Science and Technology, Rural Development, Chemicals and Fertilizers, Law and Justice and Personnel.

Mr. Rao started his political career as a Congress activist during the Freedom movement in Hyderabad state and has been with the Congress Party since then. As Chief Minister of the large South Indian State of Andhra Pradesh from 1971-73, he started a land reform program involving redistribution of surplus land and imposition of land ceilings. He has been a member of the Lok Sabha (lower house of parliament) since 1977; Minister of External Affairs from 1980-84; Minsiter for Home Affairs between July-December 1984; Minister of Defence 1985; Minister of Human Resource Development 1986-88; and Minister of External Affairs 1988-89.

Before the assassination of Rajiv Gandhi, Mr. Narasimha Rao was virtually on the point of retirement from politics. He emerged as the consensus candidate for Prime Minister. Since then he has consolidated his position within the Congress Party and is respected by all political parties. He has surprised everyone by boldly backing the economic reforms. He is known to follow a policy of conciliation and consensus. He enjoys total support in the Congress Party in spite of factionalism and dissidence. He has taken the Opposition parties into confidence, and is particularly close to Jyoti Basu and L.K. Advani - the leaders of the CPM and the BJP Parties. He has been able so far to defuse some of the contentious social and political issues which rocked the country in 1990 and in early 1991 (backward classes and Ayodhia Muslim/Hindu mosque/temple issues). Often seen as slow to make decisions, he appears to subscribe to the philosophy that time takes care of many problems. However, he has not hesitated to take many unpopular decisions and has up to now backed his Finance Minister completely.

He is an author and scholar. A linguist, apart from English he is fluent in Hindi, all South india languages, Urdu and Spanish. His basic degree is in Law. Mr.Rao studied at Osmania, Bombay and Nagpur Universities and has B.Sc. and LL.B. degrees.

He is a widower, has three sons and five daughters. Two daughters live in the USA.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of State for Environment/Forest, Mr. Kamal Nath
(Thursday, November 12, 4:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Issues Likely to be Raised by the Minister

1. Global Environment Facility. India (particularly the Ministry of Environment and Forests) is keen to develop a strong future pipeline for GEF activities on the assumption that the operational stage would become effective early in 1994. The Bank has indicated its willingness to cooperate in this respect and has suggested that a GEF "brainstorming" session with Government, the Bank, UNDP and UNEP be convened in January, 1993 in Delhi for this purpose. Global Environment Facility. India's GEF program includes: (a) an alternate energy component (wind farms and solar photovoltaic energy) of the proposed Renewable Resources project, scheduled for Board consideration later this year; (b) an eco-development (biodiversity) project currently under preparation as a GEF "standby" project that will focus on preservation activities for about six priority wildlife sanctuary/national park areas; and (c) a possible environmental education project focussing on audio-visual communications (still at the early concept stage).

2. Environmental Impact Assessment. The Minister (and the Ministry) is concerned that excessive environmental standards are being applied by multilateral institutions such as the Bank on developing countries such as India. The Narmada project might be sited as one illustration of this. You should emphasize the need to develop better coordination between India's and the Bank's EA standards and procedures. To this end, we are working with the Ministry to develop a program of EA workshops in FY93 and later in the key sectors such as infrastructure, irrigation, energy. These workshops would be held jointly for Bank staff and Government officials.

Issues to be Raised by the Bank

1. Narmada Fallout. One consequence of the extensive Board consideration of the Independent Review of the Sardar Sarovar projects is that environment (including resettlement) issues will receive much more attention and critical scrutiny in the future. This will affect projects (other than Sardar Sarovar) in the existing portfolio as well as in the pipeline. You should stress, therefore, the need for the Government and the Bank to work much more closely together to deal with these issues in a more comprehensive manner. This will involve, among other things, intensified efforts to complete first class environmental impact assessments for "A" projects, especially in the power and irrigation sectors. In addition, the Government should consider broadening the coverage of recently approved national guidelines for resettlement and

rehabilitation in the irrigation sector to include other key sectors such as power, coal, gas and oil, infrastructure generally. Finally, increased emphasis should be given to involving experienced non-governmental agencies in environmental (including resettlement) preparation and implementation work.

2. Environment Action Program. The Ministry of Environment and Forests is completing work on an Environment Action Program. It is scheduled to be completed by December; however, an overview report will be presented to you during your visit. The EAP covers the following subjects: alternate energy; water quality management; cleaner technologies; human resource development; institutional issues; global environment issues. At the Bank's urging, energy policy and forestry are also being included in the EAP. The document is required as part of the IDA-10 understandings. You should emphasize its importance in this context and urge that the final document be operationally constructive.

Kamal Nath

Minister of State (with Independent Charge) of Environment

Age : 48

As Minister for Environment he has taken a pro-environment stand, particularly in relation to power projects and large dams. At Rio he presented the developing countries' point of view on the need to temper environmental priorities with developmental concerns. However, in India his stand has been the opposite and he has argued for environment over development. On Narmada he has argued in favour of the project after the fulfillment of environmental and R&R conditions.

Fears have been expressed that the Minister of Environment could emerge as a new point of control and bureaucratic interference regarding development and industrial clearances. State Governments have also been complaining of excessive centralization in environmental clearances. This is an issue which is currently under debate.

He has been a member of the Lok Sabha - Lower House - since 1977. He was a close associate of Rajiv Gandhi's younger brother who died of an air crash in 1980. Politically active (and savvy), he is known to be a close associate of the Minister for Human Resources Development, Mr. Arjan Singh who is widely recognized as number 2 in the Congress Party and a likely successor to Mr. Narasimha Rao. Kamal Nath is also close to the PM who is using him as a political troubleshooter on the Ayodhia mosque/temple controversy.

An industrialist by background, he owns an electrical business in Madhya Pradesh (MP). He was elected from the coal mining area of MP, an area where the BJP (a right wing opposition party) is particularly strong. Before he became Minister, his name was linked with many controversies involving large imports of oil and other items.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Courtesy call on the President, Dr. S.D. Sharma (Thursday, November 12, 5:30 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

This is essentially a courtesy call at which you should commend the Government for the courageous and far-reaching stabilization and reform program on which it has embarked and for its attention and commitment to ensure that the welfare of the poorest segments of society is protected during this period of adjustment. You should assure the President of the Bank's continued commitment to support the Government's efforts through its adjustment and investment lending and its catalytic role in mobilizing external assistance.

Dr. S. D. Sharma

President of India

Age: 74

Dr. Sharma has had a long experience in both public and academic life. An experienced administrator, seasoned politican and erudite scholar, he has had an active public career spanning half a century.

He has been a teacher, a Chief Minister, Union Cabinet Minister, Congress President, Governor and Vice-President of India prior to assuming his present office. As Chairman of the Rajya Sabha (Upper House), he gained credibility as the champion of dignity of Parliament and its traditions, at a time when Parliament proceedings were often interrupted by unruly elements. He has the respect of various sections of people cutting across political lines. He is considered capable of standing up to exacting political demands in times of constitutional crises.

He joined the Congress in 1950 and soon rose to the position of the Chief Minister of Bhopal State. He was General Secretary of the Congress in Madhya Pradesh and member of the Congress Working Committee for two decades. He was also party President for three years from 1971 till 1974. Dr. Sharma was a minister in the Indira Ghandi cabinet till 1977 and after the Congress returned to power in 1980, he served as Governor of three states - Andhra Pradesh, Punjab and Maharashtra. As Vice-President, he acquired the reputation of being upright and non-partisan in his role as Chairman of Rajya Sabha.

With a Doctorate in Constitutional Law from Cambridge University, he was a Brandies Fellow at the Harvard Law School. His other degrees include an MA in English (University of Lucknow), MA in Hindi and Sanskrit, Master of Law (University of Lucknow) and Bar at Law.

Although the President's post is ceremonial in character, he is likely to play an important role as the polity continues to be marked by indecisive mandates and centrifugal forces.

IV. Briefings for Individual Meetings/Events

Friday, November 13 (Rajasthan)

J. Project Visits
   1. Technician Education (Jaipur)
   2. Umaid Maternal Health & Child Care Hospital (Jodhpur)

K. Meeting with Chief Minister, Rajasthan

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit : RAJASTHAN

Population	:	44 million (1991)
Area	:	342,000 km^2
Capital	:	Jaipur, pop. about 700,000

Rajasthan, the "Land of the Kings", is situated in north-west India and is the second largest state of the Indian Union (11% of total Union land area). Historically, Rajasthan has been the home of Rajpts, a group of warrior clans that have controlled this part of India for about 1,000 years. In spite of their chivalry and military traditions, Rajput tribes never united and were thus no match for Moghuls, not to mention the British, which administered Rajasthan territory as a collection of princely states known as Rajputana. Nowadays, Rajasthan ranks among the poorest, predominantly agricutural states, in the Union.

Geographically, Rajasthan is a rather varied place, but its dominant feature is the barren north-west, the Thar Desert, which extends across the border into Pakistan. It has only 1% of India's total water resources. Drought and famine are almost constant conditions in some parts. About three years out of five, severe droughts occur in Rajasthan, particularly in the east. In rainfed areas, the low water availability and erratic rainfall place severe constraints on the introduction of improved, sustainable production systems.

Given the fragility of the resource base in much of Rajasthan, agriculture (which still accounts for about 50% of the State Domestic Product), is a high risk activity. Agricultural development has already led to environmental and social problems. These include: crop production on lands unsuitable for agriculture; declining groundwater tables (except in the canal irrigated areas); increasing salinity of groundwater; large pockets of water-logging and salinity buildup in the command areas of major irrigation projects; and a tendency towards indiscriminate use of agro-chemicals in irrigated areas.

In addition to crop production, livestock is also an important source of income, particularly in north-east Rajasthan, which has about 30% of India's sheep and produces 40% of India's wool.

Rajasthan has hardly any industrial base and rather deficient physical and social infrastructure. This situation is unlikely to change soon.

Government data suggest that its share in India's total investment is only about 2%.

While it is a fact that on independence, Rajasthan inherited very little of infrastructure of any kind, there has been some development since: about 33,000 villages now have access to drinking water; about 50,000 km of roads have been built; there are about 2,000 various health centers (primary, community, hospitals); there are some 20,000 village cooperatives with over 7 million members.

A number of external donor agencies are active in Rajasthan.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit: Technician Education (Jaipur)

JAIPUR

Project

Improving the technical competence of India's work force is an important component of economic restructuring and accelerated growth.

A national system of polytechnics prepares high school graduates for technical and junior engineering careers. Two Technician Education Projects are assisting a national program to upgrade and expand the polytechnic system, which had deteriorated over time, and which was ill-equipped to train for newly emerging technical occupations. Special attention is given to increasing female enrollments in modern technical occupations. Work is being supported in 26 states and Union Territories, with a total IDA investment of US$ 542 million.

Site Visit

Khaitan Polytechnic is a government institution founded in 1978. Three hundred students are enrolled in refrigeration and air conditioning, electronics, architecture, production engineering and mechanical engineering. Ten percent of the places are reserved for female students. New post-diploma courses in computer technology and rural technology will be added in 1993. Khaitan has close relations with Khaitan Industries. IDA is supporting the modernization of laboratories and workshops, and training for staff.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit: Umaid Maternal Health & Child Care Hospital (Jodhpur)

JODHPUR

Project

Infant and maternal mortality rates in India have fallen, but remain dangerously high. On average, 90 of every 1,000 children die before the age of one; across the states, this figure varies from 28 in Kerala to 127 in Uttar Pradesh, and it is twice as high in rural as in urban areas. The maternal mortality rate is 400 per 100,000 live births, compared with a world-wide average of 280 and 80/100,000 in Sri Lanka.

The Child Survival and Safe Motherhood (CSSM) project supports expanded and improved programs of immunization (measles, neonatal tetanus, whooping cough, polio), treatment of diarrhoea and acute respiratory illnesses for children. For mothers, the projects supports health education, family planning, protection against anaemia, as increase in the share of attended deliveries, and strengthened hospital referral for obstetric complications for mothers. The project is co-financed by IDA (US$ 215 million) and UNICEF (US$ 68 million).

Site Visit

The Maharaja Umed Singh Hospital for Women and Children is a Regional Institute of Maternal and Child Health. It provides treatment for obstetric complications, paediatric surgery, training for medical and paramedical staff, and research support for the CSSM program. The hospital was founded in 1938 by the Maharaja of Jodhpur.

Maharaja Gaj Singh of Jodhpur

(Member of Parliament (Rajya Sabha)

Age : 46

Independent member of the Upper House from Rajasthan since 1990. Son of the royal family of Jodhpur, the second most important royal family of Rajasthan apart from Jaipur. The Jodhpur Palace - Umaid Bhavan - now a hotel, was built between 1925 and 1940 as a famine relief work to provide employment to the citizens of the city. It is a replica of Rashtrapati Bhavan New Delhi and was designed by a colleague of Edwin Lutyens.

Jodhpur is in the middle of the Rajasthan desert and is an important military town given its proximity to the Indo-Pakistan border. There is an important Arid Zone Research Institute in Jodhpur and the CM of Rajasthan has been keen to develop links between this Institute and Israel.

Mr. Gaj Singh was educated at Oxford and he is interested in conservation of national heritage, and he is a keen polo player. He has also served as India's High Commissioner to Trinidad and Tobago.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Call on the Chief Minister, Rajasthan, Mr. Bhairon Singh Shekhawat
(Friday, November 13, 10:00 a.m.)

[Pre-meeting briefing by Mr Vergin]

Background

Rajasthan, a largely agricultural state, is governed by the Bharatya Janata Party (BJP), the major right wing opposition party at the national level. Mr. Shekhawat can therefore give you a perspective of the reform agenda from an alternative viewpoint to that of the Center Government.

Issues Likely to be Raised by the Chief Minister

The Chief Minister is likely to seek your views on the reforms to date and the Bank's priorities for further reforms. You should assure him that the Bank fully supports the Government's objectives of restoring fiscal and foreign account balance, achieving a higher level of sustainable growth and ensuring that this higher growth is used to reduce inequities and eradicate poverty. You should also stress that the Bank is working closely with the Government to ensure that the burden of adjustment does not fall on the poorest segments of society and that a Social Safety Nets Adjustment Credit is currently under preparation.

He may also press for more Bank projects for Rajasthan, including Bank financing for the proposed Suratgar power station. You should assure him that we will consider any specific project proposals within the context of our overall lending program for India. However, you should stress that we are initiating our relationship with the Rajasthan State Electricity Board through the Bank-financed Power Finance Corporation rather than through direct lending.

Issues to be Raised by the Bank

You should commend the Rajasthan Government for the far-reaching agricultural sector reforms that have been agreed in the context of the Agricultural Development Project, Rajasthan scheduled to be approved in November and stress that the Bank looks forward to continuing its close collaboration in the implementation of the reform agenda.

You should seek Mr. Shekhawat's views on the macroeconomic and structural reform agenda of the Narasimha Rao Government and the impact of the reforms to date. You should explore how Rajasthan is adapting to the reduced transfers from the Center and managing and carrying through the reforms at the state level, for example through improved cost recovery (especially in power and irrigation) and better targetting of state expenditures. You might also seek his views on the additional measures (at both national and state levels) needed to ensure a rapid and significant supply response to the adjustment program, particularly in the

agricultural sector. In this context you might seek the Chief Minister's views on what is needed in terms of reform of the agricultural credit system to support this supply response.

You should also seek his views on the social impact of the adjustment process and how programs at both the center and state levels are being adapted to assist the most vulnerable sections of the community.

Bhairon Singh Shekawat

Chief Minister - Rajasthan (since 1990)

Age : 68

Mr. Shekawat was Chief Minister of Rajasthan earlier, from 1977-79. A leading figure of the BJP (Bhartiya Janata Party - right wing opposition to the ruling Congress (I) Party at the national level), he is widely recognized as one of the most efficient Chief Ministers in the country today. In his earlier tenure as Chief Minister he was responsible for starting many innovative programs for poverty alleviation and employment generation. His "food for work" program was adopted and continued by subsequent Congress government in the State.

Mr. Shekawat was born in Rajasthan. He started his career as a sub-inspector of police before entering politics. A long time member of the Jana Sangh Party - generally regarded as a right wing party, and which was the precursor of the BJP. In 1977, the Jan Sangh and various other parties joined together to form the Janta Party which came to power in 1977 at which point he first became the Chief Minister of Rajasthan. He was imprisoned by Mrs. Gandhi's government during the emergency of 1975.

IV. Briefings for Individual Meetings/Events

Saturday, November 14 (Bombay)

L. Project Visits
   1. Bombay Urban - Dharavi
   2. Population V

M. Meeting with Chief Minister, Maharashtra

N. Lunch Hosted by Governor (RBI) and Business and Finance Leaders

O. Project Visits
   1. Bombay Urban

P. Press Briefing

Q. Dinner hosted by Governor, Maharashtra

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit : MAHARASHTRA

Basic Information

Area	:	307,690 Sq. Kms.
Coastal Area	:	729 Kms.
Total Population	:	62.8 million (1981 census) (Urban pop. 35%; Rural pop. 65%)
Language	:	Marathi
Capital and its Population	:	Bombay; 8,243,000

Maharashtra accounts for about 10% of India's territory and produces about a quarter of India's industrial output. Bombay is India's undisputed commercial and financial centre. Its stock exchange is by far the most important and the largest in India. The Reserve Bank (India's central bank) is headquartered in Bombay and so are all of India's most important banks as well as the most influential industrial conglomerates.

A number of Maharashtra's industries have a dominant position in India, such as petrochemicals, pharmaceuticals, chemicals and electronics (hardware, and in particular software, which is also exported). Its utilities are among the best managed in India and so is its transport infrastructure. The construction, tourism, services and entertainment industries are also a major source of employment in Maharashtra.

As in the rest of the country, agriculture also plays an important role in Maharashtra's economy. Increasingly intensive cultivation methods are being introduced in its agriculture: its grain production in 1990/91 came close to the targeted 14 m. tons. During the Eighth (1992-97) Plan, the Maharashtra Government intends to provide about Rs 1.0 billion for further intensification of the agricultural production, primarily horticulture, for which there is good potential. In addition to grains, sugar and cotton are the principal cash crops.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit: Bombay Urban Project

1. The World Bank has been associated with Bombay since 1973-74, financing projects in the areas of water supply and sanitation, storm drainage, urban development (low cost shelter as well as other activities), public transport, public health and population control. BUDP is funding sites and services schemes for about 600,000 people in the Bombay Metropolitan Area,

2. The project also funds slum improvements for about 200,000 people and infrastructure and municipal service equipment for 12 municipalities in the Bombay region.

3. More than 25 separate sites and service schemes in the Western and Eastern Suburbs of Bombay and the adjacent areas of Bombay in Thane, Kalyan and New Bombay are at various stages of construction and occupation.

4. The main project implementing agencies are the Maharashtra Housing and Area Development Authority (MHADA), the Bombay Municipal Corporation (BMC) and the City Industrial Development Corporation (CIDCO) in New Bombay.

Poverty and Social Welfare

5. Over 60% of the plots are reserved and allotted to households with incomes at or below the poverty line (about US$45/mo/hhld). The remaining 40% of plots are for people in lower-middle to upper income groups.

6. There are plots for high income apartment developments and for commercial developments.

7. Low income plots are sold at prices which require 10-15% of household income for servicing long-term plot purchase loans.

Finance

8. The Bank-funded investment in sites and services is about US$105 million for local water supply and sanitation (to each plot), roads, storm drains etc. The project also funds buildings for schools, bus depots, etc.

9. Core Housing and optional home construction loans are provided for low income plots. Higher income residential and commercial housing and other construction is funded from the market.

10. The total value of housing and other superstructure construction generated on BUDP sites and services would be over US$1.0 billion.

11. No overall financial subsidy is involved in BUDP sites and services. All costs are being recovered with a profit margin of about 10%. Sales of higher income and commercial plots for about 40% of beneficiaries, at market prices cover subsidies on affordable plot prices to lower income families.

12. Not less than 50% of site development costs has to be recovered from up-front cash sales and downpayments (largely from higher income and commercial purchasers). In fact about 80% of costs is being funded out of up-front sales and downpayments.

Site Planning and Engineering

13. Special site planning and engineering features of BUDP are :

* small (25-30 m2) low income plots are all clustered around semi-private pedestrian open courtyards.
* the small low income plots are distributed throughout sites, to avoid big concentrations of low income ghettos.
* Larger plots and apartments are located on larger roads, and to enhance value, nearer to commercial facilities.
* Clusters of about 35 lower income plots are organized in cooperatives who are responsible for maintaining all internal utilities. The municipality(s) maintain the larger infrastructure.
* Site plans are efficient, without about 70% of gross area saleable.
* Infrastructure costs have been minimized to conform to realistic performance requirements.

Dharavi Slum

14. Dharavi slum has benefitted indirectly from Bank projects in Bombay. Despite Bank interest under BUDP, the Bank has not directly invested in Dharavi.

15. Located on Mahim Creek at the Northern end of Bombay Island and not far from the airport and major road and railway lines, Dharavi has an enormous urban renewal potential. As in other countries, planning, administering and implementing socially-just and financially-sound urban renewal schemes is the most difficult urban problem.

16. The piece-meal improvements made so far under non-Bank schemes only chip at the problems of Dharavi.

17. Indeed, Dharavi slum is a massive expression of the long-standing weaknesses in India's management of urban growth.

Charkop Sites and Services Area

18. Charkop is located in the North Western suburb of Bombay. The area is about 5 miles from the commuter railway and connected to it with frequent bus services.

19. Land is in public ownership. Most sites required filling. The BUDP Charkop area is composed of 5 separately-developed but contiguous BUDP sites. Altogether about 250,000 people will be accommodated in the Charkop area, which is equivalent to a medium-sized Indian city.

20. Development of the recently-filled Charkop IV portion of the site (bordering on a large creek leading to the sea), is based on a thorough environmental assessment of a wetland area: tidal channels and wetlands and their related natural and environmental resources are to be preserved.

21. More than 50% of the plots have been built on and are in process of being occupied.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit: Population V

Date of Project Effectiveness: December 23, 1988
Closing Date: December 31, 1996

Credit: $23.6 million equivalent
Implementing Agency: Health Department of the Bombay Municipal Corp. (BMC)

The project supports GOI's goals of achieving declines in fertility through increased used of family planning and declines in infant, young child and maternal mortality and morbidity through improvements in the quality and coverage of maternal-child health (MCH) services. Specific objectives are to:

1. support GOI's Urban Revamping Scheme, which is designed to strengthen family welfare (family planning and MCH) services in urban slum areas;

2. strengthen the institutional capacity of the BMC's Health Dept. to deliver family welfare services to Bombay's urban poor;

3. support the improvement of the quality of services offered; and

4. increase the participation of non-governmental organizations (NGOs) and private medical practitioners (PMPs) in the provision of public family welfare services.

These objectives are to be achieved through:

1. expansion of service delivery through construction of new and rehabilitation and/or expansion of existing facilities;

2. support for delivery of services on a outreach basis and improvement in the quality of those services through strengthening of pre-service and in-service training of staff;

3. improvement in the management of the Dept's family welfare program through reorganization and the introduction of an effective management information system;

4. expansion and strengthening of the family welfare program's demand generation (information, education and communication) efforts; and

5. increasing NGO and PMP participation through grant-in-aid mechanisms and innovative schemes.

Although Bombay has had a well-developed hospital system for many years and health and maternity care could be obtained at municipal facilities, neither family planning nor MCH services were generally available in the city's local areas. Under the Bank-supported project, progress in improving this situation has generally gone well. Construction of the facilities originally specified in the project, as well as some additional facilities that were subsequently included, is well on the way to completion, which will allow focus on service delivery concerns in the latter half of the project. Outreach workers and local assistants have been recruited, trained, and posted to health posts established in all of the city's poorer and slum areas. A comprehensive management information system, which will greatly facilitate the program's ability to monitor which households are in need of services and what coverage the program is achieving, is being introduced. Workshops to familiarize private medical practitioners with family planning and MCH topics have been well attended. Some much needed activities carried out by NGOs, for example mobile creches for the children of construction workers at construction sites, are being funded by the project. Improved rates in slum areas for indicators such as immunization coverage, family planning acceptance, infant mortality and maternal mortality all indicate that the project is already having a clear impact.

Project

Extending family planning services to urban slum dwellers is an important component of India's family welfare program, which seeks to provide couples with contraceptive education and services as part of the overall program to improve maternal and child health. This program plays an important part, along with expansion and improvement of primary education, in reducing the population growth rate currently 2.0 percent per year.

Beginning in 1973, IDA has financed eight population projects. Population V was the first project to focus on urban slums, supporting the GOI's Urban Revamping Scheme in Bombay and Madras (US$ 57 million). PVOs and private medical practitioners are involved in the implementation of the project.

Site Visit

The Dharavi slum is the largest in India. Here the project supports the creation of 131 Health Posts (21 in new buildings), training of medical and para-medical workers, improved information and education, strengthened involvement of voluntary organizations, and more effective management information systems.

Gism
IV-L 1.

Bakul Patel

Sheriff of Bombay

Age : 52

Wife of Rajni Patel, she was widowed in 1982. Rajni Patel was the all-powerful Congress chief of Bombay in the early seventies when she married him. Because of Rajni Patel's prominence, initially she was seen as being no more than his wife. This view ignored her own background which included, research work at the Tata Institute of Social Sciences (TISS), and a career as a successful international businesswoman. She has used her husband's prominence and wide network of contacts and acquaintances to promote her social programs to benefit the city's poor.

Prior to becoming sheriff, Bakul Patel has worked in a number of areas of social concern.

At 23 she was the youngest faculty member of TISS teaching Criminology and Correctional Work; member of the Board of Governors of TISS; Managing Director of a management and marketing consultancy company focussing on the revival of sick companies, marketing of industrial goods and services, corporate investments and allied financial services, and foreign collaborations; Chairperson of the All India Talking Book Studios, and Braille Press Complex of the National Association for the Blind; Convenor of the Committe on Child Labour, she was responsible for drafting comprehensive legislation for the protection and welfare of neglected children.

Apart from the above, she has done alot of work for the people of the Dharavi complex. She was the Founder Chairperson of a vocational training centre for the urban poor in Dharavi from 1984-90, and was the Chairperson of the Society for Human and Environmental Development (SHED) from 1982-89. She was instrumental in bringing in the State Bank of India to open a branch in Dharavi in order to break the stranglehold of the moneylenders. She organized the setting up of an air-conditioned computer training centre in the Dharavi slums with IDBI as sponsors.

She has a multidisciplined academic record : A B.Sc. in Microbiology and Chemistry from the University of Bombay; a Masters in Social Work from the TISS; a Chartered Secretary from the Chartered Institute of Company Secretaries (UK).

Today, she is well known throughout Bombay. She is as much at home in the city's media world as she was in the country's political circuit during her husband's lifetime. The expectation is that she could shake up this largely ceremonial office and turn in into something of substance.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Call on the Chief Minister, Maharashtra, Mr. Sudhakar Naik (Saturday, November 14, 12:00 noon)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Background

Maharashtra, in addition to having a substantial agricultural base, is also India's most industrialized state and its capital, Bombay, is the nation's financial center. The state government is controlled by the Congress Party, the ruling party at the national level.

Issues Likely to be Raised by the Chief Minister

The Chief Minister may request Bank financing a very large (2500 MW) private sector LNG-based power generation project (sponsored by Enron), for which the Bank has already provided advice in the early stages. You should respond by stressing that we would need to look carefully at how the project fits into the least cost development program for the Region and at the availability of LNG.

Mr. Naik may also raise the issue of Narmada, stressing that Maharashtra has cooperated in this regard, but that its response should not be viewed as a precedent for future situations. You should express your appreciation of the cooperation under the difficult circumstances of Narmada, but emphasize that environment and resettlement issues will receive much more attention and critical scrutiny from our shareholders as a result of Narmada, and that India and the Bank will need to work much more closely in the future to deal with these issues in a more comprehensive manner.

Issues to be Raised by the Bank

You should seek the Chief Minister's views on the progress to date of India's stabilization and adjustment program and how and to what extent the program is impacting at the state level. You should also explore how Maharashtra is adapting to reduced transfers from the Center and managing and carrying through the reforms at the state level, for example through improved cost recovery (especially in power and irrigation) and better targetting of state expenditures. You should also explore progress to date and future plans for enhancing the environment for private sector participation in key areas of the state's economy (such as power and other infrastructure development). You should also seek his views on the social impact of the adjustment process and how programs at both the center and state levels are being adapted to assist the most vulnerable sections of the community.

Sudhakarao R. Naik

Chief Minister of Maharashtra

Age : 58

Mr. Naik started his political life by working on social issues inspired by the Bhoodan (land gift) Movement. A member of the Congress party, he was Minister for Education in the state cabinet in the 1970s. He was instrumental in making education up to high school level free in the state. He is viewed as an able administrator and legislator.

Mr. Naik belongs to a scheduled tribe. Scheduled tribes constitute about 7.5% of India's population. His uncle, V.P. Naik - a very popular and respected Chief Minister of Maharashtra in the 1970s, was responsible for introducing the widely acclaimed Employment Guarantee Scheme in the state.

When Mr. Sudhakar Naik was appointed Chief Minister, he was widely seen to be a proxy for Mr. Sharad Pawar, India's Defence Minister (and former CM of Maharashtra), who was one of the candidates for the Prime Ministership in 1991.

Over the last year, Mr. Naik has established his independence and is now widely accepted as a Chief Minister in his own right.

He has consolidated the Congress Party position in the state of Maharashtra.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Lunch hosted by Chairman, Industrial Development Bank of India with Governor, Reserve Bank of India & Business & Financial Leaders (Saturday, November 14, 1:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Background

Bombay is the main financial and industrial center of India. The lunch will provide an opportunity to meet with some of the country's leading industrialists and bankers.

Issues Likely to be Raised by Indian Participants

As with the meeting with business leaders in Delhi (ref. TAB __), the participants are likely to seek your views on the overall stabilization and reform program, including measures undertaken to date and the priorities for future reforms. You should indicate that the Bank commends the Government's efforts to date, which have been supported through the Bank's first Structural Adjustment Loan/Credit to India, but emphasize the need to accelerate the pace of reform in key areas if the program is to succeed. In this context, the Bank is discussing with the Government a number of follow-up adjustment operations, in support of reforms in key areas, such as trade, financial sector, public enterprises and labor market reform. The Bank is also planning to assist with strengthening of the social safety nets to ensure that the poorest segments of society do not bear a disproportionate share of the burden of adjustment.

Issues to be Raised by the Bank

You should assure the business leaders that a key thrust of the Bank's assistance strategy for India during this period of structural adjustment is to support reforms designed to facilitate and expand the private sector's role, not only in industrial areas in which the private sector has already made a major contribution, but also in areas previously reserved for the public sector, including financial services, hydrocarbons and power as well as basic infrastructure (such as roads, ports and telecommunications).

You should use the meeting to gain an insight into the views of business and financial leaders on the extent to which the reforms to date have percolated down through the government bureaucracy and have been translated into a less restrictive environment for the private sector at the grassroots level. You should also ask businessmen and bankers what prospects they see for a major expansion of exports and what further actions are needed to provide an enabling environment for sustained export growth. You might also ask about the restructuring plans of industry and the financial system as tariffs are reduced

and market competition increases.

You should commend the steps already taken to reform the financial sector and facilitate a more commercially oriented environment for financial intermediation. You might should seek the views of industrialists and bankers on the kind of financial system they would like to see emerging from the reform process.

You might also seek participants' views on the social impact of the reform process and the ease, or difficulty, with which industry and labor have been able to adjust to the changing environment. In this context you should explore the perceptions about the role and likely effectiveness of the National Renewal Fund in facilitating enterprise restructuring and labor mobility.

S. Venkitaramanan

Governor of The Reserve Bank of India - RBI (since December 1990)

Age : 62

Mr. Venkitaramanan was Finance Secretary between 1986-89 and Power Secretary in 1985. He has had industrial experience as Managing Director of SPIC (Southern Petrochemical Industries Complex) which was turned around under his leadership. Today, SPIC is one of India's top companies. He has studied at Carnegie Mellon, and between 1974-77, he worked at the World Bank in the Nutrition Department.

In 1991, Mr. Venkitaramanan played a major role in dealing with India's BOP crisis. More recently, in connection with the Bank/securities market scam that has rocked the country, Mr. Venkitaramanan has been under attack in the press and in the JPC (Joint Parliamentary Committee appointed to look into the scam) for RBI's allegedly lax attitude which resulted in large scale diversion of funds from the banks to the securities market, insider trading on a large scale, and on the questionable role of RBI supervision.

Mr. Venkitaramanan has a Masters degree from Kerala University and a post graduate U.S. degree in Industrial Management from Carnegie Mellon.

He is expected to retire in December 1992.

N. Vaghul

Chairman, The Industrial Credit & Investment Corporation of India Ltd. - ICICI

Age : 56

Widely recognized as an innovative banker, Mr. Vaghul has been responsible for starting new subsidiaries for credit rating, technology commercialization, and information for ICICI. He served for many years in The State Bank of India. He has been a consultant with the IFC, and he has chaired many government committees on capital market reforms.

The ICICI is the premier private sector development bank in India with which the World Bank has had a very close association since 1954, when the first of 17 loans, totalling $1201 million to date, was given.

S.S. Nadkarni

Chairman, Industrial Development Bank of India - IDBI

Age : 56

A chemical engineer by education, he has been with development banking for over three decades. Prior to becoming Chairman of IDBI, Mr. Nadkarni spent 25 years with ICICI starting as a Project Officer and rising to become Chairman and Managing Director.

While serving on the Board of Directors of the Industrial Reconstruction Corporation of India and Maharashtra State Financial Corporation, he is also a member of the Board of Trustees of the Unit Trust of India, the Risk Capital Foundation and a member of the Governing Council of Indian Investment Centre, and the National Institute of Bank Management. Recently, Mr. Nadkarni has been associated with the work of Committees set up for the disinvestment of public sector equity.

IV (o) Project Visits

- Bombay Urban (Charkop)

Please refer to Tab IV-L

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Statement to the Press

(Saturday, November 14, 7:00 p.m.)

(Pre-Meeting Briefing by Messrs. Vergin, Yenal)

1. Ladies and gentlemen, this is my first trip to India, and I would like to begin my remarks by expressing something of the pleasure and gratitude that Mrs. Preston and I feel for the warmth and hospitality with which we have been welcomed to this country. I am sure that we will carry memories of this visit with us for many years to come.

2. As you all know, the World Bank has had a partnership in India's development for over forty years. During this period, India has not only made important strides towards many of its development goals, but has operated democratic institutions which have assured a remarkable degree of political and religious freedom for its people and have provided an important example for many other countries of the world. We at the Bank have been very heartened by the impressive measures adopted by the Government over the past eighteen months to stabilize and reform the economy, and to attune India's development strategy better to the challenges and opportunities of the changing domestic and international environment. The new emphases on private initiative as the engine of growth, on openness to international competition, capital and technology, and on the role of government in realizing the considerable potential of India's human resources are likely to help India to enter the twenty-first century as one of the most dynamic nations of the developing world.

3. The Bank's experience in other countries indicates clearly that early and

decisive action to deepen the process of reform is required if a prompt and buoyant supply response is to be forthcoming, and growth and progress in poverty alleviation are to be sustained. During this visit, I have had a number of very important meetings with the Prime Minister and other cabinet members, and have assured them of the Bank's commitment and readiness to assist India to consolidate and strengthen the gains achieved to date through continued fiscal adjustment and major, coordinated structural and sectoral reforms in key areas of the economy.

4. The Bank also shares the Government's concern that the poorest segments of society should not bear a disproportionate share of the burden of adjustment. In this context, we are providing direct support to the Government's efforts to strengthen India's social safety nets through an IDA adjustment credit. The credit, which is at an advanced stage of preparation, will contribute to core social programs--including primary health and education, nutrition, and communicable disease control--as well as to the National Renewal Fund.

5. I have also met with industrialists and representatives of organized labor in order to assess the extent to which the impact of the Government's industrial and trade reforms has percolated down to the grass roots level. These meetings have been particularly useful in helping me to bettter understand what more needs to be done to provide an enabling environment that can facilitate private sector expansion and increased export growth.

6. During the rest of my visit, I will meet with the Chief Ministers of Maharashtra, Rajasthan, and West Bengal, and will discuss with them the challenges faced by the states in contributing to the overall reform effort.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Dinner by Governor, Maharashtra, Mr. C. Subramaniam
(Saturday, November 14, 8:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Background

The Governor was Minister of Finance under Indira Gandhi in the 1970s and was one of the architects of the Centrally-controlled and public sector dominated industrial development strategy (ref. attached bio-data). Like the Prime Minister, he has now become a strong proponent of a more market-oriented approach to development.

The Chief Minister of Gujarat may also be present at the dinner. He will want to follow up on the outcome of the Board discussions on Narmada. Mssrs Wood and Vergin will brief you prior to the dinner.

Talking Points

You might explore the Governor's views on the progress of the reform program and seek his ideas about the political economy of the Government's strategy for further reforms. In particular, you should explore the prospects for and difficulties associated with accelerating public enterprise reforms (including increased commercialization and privatization of public sector entities in industry and finance) and improving the enabling environment for increased private sector participation in key sectors of the economy previously reserved for the public sector (e.g., power, hydrocarbons, banking).

You should explore the impact of the fiscal stringency arising from the stabilization program on state finances and how states such as Maharashtra are adjusting to the new environment and pursuing fiscal adjustment at the state level. In particular you might seek his views on the social impact of the adjustment process and how programs at both the center and state levels are adapting to assist the more vulnerable sections of the community.

C. Subramaniam

Governor of Maharashtra (since 1990)

Age : 82.

Dr. Subramaniam comes from Tamil Nadu State in South India. He has been a long time Congress Party member, held key ministerial appointments and was responsible for some far reaching reforms and policy decisions in his time. He was instrumental in introducing the 'green revolution' in India in the mid-sixties when he was Cabinet Minister for Agriculture. He recommended decontrol of steel in 1962 when he was Minister for Steel. He served as Finance Minister in the mid 1970s in Mrs. Gandhi's cabinet. It was under his stewardship that the Government's anti-poverty programs, in particular the Food-for-Work schemes and the employment guarantee scheme in rural areas, were launched.

Forty two years ago, he was chosen to lead the Congress Legislature Party in Madras state. Later became a minister, and then held the number two position in the state cabinet. In 1962, he moved to the cabinet in the Central Government.

An alumnus of the Presidency College, Madras, Governor Subramaniam opted out of active politics in the 1970s, but remained active in numerous other civic and voluntary organizations until he was appointed Governor.

He now heads the National Foundation of India - a private organization - which is modelled on the lines of the Ford Foundation. He is still actively involved in rural development issues.

IV. Briefings for Individual Meetings/Events

Sunday, November 15 (Calcutta)

R. Lunch hosted by Chief Minister, West Bengal

Country: India Delegation: Dr. Manmohan Singh, MOF
September 20, 3:00 p.m. Mr. Venkitaramanan, Gov. Reserve BOI

BACKGROUND

- It is one year since the present Government has come to power.
- The economy has improved - immediate balance of payments problems have been overcome, and macroeconomic imbalances have been reduced.
- Industrial, trade and financial policy changes have led to the liberalization of the economy.
- Recent reforms include fertilizer price decontrol; 18% increase in petroleum produce prices; guidelines for portfolio investment; approval of partial divestment of government shares.
- Reform still needed in tax system, financial & public enterprise sectors.
- External financing requirements are US$10-12 billion per year (gross flows) over the next five years.
- FY93 lending expected at US$3b, one-third of which is for adjustment, one-third for investment loans dependent on sectoral policy changes.
- The Bank is preparing four adjustment operations for FY93, totaling about US$1.75b: Social Safety Net Credit (US$500m); Hydrocarbon Sector Loan (US$350m); Financial Sector Adjustment Loan (US$400m); and Trade Adjustment Loan (US$500m).
- Foreign direct investment averaged only US$300m per year in late 1980s.
- A Debt Management Committee has been established to provide central oversight of all external borrowing.
- EFF discussions with Fund will proceed this Fall and will be finalized after the budget presentation in Spring 1993.
- IFC has large program (US$768m - 9/6% of total portfolio), and has expanded its New Delhi Office to handle increased volume of operations.
- India has signed MIGA Convention, but needs encouragement to ratify it and complete initial capital subscription during FY93.

POINTS TO MAKE TO THE DELEGATION

1. Bank Support for India's Adjustment Program. The Bank is ready to support the Government's adjustment program, and to help deepen and accelerate it in important areas. Four adjustment operations are under preparation. Progress on these operations depends on the Government's willingness to proceed with policy reforms, especially in commercialization of public enterprises. You may wish to seek their thoughts on the timing and preparation of the Finance and Trade loans.
2. Shortage of Quality Investment Lending Operations. The lending outcome for FY93 is uncertain due to the lack of quality projects and unresolved sector policy issues. Emphasize that sectoral reform is an integral part of the overall reform effort.
3. Debt management. Commend Government's new approach to external debt management, and endorse the cautious approach. Stress need for careful management of re-entry into international capital markets. Efforts should be made to mobilize non-debt capital flows.

IF THE DELEGATION RAISES THE ISSUE OF

1. Utilization of IDA cost savings
   You may indicate that the Bank is studying the issue to find measures to address these problems.
2. Upcoming visit to India
   You could mention your interest in discussing the principal macroeconomic reform issues, seeing first-hand rural and urban poverty, and meeting members of industrial and financial communities.

Population (1990):	848 m	FY93 Commitments:	US$ 2191.5 m
GNP per capita (1991):	US$ 330	Disbursements:	US$ 2229.8 m
GDP growth (1991):	5.6%	Lending Program (FY93-95):	US$ 9138.0 m

1992 ANNUAL MEETINGS

INDIA

SENIOR MANAGEMENT UPDATE (BULLET POINTS)

1. Extended Fund Facility (EFF)

EFF discussions with the Fund will proceed this Fall (the original brief indicated they had been delayed); however, finalization of the EFF would not take place until March/April 1993 after the budget presentation.

2. The Pace of Reforms

The Government has recently taken a number of significant actions as part of the stabilization and reform program:

- the prices of phosphatic and potassic fertilizers were decontrolled in early September but the controlled price of urea was reduced by 10%. While the total package will reduce the fertilizer subsidy significantly, the reduction of urea prices was a regressive measure putting these prices even further below border prices;

- substantial increases in petroleum product prices (18% weighted average) were announced on September 15. This will enable the previously accumulated deficit on the oil pool account to remain at about Rs. 50 billion. In the absence of this adjustment, the deficit this year would have increased by more than Rs. 20 billion;

- guidelines for portfolio investment have been issued which should provide a significant stimulus in attracting foreign equity investments; and

- Cabinet has cleared further partial divestment -- up to 20% of total shares -- of some public enterprises through an open auction, with the first tranche to be sold by September 26.

You should congratulate the Government for taking these positive measures. You should, at the same time, indicate that the international community is expecting the reforms to continue at a faster pace, especially in the areas of trade liberalization, financial sector reforms and public enterprise restructuring. In addition, you may want to stress that proceeding with the next Bank adjustment operation (Trade Adjustment and/or the Financial SAL) in the near future would provide important reaffirmation to the international financial community that the momentum of reforms is being sustained.

3. Social Safety Net Adjustment Operation

The Loan Committee cleared on September 16 this $500 million IDA credit for appraisal.

Recd - p.m.

THE WORLD BANK

ROUTING SLIP	DATE: 9/14/92

FROM THE OFFICE OF THE
REGIONAL VICE PRESIDENT
SOUTH ASIA

NAME	ROOM NO.
Ms. Gisu Mohadjer	

	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	COMMENT		PER OUR CONVERSATION
	FOR ACTION		PER YOUR REQUEST
	INFORMATION		PREPARE REPLY
	INITIAL		RECOMMENDATION
	NOTE AND FILE		SIGNATURE

REMARKS:

INDIA - President's Brief

Attached is a revised version of the briefing paper for the President -- the change can be found in para. 3

FROM: Jane Wood

sads\w50952b

REVISED VERSION
Sept. 14, 1992

1992 ANNUAL MEETINGS BRIEF

INDIA September 20, 1992 at 3:00 P.M.

Meeting with: Dr. Manmohan Singh, Minister of Finance
Mr. S. Venkitaramanan, Governor, Reserve Bank of India
Mr. Montek Singh Ahluwalia, Secretary, Economic Affairs

Population: 848 m (1990); **Estimated Growth Rate:** 2.0% (1991)

GNP per capita: $330 (1991)

	(US$ million)		(US$ million)
Total Commitments to FY92:	39,774.8	**FY92** Commitments:	2191.5
of which:		Disbursements:	2229.8
Bank (147 operations)	20,599.2	Amortizations:	702.7
IDA (186 operations)	19,175.6		
Total Undisbursed	11,608.8		
Lending Program FY93-95:	9,108.0		

Summary Data	Average 1987-91	Projection 1992
GDP growth	5.6	3.0
Export growth	6.4	4.4
Import growth	1.1	13.7
Current Acc. Balance % GDP	-2.6	-2.3
Debt service Ratio (LT)	28.7	27.6
Annual Inflation Rate	9.7	10.1

Aid Group Meeting: Consortium
Last Meeting: 06/25-26/92
IMF Status as of: Sept 1992
- Standby approved Oct 91; EFF discussions delayed until after March 1993 budget.

Background: India has made significant progress in overcoming the immediate balance of payments crisis and initiating a major transformation of its development strategy, including radical industrial, trade and financial policy changes. Key areas for accelerating the reforms include the tax system, financial sector and public enterprises. Also, public expenditures for infrastructure and social programs need to be protected and made more efficient. The Bank and the IMF are actively supporting the reform effort through policy based lending.

Issues Likely to be Raised by Delegation:

1. Bank support for adjustment program
2. IDA project cost savings / reduction in IBRD/IDA cost sharing following expiration of the Gulf Emergency measures
3. Mr. Preston's India visit

Issues to be Raised by Bank Management

1. Bank lending in support of adjustment
2. Shortage of quality investment lending operations
3. Debt Management

Attachments:

Five Year Lending Program: FY92-96 (FY92 actual)
Biographical Information

1992 ANNUAL MEETINGS
INDIA: SENIOR MANAGEMENT BRIEF

Background

1. In just over a year since the present Government came to power, having inherited an economy in crisis, it has overcome the immediate balance of payments problems and reduced macroeconomic imbalances, as well as initiated a major transformation of India's development strategy. Radical industrial, trade and financial policy changes over the last year have made significant strides in the liberalization of what was one of the most closed and regulated economies in the world. If sustained in line with the Government's medium-term objectives, the reform program should put India on a sustainable high growth path.

2. Key areas in which the pace of reform needs to be accelerated include the tax system, financial sector and public enterprises. Also, the quality of the ongoing fiscal adjustment needs to be examined so as to protect and increase the efficiency of public expenditure for infrastructure and social programs. India's external financing requirements are expected to be in the order of $10-12 billion per year (gross flows) over the next five years. Increased reliance on foreign investments is essential to its resource mobilization strategy. Furthermore, there is need for more efficient use of the aid resources that are mobilized, and a reduction in the volume of debt committed but undisbursed. It should be noted that the EFF discussions with the IMF have been postponed from Fall until after the March 1993 budget.

Issues Likely to be raised by the Delegation

3. The Delegation is likely to seek assurances on the level and timing of Bank support for India's adjustment program. This issue and suggested responses are elaborated below. The Government is also likely to express its concern about the utilization of IDA project cost savings arising from exchange rate changes and the additional savings which would accrue from the planned reversion of disbursement rates to their pre-Gulf Initiative levels after December 1992. You should assure the Delegation that measures to address these problems are under examination, including an ongoing Bank-wide review of the use of project cost savings attributable to currency devaluations and exploration of conditions under which the Bank could apply the current standard cost sharing arrangements to Indian projects covered by the Gulf Initiative for the period from January 1993 until project closing.

4. With reference to the preparations for your proposed India visit, the Delegation may ask about the main themes you would like to pursue during your stay. As discussed, we had suggested that the visit provide: (a) exposure to the principal macroeconomic reform issues; (b) a feel for the problems of rural and urban poverty in the context of social/urban sector activities which the Bank is helping to finance; and (c) an opportunity to meet members of the industrial and financial communities so as to better understand the environment affecting private sector development.

Issues to be Raised by Management

Bank Lending in Support of Adjustment

5. You should reconfirm the readiness of the Bank to support the Government's adjustment program and help to deepen and accelerate it in important areas. For FY93 work is proceeding on preparation of four operations: (a) the Social Dimensions of Adjustment Credit ($400-500 million) is on track for Board presentation in Nov/Dec - the successful implementation of this operation would result in a major change in the way social sectors are treated in India through enhancing their priority in resource allocation, increasing the absolute volume of resources going to the sectors, more explicit targeting of the poorest districts and increased cost effectiveness of programs; (b) a Hydrocarbon Sector Loan ($350 million) is under preparation which would support policy reforms designed to reverse the declining trend of oil output and improve the efficiency of the sector by encouraging private investment, both domestic and foreign; and (c) policy discussions about a Financial Sector Adjustment Loan ($400 million) and a Trade Adjustment Loan ($400-500 million) are proceeding. You should ask the Minister to outline the Government's latest thinking on the timing of preparation of the latter two operations and about the readiness of the Government to accelerate the reform and, where necessary, retrenchment of India's public sector enterprises. In this context, you should emphasize the importance of making significant progress in the "commercialization" of public enterprises.

Shortage of Quality Investment Lending Operations

6. You should emphasize the uncertainties surrounding the overall IBRD and IDA lending outcome for FY93 due to the lack of quality projects, reflecting largely the prevalence of unresolved sector policy issues (e.g., inadequate tariffs in power and water supply and inefficient contracting arrangements in infrastructure projects). Of the approximately $3 billion total planned lending in FY93 about one third is in the form of policy-based adjustment lending and about another one-third comprises investment lending operations which for their feasibility are dependent on sector policy improvements. You should stress that reforms at the sectoral level must be an integral part of the overall reform effort and that the Bank's ability to deliver the planned volume of lending will depend critically on progress in a significant range of sector policy reforms involving, in many cases, actions at the state level.

Debt Management

7. You should congratulate the Minister on the Government's new approach to external debt management (a Debt Management Committee, chaired by the Secretary, Department of Economic Affairs has recently been established to provide central oversight of all external borrowing). You might also endorse the cautious approach adopted by Government and stress the need for very careful management of the re-entry into international capital markets in order to restore over the medium term the best possible terms for India's borrowings. Simultaneously, every effort should be made to mobilize non-debt capital flows. In the late 1980s, foreign direct investment averaged less than $300 million p.a. - only 3% of the external current account compared with about 30% for China. You should commend the efforts already taken to improve the investment climate (including liberalizing the foreign investment code to allow foreign capital ownership of up to 51% in selected industries and up to 100% in special cases and drastically reduced controls over firms' entry, expansion and diversification) and encourage continued efforts in this area. You might note that GOI has asked IFC's assistance in reviewing India's foreign investment code and express the hope that the recommendations would be implemented expeditiously.

India: Lending Program: FY92-96 [Draft]
(US$ millions)

	FY92 (ACTUAL)		FY93		FY94		FY95		FY96	
	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA
Adjustment Lending										
Oil & Gas Sector Dev	150.0									
SAL I	250.0	250.0								
FSAL I			400.0							
Soc'l Dimens of Adj I				400.0						
Trade Adj/Trade Logists			220.0	280.0						
Oil & Gas Dev II			350.0							
Publ Ent/Priv Sec Dev I					300.0	100.0				
SAL II					500.0					
FSAL II							400.0			
Total Adjust Lending	400.0	250.0	970.0	680.0	800.0	100.0	400.0	0.0	0.0	0.0
Non-Adjustment lending										
Agriculture										
Maharashtra Forestry		125.0								
Shrimp & Fish Culture		85.0								
W. Bengal Forestry		34.0								
Rubber				92.0						
ADP Rajasthan				105.0						
Bihar Plateau				117.0						
UP Sodic Lands Reclam				100.0						
Water Resources Consol I						200.0				
Sardar Sarovar Can II					200.0	150.0				
ADP Karnataka						100.0				
AP Forestry/FRET						125.0				
Rural Credit Program							50.0	250.0		
Nat Agric Research II								200.0		
ADP IV								100.0		
MP Forestry								125.0		
ADP V										150.0
(S)Water Resources Cons II										250.0
Ag Uniden										100.0
Energy										
Power Util Eff Improv	265.0									
Maharashtra Pow II	350.0									
NTPC Power Generation			400.0							
NPTC Power System			350.0							
Power - SEB Restruct					300.0					
Gas Infrast Dev					200.0					
(S)Renewable Resources Dev					75.0	100.0				
Power Util Eff Impr II							300.0			
NTPC Power Generation II							400.0			
Power (Uniden)									300.0	
Power (Uniden)									300.0	
Energy (Uniden)									300.0	
Industry and Finance										
Indust Poll'n II									100.0	30.0
Financial Interm I										300.0
Transport										
Nat. Highways II	153.0	153.0								
Port Modernization							200.0			
National Highways III							300.0			
National Highways IV									300.0	
Transport (Uniden)										300.0
Urban and Water										
Karnataka WS & Env/San							100.0			
(S)Kerala Urban									100.0	
Urban (Uniden)										200.0
Water (Uniden)										100.0
Popul'n and Human Res										
Mat'l & Child Hlth I		214.5								
Population VIII		79.0								
AIDS Prev & Control		84.0								
ICDS II (Bihar & MP)							194.0			
Basic Education I							175.0			
Leprosy Control							110.0			
Population IX								150.0		
Blindness Control								90.0		
(S)ICDS III									150.0	
Basic Education II									150.0	
Education (Uniden)										200.0
Population (Uniden)										100.0
Health (Uniden)										100.0
Total Nonadjust Lending	768.0	774.5	750.0	993.0	1275.0	915.0	1250.0	1005.0	1700.0	1000.0
Total Lending	1168.0	1024.5	1720.0	1673.0	2075.0	1015.0	1650.0	1005.0	1700.0	1000.0

(S) Standby operation

ANNEX II

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Dr. Manmohan Singh, Finance Minister (Governor, World Bank)

Dr. Singh (age 59) has extensive Government experience, having held the positions of Finance Secretary, Governor of the Reserve Bank of India, Deputy Chairman of the Planning Commission and Economic Advisor to former Prime Minister Chandrashekar. He has a D. Phil from Oxford and was a professor at the Delhi School of Economics from 1969-1971. He has been the architect of the stabilization and economic reform program over the last 15 months. He is clearly determined to pursue economic reforms but, at the same time, is very conscious of the political and institutional constraints to the rapid implementation of major changes.

Mr. S. Venkitaramanan, Governor, Reserve Bank of India (Alternate Governor, IMF)

Mr. Venkitaramanan (age 61) was appointed Governor of the Reserve Bank of India in December 1990 after retiring as Finance Secretary in the Rajiv Gandhi Government in March 1989. He is about to retire from public service. He has had a long and distinguished career and is highly respected domestically and internationally.

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Mr. Ahluwalia was appointed Secretary, Economic Affairs in the Ministry of Finance in late 1991, after serving for a short time under the Narasimha Rao Government as Secretary of Commerce. Previously he had served as Special Secretary in the Prime Minister's Office under Rajiv Gandhi, V. P. Singh and Chandrashekar. In the 1970s he worked at the World Bank as a division chief in the Development Research Center.

ANNUAL MEETINGS 1992

SUMMARY OF IFC ACTIVITIES

India

- India's efforts to stabilize and restructure the economy since 1991 got sidetracked in the second quarter of 1992 by a stock market scandal, which shook some of the major financial institutions and forced two senior officials to resign. However, the government has resumed its reform efforts, and the private sector has reacted positively.

- IFC's exposure in India is currently at US$ 768 million (about 9.6% of total portfolio). IFC's investments have been concentrated in the power sector and the capital markets during the last three to four years. The sector mix was more diversified in 1991/92, with increased investments going into manufacturing subsectors in which India has a competitive advantage.

- IFC's strategy in FY 1992 focuses on significant investments in greenfield as well as expansion projects with some export orientation as well as loans to projects with large foreign exchange requirements.

- In the capital markets area, IFC has already invested in a large number of institutions. It has also provided advisory services for the modernization of stock markets and the elaboration of a regulatory framework for lease finance. In FY 1992 IFC will support financial sector reform through technical advice and activities which broaden and deepen India's financial markets.

- The Corporation will also resume helping Indian companies to access international financial markets through underwriting of euro-convertible securities and loan syndications, once those markets have overcome the current world wide economic problems.

- There is increased international investor interest in India, following the easing of investment rules, including majority ownership and repatriation of dividends and capital gains. FIAS is currently assisting the government in its effort to attract foreign investment.

- To process more efficiently the increased volume of operations in India and the region and to be more responsive to its clients, IFC has expanded its New Delhi Office with a multi-disciplinary team of expatriate and local staff.

- Mr. Ryrie will meet with Indian delegation on September 22 at 3 p.m.

MIGA

India

1. India has signed but not yet ratified the MIGA Convention. The delegation should be encouraged to ratify the Convention and complete their initial capital subscription during FY93; and reminded that membership in MIGA would not only bring investments to India, but enable Indian investors to invest in other developing countries.

2. The Guarantees department reports four preliminary applications on file.

The World Bank
Washington, D.C. 20433
U.S.A.

ERNEST STERN
Managing Director

September 8, 1992

Mr. Wood

Joe -

Annual Meeting Brief - India

Paragraph 4 - If the SDA credit "goes", it will involve a major change in how social sectors are treated in India. worth saying.

- What is the objective of the Hydro-carbon Sector Loan? Worth a sentence.

- Shouldn't LTP also emphasize the importance of getting on with a serious "Commercialization" of public enterprises?

Paragraph 5 - These sound like technical issues but they really are part of the same reform program issues. Oughtn't LTP emphasize that reforms to be effective cannot be only at the macro and Federal level.

Paragraph 7 - A sentence on changes made to improve the investment climate would be worthwhile, plus data on annual actual flow of DF1 (compared to China, perhaps?)

cc: Mr.Vergin

1992 ANNUAL MEETINGS BRIEF

INDIA September 20, 1992 at 3:00 P.M.

Meeting with: Dr. Manmohan Singh, Minister of Finance
Mr. S. Venkitaramanan, Governor, Reserve Bank of India
Dr. Montek Singh Ahluwalia, Secretary, Economic Affairs

Population: 848 m (1990); **Estimated Growth Rate:** 2.0% (1991)

GNP per capita: $330 (1991)

	(US$ million)		(US$ million)
Total Commitments to FY92:	39,774.8	**FY92** Commitments:	2191.5
of which:		Disbursements:	2229.8
Bank (147 operations)	20,599.2	Amortizations:	702.7
IDA (186 operations)	19,175.6		
Total Undisbursed	11,608.8		
Lending Program FY93-95:	9,108.0		

Summary Data	Average 1987-91	Projection 1992
GDP growth	5.6	3.0
Export growth	6.4	4.4
Import growth	1.1	13.7
Current Acc. Balance % GDP	-2.6	-2.3
Debt service Ratio (LT)	28.7	27.6
Annual Inflation Rate	9.7	10.1

Aid Group Meeting: Consortium
Last Meeting: 06/25-26/92
IMF Status as of: Sept 1992
- Standby approved Oct 91; EFF discussions delayed until after March 1993 budget.

Background: India has made significant progress in overcoming the immediate balance of payments crisis and initiating a major transformation of its development strategy, including radical industrial, trade and financial policy changes. Key areas for accelerating the reforms include the tax system, financial sector and public enterprises. Also, public expenditures for infrastructure and social programs need to be protected and made more efficient. The Bank and the IMF are actively supporting the reform effort through policy based lending.

Issues Likely to be Raised by Delegation:
1. Bank support for adjustment program
2. IDA project cost savings / reduction in IBRD/IDA cost sharing following expiration of the Gulf Emergency measures
3. Mr. Preston's India visit

Issues to be Raised by Bank Management
1. Bank lending in support of adjustment
2. Shortage of quality investment lending operations
3. Debt Management

Attachments:
Five Year Lending Program: FY92-96 (FY92 actual)
Biographical Information

1992 ANNUAL MEETINGS
INDIA: SENIOR MANAGEMENT BRIEF

Background

1. In just over a year since the present Government came to power, having inherited an economy in crisis, it has overcome the immediate balance of payments problems and reduced macroeconomic imbalances, as well as initiated a major transformation of India's development strategy. Radical industrial, trade and financial policy changes over the last year have made significant strides in the liberalization of what was one of the most closed and regulated economies in the world. If sustained in line with the Government's medium-term objectives, the reform program should put India on a sustainable high growth path.

2. Key areas in which the pace of reform needs to be accelerated include the tax system, financial sector and public enterprises. Also, the quality of the ongoing fiscal adjustment needs to be examined so as to protect and increase the efficiency of public expenditure for infrastructure and social programs. India's external financing requirements are expected to be in the order of $10-12 billion per year (gross flows) over the next five years. Increased reliance on foreign investments is essential to its resource mobilization strategy. Furthermore, there is need for more efficient use of the aid resources that are mobilized, and a reduction in the volume of debt committed but undisbursed. It should be noted that the EFF discussions with the IMF have been postponed from Fall until after the March 1993 budget.

Issues Likely to be raised by the Delegation

3. The Delegation is likely to raise three issues: (a) the level and timing of Bank support for India's adjustment program; (b) IDA project cost savings and reversion of the higher disbursement percentages approved under the Gulf Initiative; and (c) Mr. Preston's visit. These issues and suggested responses are elaborated below.

Issues to be Raised by Management

Bank Lending in Support of Adjustment

4. You should reconfirm the readiness of the Bank to support the Government's adjustment program and help to deepen and accelerate it in important areas. For FY93 the Social Dimensions of Adjustment Credit ($400-500 million) is on track for Board presentation in November/December. A Hydrocarbon Sector Loan ($350 million) is under preparation. Policy discussions about a Financial Sector Adjustment Loan ($400 million) and a Trade Adjustment Loan ($400-500 million) are proceeding. You should ask the Minister to outline the Government's latest thinking on the timing of preparation of the latter two operations and about the readiness of the Government to accelerate the reform and, where necessary, retrenchment of India's public sector enterprises.

Shortage of Quality Investment Lending Operations

5. You should emphasize the uncertainties surrounding the overall IBRD and IDA lending outcome for FY93 due to the lack of quality projects which in large measure reflects the prevalence of unresolved sector policy issues (e.g., inadequate tariffs in power and water supply and inefficient contracting arrangements in infrastructure projects). Of the approximately $3 billion total planned lending in FY93 about one third is in the form of policy-based adjustment lending and about another one-third comprises investment lending operations which for their feasibility are dependent on sector policy improvements. You should stress that the Bank's ability to deliver this planned volume of lending will depend critically on progress in a significant range of sector policy reforms.

IDA Project Cost Savings / Reduction in IBRD/IDA Cost Sharing Following Expiration of the Gulf Emergency Measures

6. [To be drafted subsequent to discussion of CSP Update]

Debt Management

7. You should congratulate the Minister on the Government's new approach to external debt management (a Debt Management Committee, chaired by the Secretary, Department of Economic Affairs has recently been established to provide central oversight of all external borrowing). You might also endorse the cautious approach adopted by the Government and stress the need for very careful management of the re-entry into international capital markets in order to restore over the medium term the best possible terms for India's borrowings. Simultaneously, every effort should be made to mobilize non-debt capital flows.

Mr. Preston's India Visit

8. With reference to the preparations for your proposed visit, the Delegation may ask about the main themes you would like to pursue during your stay. As discussed, we had suggested that the visit provide: (a) exposure to the principal macroeconomic reform issues; (b) a feel for the problems of rural and urban poverty in the context of social/urban sector activities which the Bank is helping to finance; and (c) an opportunity to meet members of the industrial and financial communities so as to better understand the environment affecting private sector development.

India: Lending Program: FY92-96
(US$ millions)

	FY92 (ACTUAL)		FY93		FY94		FY95		FY96	
	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA
Adjustment Lending										
Oil & Gas Sector Dev	150.0									
SAL I	250.0	250.0								
FSAL I			400.0							
Soc'l Dimens of Adj I				400.0						
Trade Adj/Trade Logista			220.0	280.0						
Oil & Gas Dev II			350.0							
Publ Ent/Priv Sec Dev I					300.0	100.0				
SAL II					500.0					
FSAL II							400.0			
Total Adjust Lending	400.0	250.0	970.0	680.0	800.0	100.0	400.0	0.0	0.0	0.0
Non-Adjustment lending										
Agriculture										
Maharashtra Forestry		125.0								
Shrimp & Fish Culture		85.0								
W. Bengal Forestry		34.0								
Rubber				92.0						
ADP Rajasthan				105.0						
Bihar Plateau				117.0						
UP Sodic Lands Reclam				100.0						
Water Resources Consol I						200.0				
Sardar Sarovar Can II					200.0	150.0				
ADP Karnataka						100.0				
AP Forestry/FRET						125.0				
Rural Credit Program							50.0	250.0		
Nat Agric Research II								200.0		
ADP IV								100.0		
MP Forestry								125.0		
ADP V										150.0
(S)Water Resources Cons II										250.0
Ag Uniden										100.0
Energy										
Power Util Eff Improv	265.0									
Maharashtra Pow II	350.0									
NTPC Power Generation			400.0							
NPTC Power System			350.0							
Power - SEB Restruct					300.0					
Gas Infrast Dev					200.0					
(S)Renewable Resources Dev					75.0	100.0				
Power Util Eff Impr II							300.0			
NTPC Power Generation II							400.0			
Power (Uniden)									300.0	
Power (Uniden)									300.0	
Energy (Uniden)									300.0	

	FY92 (ACTUAL)		FY93		FY94		FY95		FY96	
	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA
Non-Adjust Lending (ctd)										
Industry and Finance										
Indust Poll'n II							100.0	30.0		
Financial Interm I									300.0	
Transport										
Nat. Highways II	153.0	153.0								
Port Modernization					200.0					
National Highways III					300.0					
National Highways IV							300.0			
Transport (Uniden)									300.0	
Urban and Water										
Karnataka WS & Env/San				100.0						
(S)Kerala Urban							100.0			
Urban (Uniden)									200.0	
Water (Uniden)										100.0
Popul'n and Human Res										
Mat'l & Child Hlth I		214.5								
Population VIII		79.0								
AIDS Prev & Control		84.0								
ICDS II (Bihar & MP)				194.0						
Basic Education I				175.0						
Leprosy Control				110.0						
Population IX						150.0				
Blindness Control						90.0				
(S)ICDS III								150.0		
Basic Education II								150.0		
Education (Uniden)										200.0
Population (Uniden)										100.0
Health (Uniden)										100.0
Total Nonadjust Lending	768.0	774.5	750.0	993.0	1275.0	915.0	1250.0	1005.0	1700.0	1000.0
Total Lending	1168.0	1024.5	1720.0	1673.0	2075.0	1015.0	1650.0	1005.0	1700.0	1000.0

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ANNEX II

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Dr. Manmohan Singh, Finance Minister (Governor, World Bank)

Dr. Singh (age 59) has extensive Government experience, having held the positions of Finance Secretary, Governor of the Reserve Bank of India, Deputy Chairman of the Planning Commission and Economic Advisor to former Prime Minister Chandrashekar. He has a D. Phil from Oxford and was a professor at the Delhi School of Economics from 1969-1971. He has been the architect of the stabilization and economic reform program over the last 15 months. He is clearly determined to pursue economic reforms but, at the same time, is very conscious of the political and institutional constraints to the rapid implementation of major changes.

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INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of Finance, Dr. Manmohan Singh
(Wednesday, November 11, 3:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal, Byrd]

Issues Likely to be Raised by the Minister

The Minister is likely to follow up on your discussions during the Annual Meetings and seek reassurances on the level and timing of Bank support for India's adjustment program. You should reconfirm the readiness of the Bank to support quality programs and help to deepen and accelerate reform in several important areas. For FY93 work is proceeding on preparation of four operations: (a) the Social Safety Nets Adjustment Credit ($500 million) is scheduled for Board presentation in December - the successful implementation of this operation would result in a major change in the way social sectors are treated in India through enhancing their priority in resource allocation, increasing the absolute volume of resources going to the sectors, more explicit targeting of the poorest districts and increased cost effectiveness of programs; (b) a Second Oil and Gas Sector Development Loan ($500 million) is under preparation which would support policy reforms designed to reverse the declining trend in oil output and encourage private domestic and foreign investment; and (c) policy discussions about a Financial Sector Adjustment Loan ($400 million) and a Trade Adjustment Loan ($400-500 million) are proceeding.

Issues to be Raised by the Bank

You should emphasize the major themes set out in the Statement of Trip Objectives (TAB II). In particular, you should:

(i) Commend the Government for the substantial progress already made in stabilizing and reforming the economy without a major reduction in economic growth but stress that the macroeconomic situation, particularly the balance of payments and fiscal outlooks, remains fragile. You should stress that the program will only succeed if decisive and early action is taken to accelerate the pace of reform in the key areas of: (i) taxes; (ii) trade - with a view to reducing tariffs further; (iii) the financial sector; (iv) public enterprises; and (v) labor market regulations preventing firms from flexibly determining their employment levels. **The strong linkage between early progress on a major tax reform and a credible trade reform should be emphasized.** You should seek the Minister's views on the likely pace and depth of further reforms in these areas, many of which will be technically difficult and involve tough political choices.

(ii) Stress the importance of increasing private sector participation in key areas of the economy, including hydrocarbon, power and banking and general

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(ii) Stress the importance of increasing private sector participation in key areas of the economy, including hydrocarbon, power and banking and general

financial intermediation. More generally. you should emphasize the importance of addressing key regulatory and infrastructure bottlenecks (such as roads, ports and telecommunications) that constrain India's industrial development and export growth and reduce its attractiveness to foreign investors;

(iii) Encourage the Government to give high priority to social sector adjustment in the context of the ongoing fiscal adjustment and welcome the progress and close collaboration achieved on these issues in the preparation of the Social Safety Nets Adjustment Credit. You should also welcome the recent decision of the Government to use external assistance on a larger scale for the improvement of primary education and general literacy (including the Bank's first credit in support of basic education (in the state of Uttar Pradesh) which is under preparation for Board presentation in June 1993. You should emphasize the importance that we attach to these programs in the use of IDA funds;

(iv) Emphasize the need for caution in the restart of India's borrowing operations in the international market in order to restore over the medium term the best possible terms for India's borrowings. Simultaneously, every effort should be made to mobilize non-debt capital flows. In the late 1980s, foreign direct investment averaged less than $300 million p.a. - only 3% of the external capital account compared with 30% for China. You should welcome the Government's recent request for IFC assistance in reviewing India's foreign investment code and express the hope that the recommendations would be implemented expeditiously.

(v) Impress on the Minister the increased attention that is now being given by the donor community in general and the Bank's shareholders in particular to portfolio management. Considerable concern continues to be expressed about the large volume of undisbursed balances (around $13 billion between FY89 and FY92 and currently in excess of $11 billion following the portfolio restructuring of December 1991) and the low and declining rate of disbursements. You should stress that India's share of IDA 10 resources (and hence IDA commitments) as well as new IBRD commitments will depend importantly on the Bank's shareholders' perceptions of whether discernible progress is made in further reducing this large overhang of undisbursed balances.

Narmada Fallout. One consequence of the extensive Board consideration of the Independent Review of the Sardar Sarovar projects is that environment (including resettlement) issues will receive much more attention and critical scrutiny in the future. This will affect projects (other than Sardar Sarovar) in the existing portfolio as well as in the pipeline. You should stress, therefore, the need for the Government and the Bank to work much more closely together to deal with these issues in a more comprehensive manner. This will involve, among other things, intensified efforts to complete first class environmental impact assessments for "A" projects, especially in the power and irrigation sectors. In addition, the Government should consider broadening the coverage of recently approved national guidelines for resettlement and rehabilitation in the irrigation sector to include other key sectors such as power, coal, gas and oil, and infrastructure generally. Finally, increased emphasis should be given to involving experienced non-governmental agencies in environmental (including resettlement) preparation and implementation work.

Manmohan Singh

Finance Minister (since June 1991)

Age: 59

The main architect of the ongoing structural adjustment and economic reforms policies, he was handpicked by the Prime Minister for the job and given a seat in the Rajya Sabha (upper house of parliament) for a six year term. He has held all important economic positions in the Government of India. In 1971, he was Economic Advisor to the then Ministry of Foreign Trade. From 1972-76 he was Chief Economic Advisor in the Ministry of Finance. From 1976-80, he was Secretary, Dept. of Economic Affairs. From 1980-82 he was Member Secretary, Planning Commission, and from 1982-85 he was Governor RBI. Between 1985-87 he was Deputy Chairman of the Planning Commission. From 1987-90 he was Secretary General of the South Commission headed by Julius Nyerere which produced a report on South/South Economic Cooperation in 1990.

From November 1990 to April 1991, Dr. Manmohan Singh was Economic Advisor in the Prime Ministers Office during Mr. Chandra Sekhar's tenure as Prime Minsiter. He has thus worked with all the Prime Ministers in India from Mrs. Gandhi's time. Earlier known to be a moderate socialist and a firm believer in planning, he is now very much seen to be a champion of outward looking economic policies. He is widely respected for his integrity and commitment.

Dr. Manmohan Singh did his D.Phil from Oxford University and was awarded the Adam Smith Prize from Cambridge University in 1956.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of Agriculture, Dr. Balram Jakher

(Wednesday, November 11, 4:00 pm)

[Pre-meeting briefing by Messrs: Vergin, Yenal, Nelson]

Issues Likely to be Raised by the Minister

The Minister may stress a number of areas in which the Government would like to see additional Bank involvement. These include:

Agricultural Credit: You should assure the Minister of our interest but stress that we remain concerned about the general health of the banking system (noting that the Bank is working with the Government on the preparation of a Financial SAL operation) and, specifically, about the need for reform of agricultural credit policy (e.g., interest rates and loan waivers) and the institutional structure of the agricultural credit system.

State Agricultural Development Projects: You should commend the progress achieved to date in this area (the Rajasthan ADP is scheduled for Board consideration on November 12) and assure the Minister that this is a high priority area for Bank lending. We intend to follow up with further projects - our pipeline includes the states of Karnataka, Assam and Madhya Pradesh. These projects are designed to assist state governments to accelerate growth through improving agricultural policies and infrastructural and institutional support.

Issues to be Raised by the Bank

You should stress the importance of moving ahead with agriculture sector policy reforms. The reforms should assure that the right incentives are being given to farmers through pricing, distribution and trade policies. Farmers should be able to receive the market value of their produce and expand in the most efficient areas of production, including the freedom to export. This will obviate the need for fiscally unsustainable subsidies, as well as the restrictions on grain movements which impose disincentives to production in surplus areas. A Policy Workshop is planned for January with participation by the Bank and the Ministries of Agriculture and Finance. This could lay the basis for Bank support for agricultural reforms at the national level.

You should also encourage the promotion of greater private sector involvement in input supply, marketing and research as an important ingredient in supporting the emerging shift away from staples to higher value products (fruit, vegetables and livestock). Finally, you should also emphasize the importance of technology and the Bank's interest in working with the Government to improve agricultural human resource development, research and seed production.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of Power, Mr. Kalp Nath Rai
(Wednesday, November 11, 5:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal, Mejia]

Background Facts

- The Indian power sector with installed capacity of 70,000 MW is equivalent in size to that of France.
- The sector has been a major recipient of Bank Group funds: 34 IBRD loans for $6.7 billion and 18 IDA credits for $2.3 billion.
- The National Thermal Power Corporation (NTPC) is the single largest corporate borrower from the Bank group ($3.9 billion to date).

Sectoral Issues

- Lack of resource mobilization (because of low tariffs and poor collection performance) leads to heavy losses by State Electricity Boards (SEBs) - $1 billion per year - and growing arrears to central utilities such as NTPC. The financial viability of the sector is at serious risk.
- Lack of demand management leads to inefficient power use - savings of as much as 10% of capacity are possible.

Issues Likely to be Raised by the Minister

The Minister is likely to stress the importance of substantial Bank support for the Government's ambitious power investment program and, in particular, press for more rapid resumption of Bank lending for NTPC. You should assure the Minister that power remains a high priority sector for Bank lending to India. However, you should stress that our ability, and our shareholders' willingness, to lend for power and, in particular NTPC, is critically dependent on progress in addressing the severe financial and institutional problems besetting the sector as well as on further progress in reducing the large overhang of undisbursed balances in the Bank's existing power portfolio. In the case of NTPC, resumed lending will depend on its ability to address its severe financial problems by adopting commercial relations with its clients - the SEBs.

Issues to be Raised by the Bank

You should acknowledge the difficulties faced by the Center in inducing changes in policies and institutional arrangements in the power sector at the

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Business Associations
(Wednesday, November 11, 5:45 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal, Robinson, IFC-Freeman, David

Background

Senior officials of India's major business associations - Federation of Industrial Chambers of Commerce International (FICCI), ASSOCHAM and Confederation of Engineering Industries (CEI) - will host a round table meeting. Background material on these associations and a list of officials attending the meeting will be provided in Delhi.

Issues Likely to be Raised by the Business Associations

The business leaders are likely to seek your views on the overall stabilization and reform program, including measures undertaken to date and the priorities for future reforms. You should indicate that the Bank commends the Government's efforts to date, which have been supported through the Bank's first Structural Adjustment Loan/Credit to India, but emphasize the need to accelerate the pace of reform in key areas if the program is to succeed. In this context, the Bank is discussing with the Government ways of supporting the country's efforts to accelerate growth and improve its export performance. The Bank is also planning to assist with strengthening of the social safety nets to ensure that the poorest segments of society do not bear a disproportionate share of the burden of adjustment.

Issues to be Raised by the Bank

You should assure the business leaders that a key thrust of the Bank's assistance for India during this period of structural adjustment is to support reforms designed to facilitate and expand the private sector's role, not only in industrial areas in which the private sector has already made a major contribution, but also in areas previously reserved for the public sector, including financial services, hydrocarbons and power as well as basic infrastructure (such as roads, ports and telecommunications).

You should use the meeting to gain an insight into the views of business leaders on the extent to which the reforms to date have percolated down through the government bureaucracy and have been translated into a less restrictive environment for the private sector at the grassroots level. You should also ask businessmen what prospects they see for a major expansion of exports and what further actions are needed to provide an enabling environment for sustained export growth. You might also ask about industries' restructuring plans as tariffs are reduced and market competition increases.

Roundtable Meeting with Representatives of
Major Business Associations
New Delhi, Wednesday, Nov.11,1992 at FICCI Bldg., Tansen Marg

Mr. Kantikumar R. PODDAR, President, FICCI
Chairman of Maharashtra Fur Fabrics Ltd. and other companies of Poddar Enterprises, he is associated with several industrial establishments. He is a special executive magistrate in Bombay. In 1974, he was the youngest Sheriff of bombay, and was a member of the senate of Bombay University for six years.

Dr. J.J. IRANI, President, CII
Elevated to Managing Director of Tata Iron and Steel Company (TISCO) in July 1992. After a Masters in geology and metallurgy, he got a PhD from the Univ. of Sheffield. Has had a distinguished career since joining TISCO in 1968. (IFC is the co-lead manager for a Euro-issue proposed by TISCO. Sometime later this year.)

Mr. Hari Shankar SINGHANIA, President-Designate, ICC
President, J.K.Organization, one of the oldest and largest industrial groups in India. Main interests in paper, cement, and tyres. Former President of FICCI. (Hosting Dinner for Mr. and Mrs.Preston on the 12th of Nov.)

Mr. R.P. GOENKA, President-Designate, CACCI
Chairman, Ceat Tyres, etc. and the moving spirit of the RPG Group. Wide business interests in tyres, power generartion, chemicals,and recently, computers. Former President, FICCI. Generally described as a "master of takeovers". IFC have approved two loans for his Calcutta-based power company (CESC). (Hosting Reception and Cultural Program for Mr.and Mrs.Preston on Nov.12)
Mr. A.V. ARUNACHALAM
Chairman, EID Parry and CEO of the TI group , one of the most respected industrial houses of Madras (including a pioneering cycle manufacturing company). He is a Geology graduate from Madras.

Mr. Aditya BIRLA
Born into one of the two largest industrial houses of India,he is Chairman of Grasim Industries, Hindustan Aluminium, and Indian Rayon and controls companies with a turnover exceeding 1 Billion dollars. Presently promoting a petroleum refinery (Mangalore) in the joint sector with Hindustan Petroleum. He is a graduate of MIT, and established his reputation by setting up successful joint-ventures in palm oil and textiles in S.E.Asia. IFC client.

Mr. Rahul BAJAJ
Chairman Bajaj Auto, the largest two-wheeler company in the region with a turnover exceeding 220 million dollars.Harvard educated. Was appointed Chairman of the Government run Indian Airlines in 1986.

Dr. BHARAT RAM
Chairman Emeritus, DCM Ltd., the flagship of the Shriram group of industries with interests ranging from textiles and fertilizers to engineering and electronics. Graduated from St.Stephens College, Delhi. Past President FICCI and ICC.

Mr. H.P.NANDA
Chairman Escorts Ltd. From used car agency in 1947 the company is the largest producer of tractors and motorcycles in India. Turnover exceeding 300 million dollars. Target of an NRI takeover bid he successfully opposed the bid, and became something of a hero in Indian industrial circles. Ex-President ASSOCHAM. IFC has approved two investments in Escorts, both for its motorcycles division, one in collaboration with Yamaha.

Mr. Ratan TATA
Chairman Tata Industries since 1981,and heir apparent to the J.R.D.TATA empire. Trying to steer Tata group into high-tech ventures, with ambitious growth plans. Chairman, air India. Recipient of many national and international awards.

Mr. Raunaq SINGH
Chairman, Apollo Tyres. Little formal education. Fled to Delhi from Lahore during partition.Started manufacturing steel tubes in 1963, diversifying into tyres, gears, and shipping. Past-President FICCI.

Mr. N. SANKAR
Presently steering the US$300 million South-based SANMAR group founded by his father. Main interests are chemicals, plastics, electronics and cements. Recently elected President of the Indian National Committee of the ICC. Immediate Past-President of ASSOCHAM.

Mr. L.M. THAPAR
Chairman of Ballarpur Industries and head of the Thapar group (one of the biggest groups in India) since 1962, at age 32. Business turnover over Rs.1,000 Crores. Son of a coal merchant-turned-industrialist, he was educated at Doon School and UCLA. Current business interests in paper, chemicals, engineering, etc. Past-President, ASSOCHAM.

Mr. D.H. PAI PANANDIKER
Secretary General of FICCI, which he joined in 1960. Has a Masters from Cambridge University.

World Bank:
Mr. O.Yenal
Mr.R.Robinson
IFC:
Mr.A.Tharmaratnam
Mr.D.Freeman

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of Agriculture, Dr. Balram Jakher

(Wednesday, November 11, 4:00 pm)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Issues Likely to be Raised by the Minister

The Minister may stress a number of areas in which the Government would like to see additional Bank involvement. These include:

Agricultural Credit: You should assure the Minister of our interest but stress that we remain concerned about the general health of the banking system (noting that the Bank is working with the Government on the preparation of a Financial SAL operation) and, specifically, about the need for reform of agricultural credit policy (e.g., interest rates and loan waivers) and the institutional structure of the agricultural credit system.

State Agricultural Development Projects: You should commend the progress achieved to date in this area (the Rajasthan ADP is scheduled for Board consideration on November 12) and assure the Minister that this is a high priority area for Bank lending. We intend to follow up with further projects - our pipeline includes the states of Karnataka, Assam and Madhya Pradesh. These projects are designed to assist state governments to accelerate growth through improving agricultural policies and infrastructural and institutional support.

Issues to be Raised by the Bank

You should stress the importance of moving ahead with agriculture sector policy reforms. The reforms should assure that the right incentives are being given to farmers through pricing, distribution and trade policies. Farmers should be able to receive the market value of their produce and expand in the most efficient areas of production, including the freedom to export. This will obviate the need for fiscally unsustainable subsidies, as well as the restrictions on grain movements which impose disincentives to production in surplus areas. A **Policy Workshop** is planned for January with participation by the Bank and the Ministries of Agriculture and Finance. This could lay the basis for Bank support for agricultural reforms at the national level.

You should also encourage the promotion of greater private sector involvement in input supply, marketing and research as an important ingredient in supporting the emerging shift away from staples to higher value products (fruit, vegetables and livestock). Finally, you should also emphasize the importance of **technology** and the Bank's interest in working with the Government to improve agricultural human resource development, research and seed production.

Balram Jakher

Minister of Agriculture (since June 1991)

Age: 69

He served as Speaker of the Lok Sabha (Lower House of Parliament) for 9 years from 1980-1989. Earlier, he had served as Minister for Irrigation in the State Government of Punjab, 1972-77. A large landowner from Punjab, he is widely seen to be a spokesman for the interest of medium and large farmers in India. He has something of an ambivalent attitude towards the policies of the Finance Minister. He has actively lobbied for higher procurement prices for food grains and has been moderately critical of the reduction in fertilizer subsidies, though he has gone along with the program. More recently he has been putting emphasis on giving the farmers what is their due in the marketplace and arguing that the agricultural subsidies have to be reduced in parallel with the removal of trade restrictions. Mr. Jakher has been something of a controversial public figure. He represents Rajasthan in the Lok Sabha whilst his son is a Minsiter in the Punjab Government.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Minister of Power, Mr. Kalp Nath Rai
(Wednesday, November 11, 5:00 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Background Facts

- The Indian power sector with installed capacity of 70,000 MW is equivalent in size to that of France.
- The sector has been a major recipient of Bank Group funds: 34 IBRD loans for $6.7 billion and 18 IDA credits for $2.3 billion.
- The National Thermal Power Corporation (NTPC) is the single largest corporate borrower from the Bank group ($3.9 billion to date).

Sectoral Issues

- Lack of resource mobilization (because of low tariffs and poor collection performance) leads to heavy losses by State Electricity Boards (SEBs) - $1 billion per year - and growing arrears to central utilities such as NTPC. The financial viability of the sector is at serious risk.
- Lack of demand management leads to inefficient power use - savings of as much as 10% of capacity are possible.

Issues Likely to be Raised by the Minister

The Minister is likely to stress the importance of substantial Bank support for the Government's ambitious power investment program and, in particular, press for more rapid resumption of Bank lending for NTPC. You should assure the Minister that power remains a high priority sector for Bank lending to India. However, you should stress that our ability, and our shareholders' willingness, to lend for power and, in particular NTPC, is critically dependent on progress in addressing the severe financial and institutional problems besetting the sector as well as on further progress in reducing the large overhang of undisbursed balances in the Bank's existing power portfolio. In the case of NTPC, resumed lending will depend on its ability to address its severe financial problems by adopting commercial relations with its clients - the SEBs.

Issues to be Raised by the Bank

You should acknowledge the difficulties faced by the Center in inducing changes in policies and institutional arrangements in the power sector at the

state level. However, you should stress that our ability to lend even for Central institutions is being severely compromised by the spill-over of the financial problems of the SEBs into the balance sheets of these Central utilities. Unless these problems are addressed our lending will be limited to a few well performing SEBs and, possibly, to private sector projects. As noted above, you should also stress the importance of efforts to clean up the existing portfolio of Bank-assisted power projects and reduce the very large overhang ($3.3 billion) of undisbursed balances.

You should reinforce the Government's commitment to increased private sector participation in power generation, transmission and distribution and assure the Minister of the Bank and IFC's readiness to provide and/or arrange technical assistance in developing an appropriate regulatory and policy environment to attract (domestic and foreign) private sector investment.

Kalpnath Rai

Minister of State for Power (since 1991)

Age: 51

Mr. Kalpnath Rai was one of only five Congress I leaders to be elected in 1991 from the state of Uttar Pradesh (UP) (which has a strength of 85 MPs in the Lower House, and has traditionally been a Congress-held state). In fact, he increased his margin of victory as compared to 1989. He enjoys very strong grass roots support on account of his active work in the constituency and his closeness to Mrs. Gandhi's family. In the 1960s he was associated with the Socialist Party of India. From 1974-86 he was a member of the Rajya Sabha - India's upper house of Parliament. He is known to be a Gandhi family loyalist, and a political survivor.

Mr. Kalpnath Rai has a M.A.LLB, law degree from Gorakhpur University in UP.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Business Associations (Wednesday, November 11, 5:45 p.m.)

[Pre-meeting briefing by Messrs: Vergin, Yenal]

Background

Senior officials of India's major business associations - Federation of Industrial Chambers of Commerce International (FICCI), ASSOCHAM and Confederation of Engineering Industries (CEI) - will host a round table meeting. Background material on these associations and a list of officials attending the meeting will be provided in Delhi.

Issues Likely to be Raised by the Business Associations

The business leaders are likely to seek your views on the overall stabilization and reform program, including measures undertaken to date and the priorities for future reforms. You should indicate that the Bank commends the Government's efforts to date, which have been supported through the Bank's first Structural Adjustment Loan/Credit to India, but emphasize the need to accelerate the pace of reform in key areas if the program is to succeed. In this context, the Bank is discussing with the Government ways of supporting the country's efforts to accelerate growth and improve its export performance. The Bank is also planning to assist with strengthening of the social safety nets to ensure that the poorest segments of society do not bear a disproportionate share of the burden of adjustment.

Issues to be Raised by the Bank

You should assure the business leaders that a key thrust of the Bank's assistance for India during this period of structural adjustment is to support reforms designed to facilitate and expand the private sector's role, not only in industrial areas in which the private sector has already made a major contribution, but also in areas previously reserved for the public sector, including financial services, hydrocarbons and power as well as basic infrastructure (such as roads, ports and telecommunications).

You should use the meeting to gain an insight into the views of business leaders on the extent to which the reforms to date have percolated down through the government bureaucracy and have been translated into a less restrictive environment for the private sector at the grassroots level. You should also ask businessmen what prospects they see for a major expansion of exports and what further actions are needed to provide an enabling environment for sustained export growth. You might also ask about industries' restructuring plans as tariffs are reduced and market competition increases.

You might also seek businessmen's views on the social impact of the reform process and the ease, or difficulty, with which industry and labor have been able to adjust to the changing environment. In this context you should explore the perceptions about the role and likely effectiveness of the National Renewal Fund in facilitating enterprise restructuring and labor mobility.

FICCI

FICCI is the apex body of a nation-wide network of regional, state and local chambers of commerce, industry and trade associations, professional institutions, corporate bodies, private firms and institutions. It speaks, directly and indirectly, for over 1,00,000 business units - small, medium and large - employing around 10 million people.

FICCI stands for rapid economic progress through domestic enterprise and international business cooperation. Committed to a mixed economy and planned development, FICCI works towards closer partnership between the Government and business organisations. FICCI maintains a continuous dialogue with the Government and informs the public of its considered views on current economic matters.

As the central organisation responsible for well informed and unified business opinion on economic questions, it directs its energies in resolving economic problmes of the present and anticipating needs of the future.

FICCI takes active interest in international business organisations. It interacts with the International Chamber of Commerce (ICC) through the Indian National Committee to promote the business interests of developing countries. As a founder member of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), it takes keen interest in the economic relations in the Asia-Pacific region. It is currently engaged in paving the way for increased South-South Cooperation through exchange of delegations and setting up of Joint Business Councils.

India's premier apex business and trade organisation is over 6 years old. Closely associated with India's freedom movement, and generally seems to be dominated by Indian business groups like Birla's. The present President is C.K. Poddar, owner of Textile Mills and Textile Machinery manufacturing plants. FICCI is respobsible for most of the joint business councils which have been set up between India and other countries.

ASSOCHAM

The Associated Chambers of Commerce and Industry of India - popularly referred to as ASSOCHAM - was established in 1920 and is the oldest national central organisation of Chambers of Commerce in India. It was set up as the apex body of Chambers of Commerce in India and Ceylon. It is a very large apex national organisation with over 300 affiliates representing the widest possible cross-section of business, industry, services and professions. Among these are the leading Constituent Chambers and Asssociations comprising in their membership paractically every segment of business and industry.

ASSOCHAM, in its own role in industry and trade, seeks to be an active catalyst with Government in the economic improvement, with an agenda to reduce poverty and increase employment. Recognising its role and functions, the

Government has accorded seats to ASSOCHAM on almost all the Advisory and Consultative Committees set up to deal with specialised subjects.

ASSOCHAM is India's second largest trade organization for trade and commerce. The present President is Mr. B.N. Dhuldhoya, Chief Executive of a company that is in Petrochemicals and Plastics.

Confederation of Indian Industry (CII)

Confederation of Indian Industry (CII) - formerly Confederation of Engineering Industry (CEI) - is a National Industry association serving and representing over 2600 companies in the public and private sectors in manufacturing, construction and services. CII has 19 offices in India, 1 office overseas (London) and its Corporate Headquarters in New Delhi. CII membership covers an investment of over US$21,633.6 million and an employment of over 2.0 million.

CII has two broad roles - the "traditional" work of trouble shooting and interacting with policy making agencies of Government and the "non-traditional" role of promotional and developmental activities such as Export, Quality, R&D, Technology, Energy Convservation, Environment Protection, HRD, Education, Training, Consumer Welfare, etc. which are "internal" to industry and aimed at strengthening the corporate sector.

CII is a non-governmental organization, non-profit, industry-managed and industry-driven. CII is a spokesman for the Indian industry and operates through a federal structure.

CII serves as a National Point of Reference for the Industry in India. It's services include:

- apprising all concerned bodies of the status of Indian industry;
- providing industrial information to individual firms, the Government and its various bodies;
- Monitoring the effects of Government policies on industrial development;
- interacting with the Government on behalf of industry;
- providing opportunities to CII members to interact with other industries and providing a platform to address common issues; and
- taking up zonal, state, regional and national issues through its various offices with the appropriate Government and other bodies.

Among a number of promotional activities : The Top Quality Management Division (TOM) provides specialized professional training and education to member companies; Environment is one of the major endeavours of CII and its major role is to control pollution.

CII is working closely with the Government on issues like export marketing and foreign investment. The present President is Dr. J.J. Irani, Managing Director, Tata Iron and Steel Company.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Visit: Haryana Irrigation Project

Physical Features

* Geographical Area	4.42 Million Hectares
* Population	16.3 M (Rural 122.73) (Urban 40.45)

Agriculture

	6 M hectares
* Cropped area (gross)	2 M hectares
(net)	3.6 M hectares
* Consumption of Fertilizers	586 thousand tones
* Shallow Tubewells	0.46 Million Nos.
* Production of foodgrains	9.6 M tones
* Per capita income (at current prices)	Rs.6265

Irrigation

* Area irrigate (gross)	4.1 Million hectares (Canals 2.04 M) (Other 2.04 M)
* Govt. deep tubewells	3187 Nos.

Haryana State

1. Haryana was formed in November, 1966 under the re-organisation of the former Punjab State. The economy of the State primarily depends upon agriculture. 80% of the State's population are rural and dependant on agriculture.

2. The Government assigns highest priority to irrigation and power for farmers. Foodgrain production jumped from 2.6 M tones in 1966 to 9.6 M tones in 1991, mainly due to a vastly improved irrigation system. Irrigated area increased from 1.32 M Ha in 1966 to 2.4 Ha in 1991.

3. To cover all its 3.83 M hectares of culturable area by irrigation it needs 34 MAF (Million Acre Feet) of water as against the availability of 16.84 MAF from all sources (Bhakra storage and Yamuna are the main sources); thus there is a severe shortage of irrigation water. Out of 4.75 MAF of ground water availability 65% is saline, the rest is over-exploited. Efficient use of water

is the key to minimising the gap through lining of the Canal System. The saved water is lifted to irrigate lands at higher elevations. This will be the focus of the visit of Jawaharlal Nehru Lift Irrigation Scheme.

4. In this endeavour of lift irrigation, Haryana, under water scarce conditions, has given a lead to the rest of the country. This has assisted in checking the advance of the Rajasthan desert.

World Bank Involvement

5. Under Haryana irrigation project, phase I and phase II during 1978-83 and 83-92, an area of 265 M.sft of Canal lining, costing Rs.874 million and an area of 257 m.sft of Canal lining costing Rs.2090 M respectively, were done. A saving of 1.5 MAF of water has resulted in an additional irrigation potential of 0.2 M hectares. Out of 10,000 water courses 5300 are lined, to facilitate the farmers in efficient application of water to crops for maximising agricultural production. In addition, drinking water supply for 700 villages and 356 Kms of village access roads were provided.

7. In consultation with World Bank, the State Government is conducting various studies to improve institutional & Operation & Maintenance in the irrigation sector and to formulate a Water Resources Consolidation Project covering the entire state to achieve efficient use of its available water. A World Bank credit assistance of about US$200 M is envisaged.

Farmers Participation

8. Farmers' associations are established to associate actively int he construction and the maintenance of the field channels. It is projected that the associations will ultimately take over the channel operation and maintenance, commencing with the water course, minors and moving upwards, as the Government withdraws controls and confines itself to the major conveyance system.

Salinity & Waterlogging

9. An area of 5389 Sq. Kms. in the irrigated area suffers waterlogging and salinity. A pilot project for 105 Sq. Kms. of the most critical area, is formulated at a cost Rs.330 M and is being proposed for World Bank assistance.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

November 11: Site Visit - Haryana (8:55 - 10:35 a.m.)

A. Jawaharlal Nehru Lift Irrigation Scheme (First ground stop)

JLN is the largest lift scheme commissioned in 1980. Its capacity is 3241 cusecs at head. The total lift in stages is 200 meters. It has 97 pump houses. The total length of the canal system is 1465 km to irrigate a culturable area of 0.265 M ha. The scheme cost is estimated at Rs 1650 M. 85% of the scheme is complete and the rest is in progress. Ultimate power needed for lifting the water, on full development will be about 105 MW.

At the pump house near Salahwas, (the site to be visited) JLN canal and Mahendragarh canal take off from the feeder. They have discharging capacities of 927 cusecs and 1690 cusecs respectively, over a lift of 7 meters. The number of outlets on both the canals is 1287, each feeding a group of farmers.

B. Sprinkler Irrigation (Will be viewed from the air)

97 sprinkler sets have been installed in Bhiwani District under lift canal command of Jui and Sewani lift schemes. these were financed by the World Bank under Haryana Irrigation II project as a pilot project. the land in this tract is sandy and undulating which makes it unsuitable for flood irrigation. The farmers are small and marginal with average holding of less than 2 ha. The average annual rainfall in this area is less than 100 mm and that too is unpredictable. The ground water is brackish and not fit for irrigation. ON 17 sprinkler sets installed during 1992, there are sprinkler irrigation associations formed by beneficiaries who have taken over the operation and maintenance. Each sprinkler set irrigates an average area of 40 Ha.

C. Bapoura Rural Drinking Water Supply Scheme (Second ground stop)

This scheme was commissioned in 1971 at a cost of Rs 8.6 M to cater the drinking water needs of 58 villages with a population of 100,000, also livestock. This draws water from the irrigation system, since ground water is saline. As the per capita consumption increased, 13 villages out of the above have been separated and serviced separately by the completion of six new rural supply schemes. Ultimately the Bapoura scheme will cater to 21 villages raising the present per capita consumption from 40 liters per day to 70 liters per day taking into account the increase in population.

Haryana Project Visit

(Accompanying World Bank Staff)

Mr Christopher Perry
Senior Economist

Mr Perry joined the New Delhi Resident Mission on August 1, 1990. In the Agriculture Unit he works on the supervision of several irrigation projects and overseas the irrigation portfolio.

A British national, Mr Perry, is an economist and is not new to India, having spent four and a half years here previously. Prior to transferring to New Delhi, he was with the Agriculture Operations Division at headquarters, and has visited India on several missions.

Mr B.S. Bhavanishankar
Irrigation Engineer

Mr Bhavanishankar joined the Agriculture Unit of the New Delhi Office as Irrigation Engineer, in October 1986.

Mr Bhavanishankar supervises several irrigation projects, namely Uper Krishna, Upper Ganga Modernization, Periyar Vaigai and Haryana II - Modernization of Canal System, which was successfully closed in March 1992.

Mr. Bhavanishankar has been active in the environmental field, particularly as member of the Environmental Appraisal Committee for Water Resources in the Government of India.

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BRIEF WRITE-UP ON HARYANA STATE

Physical Features

*	Geographical Area	:	4.42 M Ha
*	Population	:	16.3 M (Rural 12.2 M) (Urban 4.1 M)

Agriculture

*	Cropped area (gross)	:	6 M Ha
	(net)	:	5.3 M Ha
*	Consumption of Fertilizers	:	586 thousand tonnes
*	Shallow Tubewells	:	0.46 Million Nos
*	Production of Foodgrains	:	9.6 M tonnes
*	Per capita income (at current prices)	:	Rs.6265

Irrigation

*	Area Irrigated (gross)	:	4.1 M Ha (Canals 2.04 M Ha) (Others 2.06 M Ha)
*	Govt. deep tubewells	:	3187 Nos

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To cover all its 3.83 M Ha of culturable area by irrigation it needs 34 Million Acre Feet (MAF) of water as against the availability of 16.84 MAF from all sources including ground water (Bhakra storage and Yamuna are the main sources); thus there is a severe shortage of irrigation water. Out of 4.75 MAF of groundwater availability 65% is saline, the rest is over exploited. Efficient use of water is the key to minimising the gap through lining of the irrigation canals. Some of the saved water is lifted to irrigate lands at higher elevations, at present out of command. In this endeavour of providing irrigation, through lift the state has given lead to the rest of the country. This has assisted in checking the advancement of the Rajasthan desert towards these areas.

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WORLD BANK INVOLVEMENT

1. IRRIGATION

Under Haryana Irrigation Projects I & II from 1978 to 1992, about two-third of the canals and one third of the watercourse were lined at a cost of approximately $ 400 M. THis has resulted in a svaing of 1.5 MAF of water thus increasing the irrigated area by about 0.2 M Ha (i.e. $ 2000 per hectare).

97 sprinkler sets were also installed under Haryana Irrigation II Project at a cost of about $ 2.75 M in sandy & undulating areas of Bhiwani District.

Haryana Irrigation-II Project closed on 31.3.1992. In view of the performance of these projects, Govt. of India and the World Bank are considering financing "Water Resources Consolidation Project". As formulation and launching of the Project will take about 2 years, the World Bank has agreed to finance the three important on-going activities namely : Lining of Channels, Linning of Water Courses and Institutional Strengthening. The project is estimated to cost $ 58 M over a period of three years and is being executed as sub-project of National Water Management Project of Govt. of India with World Bank Assistance.

The State Govt. in consultation with the World Bank is also conducting various studies to improve institutional, operational and maintenance in the Irrigation sector to achieve efficient use of its available water. A World Bank credit assistance of about $ 200 M is envisaged.

2. AGRICULTURE

Three World Bank assisted projects namely; National Agricultural Extension (NAEP), Integrated Watershed Development (IWD) Project and Agricultural Human Resource Development Project are being implemented in the State.

The first phase of NAEP was executed in 1978-84 and the second phase was taken up in 1985 and is likely to be completed in March, 1993 for which there is a provision of $ 14M. The project will increase farm productivity and farmer's income through transfer of new technology from lab to the farm.

IWD Project was started in Shivalik areas of Ambala and Yamuna Nagar districts from March 1990 at a total cost of about $ 9 M spread over seven years. Haryana has also been selected as one of the four State in India to participate in the World Bank Project on Agricultural Human Resource Development. A comprehensive Agricultural Development Project covering all farm related activities including horticulture, animal husbandry, agro- forestry in addition to the crop husbandry is proposed to be continued after the NAEP-II comes to a close on 31st March, 1993 for which World Bank Assistance would be necessary.

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3. FORESTRY

To give boost to the forestry, phase-I of social forestry project with the assistance of World Bank was taken up for an amount of $ 30 M from 1982-83 with a target of 67,000 ha. The performance was adjusted by the World Bank as "the best" in the country.

In continuity of the Phase-I, Phase-II with a provision of $ 30M for rehabilitation of wastelands such as salt affected lands and sand duness has been posed to Govt. of India/World Bank and a decision is awaited.

4. VILLAGE ROADS

Haryana is the first State in India to provide metalled access roads to all its villages. Under Haryana Irrigation I&II Projects, 1806 kms of village Access Roads have been provided at a cost of $ 25 M. As a result of the development of the roads net-work, the traffic has increased substantially particularly on the major district roads, with resulting benefit to farmers in improved access to markets.

For development of the secondary system a proposal consisting of 5 packages of 811 kms length of selected state Highways and Major District Roads at a cost of $145 M has been posed to the Govt. of India for assistance by the World Bank.

5. VILLAGE DRINKING WATER SUPPLY FACILITIES

On the formation of State of Haryana, out of 6745 villages, piped water supply was available to less than 3% and the Govt. gave priority to a programme of providing assured water supply for drinking purposes to all its villages. In the period since 1978, this objective has been achieved, making Haryana one of the first State in the country to provide safe drinking water to all its villages. The Haryana I and II Irrigation Projects financed almost 20% of this investment ($50M), usually as an integrated component of the Irrigation System development.

6. HEALTH

A World Bank funded Project (India Population Project VII, September, 1991) is being implemented over a five year period at a projected cost of $14M. The Project will make a significant contribution in reducing the birth rate and development of human resources through Family Welfare Training and Human Resources and Service Delivery Development.

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Under the Project an apex State Institute of Health and Family Welfare has been establised, mobile Training Teams have been set- up in all the districts. In addition, 124 Health Sub-Centre buildings in rural areas have been constructed and further 262 are nearing completion. Computerised Management Information and Evaluation System (MIES) and Personnel Management Information System (PMIS) are now functioning.

7. STRENGTHENING OF TECHNICIAN EDUCATION

The World Bank assisted project at a cost of about $ 30 M for qualitative and quantitative improvement in technical skills has been taken up from 1991-92 for five years. It will up-date and strengthen 12 existing Polytechnics, establish 3 new co- education polytechnics and a rsidential polytecnic exclusively for women.

8. CO-OPERATIVE CREDIT

The IDA sanctioned Haryana Agriculture Credit Project for on-form investments to the farmers for minor irrigation and farm- mechnisation in 1970 for a period of three years for an approximate amount of $ 44M.

National Cooperative Development Corporation (NCDC) storage projects I, II & III aided by the World Bank have been implemented from 1979 to 1992 under which an approximate amount of $ 20 M was advanced to Rural Village Societies for construction of rural & marketing storage godowns. In order to given boost to Agriculture production and making Cooperative Societies viable NCDC Project-IV is being posed to the World Bank.

The State Govt. values the World Bank Assistance which has helped in attaining alround progress in the core sectors, particularly in the field of Irrigation, Agriculture and Health. We look forward for continued association of the World Bank in giving impetus to further development in fulfilment of the objectives.

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Chandra Kumar	27-Mar-15

VAREL D. FREEMAN

DIRECTOR

ASIA DEPARTMENT

Mr. Freeman is Director of the Asia Regional Department at IFC. He joined the IFC/World Bank in 1974 and has worked extensively in Latin America. He was Manager of the Mexico and Central American Investment Division from 1988 to July 1992, and Manager, Latin American Capital Markets from July to October 1992 before assuming his current duties. Before joining the World Bank Group, he was on the professional staff of a consulting firm specializing in economic analysis of new technologies.

He holds master's and bachelor's degrees in engineering from Princeton University and a master's degree in public affairs from the Woodrow Wilson School of Public and International Affairs at Princeton.

Antonio David

Mr. Antonio David is Deputy Division Manager, Asia Department, International Finance Corporation, Washington. He is accompanying Mr. Varel D. Freeman, Director, Asia Department and will be acting for Mr. Athishdam Tharmaratnam, Chief, South Asia Regional Mission in Mr. Tharmaratnam's absence.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Meeting with Business Associations
(Wednesday, November 11, 5:45 p.m.)

Pre meeting briefing : Messrs Vergin, Yenal, Robinson, IFC-Freeman, David

Background

Senior officials of India's major business associations - Federation of Industrial Chambers of Commerce International (FICCI), ASSOCHAM and Confederation of Indian Industry (CII) - will host a round table meeting. Background material on these associations and a list of officials attending the meeting will be provided in Delhi.

Issues Likely to be Raised by the Business Associations

The business leaders are likely to seek your views on the overall stabilization and reform program, including measures undertaken to date and the priorities for future reforms. You should indicate that the Bank commends the Government's efforts to date, which have been supported through the Bank's first Structural Adjustment Loan/Credit to India, but emphasize the need to accelerate the pace of reform in key areas if the program is to succeed. In this context, the Bank is discussing with the Government ways of supporting the country's efforts to accelerate growth and improve its export performance. The Bank is also planning to assist with strengthening of the social safety nets to ensure that the poorest segments of society do not bear a disproportionate share of the burden of adjustment.

Issues to be Raised by the Bank

You should assure the business leaders that a key thrust of the Bank's assistance for India during this period of structural adjustment is to support reforms designed to facilitate and expand the private sector's role, not only in industrial areas in which the private sector has already made a major contribution, but also in areas previously reserved for the public sector, including financial services, hydrocarbons and power as well as basic infrastructure (such as roads, ports and telecommunications).

You should use the meeting to gain an insight into the views of business leaders on the extent to which the reforms to date have percolated down through the government bureaucracy and have been translated into a less restrictive environment for the private sector at the grassroots level. You should also ask businessmen what prospects they see for a major expansion of exports and what further actions are needed to provide an enabling environment for sustained export growth. You might also ask about industries' restructuring plans as tariffs are reduced and market competition increases.

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V. BACKGROUND

V. Background Material

A. Recent History and Political Situation

B. Economic Situation - Historical Perspective

C. Government Development Objectives and Policies

D. Current Economic Situation

E. Medium Term-Policy Agenda

F. Economic Prospects and Financing Needs

G. Agriculture

H. Human Resource Development

I. Summary of Bank/IDA Assistance Strategy and Current Lending

J. Economic and Sector Work

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INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Recent History & Political Situation

Background

Over the four decades since Independence in 1947, India has established and operated democratic systems and processes which have ensured a remarkable degree of political freedom and stability. These achievements have involved forging a large, extremely poor populace, sharply divided along ethnic, linguistic, and religious lines, into a modern, federated nation state.

The latter 1980s, however, were marked by growing political uncertainty. The Congress-India Party, which had governed the country for much of the post-independence period, lost its majority in the parliament in late 1989 in the face of growing allegations of corruption. The ensuing general elections failed to yield a clear majority, and a coalition government was formed in November 1989 headed by the Janata Dal Party--a splinter group of the Congress Party. Within eleven months of taking office, this government also fell in the face of widespread opposition to its plan to increase job reservations for various minority groups. It was succeeded by a second coalition government which fell in March 1991 as the economic crisis worsened, and the Congress Party withdrew its support. The general elections that followed were marred by considerable violence, including the assassination of Shri Rajiv Gandhi, former prime minister and leader of the Congress Party, and could not be completed until mid-June 1991.

The Congress Party was returned to office in June 1991 after two years of policy drift, and inherited an economy in the midst of a severe external liquidity crisis, with rising inflation and declining economic activity. Moreover, the Congress Party did not possess a majority in the parliament and, for the first time in its recent history, was not headed by a member of the Nehru-Gandhi dynasty. These two factors were initially seen as cause for concern over the stability of the political situation, and as likely impediments to the adoption of bold reform measures. Neither concern has been borne out yet. The consensus-building style of Prime Minister Shri P.V. Narasimha Rao has helped to obtain the open or tacit endorsement of most of the major opposition parties for the important stabilization and reform measures adopted by the Government during its first ten months in office. During this period, the Rao Government also strengthened its political support, and secured a majority in the Lok Sabha in August 1992 with the merger of some opposition parties with the Congress Party.

Recent Political Situation

The political scene has been relatively calm in recent months. After establishing itself as the majority party, the Congress Party does not face any immediate challenge from the opposition. The right wing major opposition party, the BJP, has probably lost some of its support in the country. Until the parliament session starts next month, most of the domestic politics will be played in the states. Kashmir and Punjab continue to be under strict police and military control.

The opposition groups are likely to concentrate their efforts of agitation in three areas: the mosque/temple issue in Uttar Pradesh, a general strike planned for November 3 to protest the economic policies of the Government and the stock market scandal which is being investigated by a parliamentary committee.

The likelihood of a major cabinet reshuffle has been in the news for some time. Several important Ministries such as industry, commerce and external relations are without a minister, being administered from the Prime Minster's office. Some commentators claim that this is by design so that the Prime Minister and the Finance Minister can centralize decisions.

In spite of increased confidence, there is still an influential body of constituents who are not convinced about the usefulness of the reforms and see no concrete evidence that the reforms are helping improve the well being of the country. They also overlap with those who are not happy about the departures from the Gandhian or the Nehruite philosophies of self-sufficiency, equality, non-consumerism, spiritualism, etc. But this is essentially an intellectual lobby though they can be influential in mobilizing groups of poor.

Intra-party opposition is increasingly focused on specific Government actions rather than on the overall approach to liberalization. Examples include the pressure politics going on regarding the reduction in fertilizer subsidies, the Government's decision to pay out the cost of living adjustments (dearness allowances) for government employees despite it's desire to postpone it, and the need to increase the prices of food items distributed through the public distribution system to the neediest segments of the population. It appears that the Prime Minister is quite sensitive to these social pressures which, in some press commentary, has been interpreted as an indication of reduced enthusiasm about reforms on his part. There is, however, no objective evidence for this conclusion.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Economic Situation - Historical Perspective

Background

India is the seventh largest country in terms of area and, with a population of about 864 million (1991), the second most populous. It is also among the poorest of nations, with an average per capita income of about US$ 330 (1991).

Over much of the past four decades, India relied on a highly interventionist and inward-looking approach to economic management in pursuit of its development objectives. The development strategy assigned a dominant role to the state, which in the process assumed substantial and sometimes exclusive ownership positions in many sectors of the economy, and regulated virtually every facet of private economic initiative. As an integral part of this policy, much of the financial system was nationalized and a highly protective trade regime was built up. Over time both became intertwined with the fiscal apparatus as the Government's reliance on mandatory reserve requirements for commercial banks and customs revenues increased. In contrast to this interventionist approach to microeconomic policy, macroeconomic management tended to be conservative: government deficits were relatively modest, monetary expansion was tightly controlled and external commercial borrowing was largely avoided.

This policy regime produced some notable successes: there was a rapid expansion of industrial infrastructure and production capacity; financial deepening accelerated, giving India one of the largest capital markets in the developing world; agricultural growth, propelled by irrigation investment, moved ahead of the rate of population growth; internal and external macroeconomic balance was sustained; and, finally, some reduction in internal economic disparities was achieved. Nevertheless, the overall dirigiste strategy resulted in slow progress toward many of India's development objectives. Growth, in particular, was disappointing in relation to India's relatively high saving and investment rates, averaging only 3.5% per year (1.4% per capita) through the 1970s. Its manufacturing sector and exports, both large at Independence relative to other developing countries, stagnated. The effort to develop indigenous production and technology through heavy protection and state intervention resulted in a widening gap between India's efficiency levels and technological capabilities and the rapidly advancing international frontier. Population growth rates remained high (about 2% per year), and indicators of the health and educational status of India's population, while showing some progress, remained among the world's lowest. By the mid-1970s, close to half of India's population still lived below the poverty line. Moreover, the large and rapidly growing population put increasing pressure on natural resources, resulting in significant environmental degradation.

Prelude to the 1990-91 Crisis

During the 1980s, economic policy began to place greater emphasis on growth as the primary means of poverty alleviation. The Government took a variety of initiatives to stimulate aggregate demand and supply. In particular, fiscal policy became more expansionary, and the authorities showed an increasing willingness to experiment with new institutional structures based on private decisionmaking. Industrial licensing requirements and trade restrictions were eased, and an effort was made to promote exports through fiscal incentives and a flexible management of the exchange rate.

This evolution in India's economic policies resulted in a strengthening of key aspects of performance:

- GDP growth during the 1980s averaged about 5.6 percent **per annum**, and real per capita income rose by 40 percent, compared to less than 30 percent over the previous two decades combined;

- manufactured exports grew rapidly from the mid-1980s onward, albeit in a fairly narrow range of products; and

- inflation during the 1980s averaged about 8 percent **per annum**, less than 1 percentage point higher than in the previous two decades and considerably lower than that experienced by most developing countries.

However, the 1980s also witnessed a steady deterioration in India's finances:

- the shift in the stance of macro-policy to fiscal expansionism resulted in growing fiscal and external current account deficits--balance of payments management was made particularly difficult by the need for large payments abroad in respect of imports of military equipment;

- these deficits resulted in a rapid accumulation of domestic and foreign debt--the weight of domestic public debt in the economy increased by over one-half during the 1980s while external debt more than tripled to US$70 billion, making India one of the most highly indebted developing countries in the world;

- to finance this build-up of debt, there was increasing repression of the financial system which resulted in a rapid deterioration of the portfolio of the nationalized commercial banks, as well as a growing reliance on riskier and relatively shorter term external debt instruments, e.g., foreign currency deposits by non-resident Indians; and

- in the latter half of the decade, increasing use was also made of

> self-finance, and India's foreign exchange reserves were gradually drawn down from US$ 6.7 billion (almost 5 months of imports) in 1986/87 to US$ 4.1 billion (2 months of imports) at the end of 1989/90.[1]

Thus, the increased oil import bill, foreign exchange receipt losses, and costs of repatriating migrant workers caused by the Gulf crisis of 1990 came at a time when macroeconomic policy was already constrained by the large burden of internal and external debt service and depleted foreign reserve position, and India's creditworthiness was under strain. The economic problems were compounded by growing political uncertainty, which precluded adoption of the forceful measures required to contain the emerging crisis. The country's access to the international financial market was rapidly curtailed and private creditors began reducing their exposure in India. The inflation rate rose into double-digits and, by end-1990, India's foreign exchange reserves had fallen to US$1.2 billion (about two weeks of imports). India availed itself of IMF resources, drawing SDR 716.9 million from the Contingency Compensatory Financing Facility (CCFF) and SDR 551.9 million as a first tranche stand-by credit in January 1991. Despite these infusions, foreign exchange reserves continued to fall throughout the first quarter of 1991/92, and India was only able to maintain its impeccable debt servicing record through strenuous efforts, including mobilization of part of its gold stocks and severe import compression measures.

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[1] The Indian fiscal year runs from April through March. Thus, 1989/90 refers to the period April 1989 to end-March 1990.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Government Development Objectives and Policies[1]

The new minority government that took office on June 21, 1991 moved swiftly to introduce measures aimed at dealing with the immediate external liquidity crisis and underlying macroeconomic imbalances, and to bring about a fundamental restructuring of the economy. The objectives of the Government's evolving medium term adjustment program are to restore internal and external balance consistent with sustained growth of output and employment, and to facilitate the transition to a less regulated and more efficient economy. The program envisages broad-based liberalization of the Indian economy and a significant reduction in the role of the public sector in productive activity, with a corresponding strengthening of its role in developing the country's human resources and physical infrastructure. The principle elements of the medium term strategy involve:

(i) establishing fiscal stability through a combination of expenditure cuts, tax reform, and a streamlining of the public enterprise sector;

(ii) a restoration of external payments viability and price stability through vigorous export promotion, flexible management of the exchange rate, a gradual build-up of foreign exchange reserves and tightened monetary policy;

(iii) raising efficiency and productivity growth through the removal of distortion-inducing controls on private sector activity, including a greater reliance on foreign capital and technology; and

(iv) the adoption of specific measures to alleviate the burden of some of the structural changes on affected workers and already disadvantaged groups, while seeking to improve the effectiveness of existing social services and safety nets.

In pursuit of this strategy, the following major policy initiatives have been taken over the past fifteen months.

- the Reserve Bank of India (RBI) depreciated the rupee by 23% (in terms of rupee per U.S. dollar) in early July 1991, and has tightened monetary policy to support the exchange rate adjustment;

- contractionary government budgets have been introduced for both

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[1] This section is subject to revision, pending an update from the New Delhi Office.

1991/92 and 1992/93, aimed at reducing the central government deficit by 2.5 percent of GDP in 1991/92 and by 1.5 percent in 1992/93;

- major trade policy reforms have been announced, which have virtually eliminated quantitative restrictions on imports of intermediate and capital goods, reduced import tariff rates, substantially reduced state monopolies on exports and imports, and introduced a free inter-bank market for about 60 percent of foreign exchange transactions;

- a new industrial policy was announced in 1991 which aims to drastically reduce administrative control over firms' entry, expansion, and diversification; open to private investment a large number of industries previously reserved to the public sector; and liberalize significantly the foreign investment code, allowing foreign capital ownership of up to 51% in selected industries (and up to 100% in special cases);

- the process of reform of the financial system was begun with further decontrol of interest rates, a reduction in the required holdings of government debt by commercial banks, and the introduction of a number of measures to bring prudential supervision and regulation of the banks up to international standards;

- the process of public enterprise rationalization was also initiated through cuts in budgetary support, a facilitation of the processes for restructuring or closing chronic loss makers, and partial divestiture and joint ventures; and

- a national social security fund, the National Renewal Fund, was established in February 1992 to alleviate the transitional costs of adjustment by providing compensation benefits to displaced workers, and implementing retraining and temporary job creation programs.

The Government's efforts have received substantial support from official donors, including a Structural Adjustment Loan/Credit (SAL/SAC) for US$ 500 million from the Bank in December 1991. The Aid Consortium meetings held on June 25 and 26, 1992 resulted in pledges of US$ 7.2 billion--an increase of 7 percent over last year's level. Including IMF credits, India could expect a total of about US$ 3.4 billion in the form of fast disbursing assistance.

The Government has asked for IDA assistance for its efforts to mitigate the social costs of the structural adjustment process, as well as to address some of the fundamental issues that have constrained the development of human resources in India over the years. In response, the Department is preparing a Social Safety Net Credit, which will seek to strengthen programs and policies in the areas of primary education, primary health, endemic and communicable diseases, nutrition, and urban employment, as well as contribute to the funding and accelerated operation of the National Renewal Fund.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Current Economic Situation[1]

Economic performance during the initial period of adjustment has been dominated by five developments:

(i) a successful reduction of the fiscal deficit of the central Government from 9.0 percent of GDP in 1990/91 to 6.5% in 1991/92;

(ii) a rapid recovery of foreign exchange reserves from US$ 1 billion in June 1991 to about US$ 6 billion since July 1992 largely due to a severe compression of imports, a large one-time inflow of private capital and remittances in response to a time-bound amnesty scheme, and significant amounts of exceptional official assistance;

(iii) a slight decline in export earnings in 1991/92 due to the virtual collapse of trade with the erstwhile Soviet Union and other eastern European markets, weak demand in industrial country markets and constrained access to crucial inputs due to the emergency import controls;

(iv) a moderation of inflation from a high of 17 percent (on an annual basis) in August 1991 to about 9 percent in September 1992; and

(v) a slowdown in GDP growth from 5.6 percent in 1990/91 to about 2.5 percent in 1991/92 due to the contractionary impact of the Government's stabilization policies and weak agricultural performance.

Further progress is being made in 1992/93 towards achievement of the Government's medium term targets for fiscal deficit reduction and control of inflation. The good 1992 monsoon augurs well for agricultural production, and there is evidence of a growing recovery in exports to hard currency markets. However, investment demand and industrial activity remain depressed. The Government is expected to introduce additional major structural reforms in the areas of taxation, finance, and trade during FY93, and to continue rationalization of public enterprises through reduced budgetary support, partial divestment, and enterprise restructuring and closure. These programs are likely to be supported by additional exceptional financing from official donors, including the Bank.

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[1] This section is subject to revision, pending an update from the New Delhi Office.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Medium-Term Policy Agenda

Over the course of the next three-five years the agenda for economic policy must focus on the following priority areas of macro-economic stabilization and structural and sectoral reform:

Macroeconomic Stabilization

Fiscal adjustment.

- Further reduction of the fiscal deficit of the central Government from 6.5 percent of GDP in 1991/92 to 5 percent of GDP in 1992/93, with an ultimate target of 3 percent of GDP by the mid-1990s through sustainable cuts in expenditures and revenue enhancements. In line with this medium term adjustment, the overall deficit of the consolidated public sector should decline to 6 percent of GDP, down from about 12 percent at the start of the decade.

Balance of Payments.

- Achieving a sustainable adjustment of the external current account deficit with a view to maintaining foreign exchange reserves at a level equivalent to three-four months of imports, while adopting a cautious borrowing strategy--from both official and private sources.

Inflation.

- A durable reduction in the annual inflation rate to 5 percent or less.

Exchange Rate Policy.

- Unification of the dual exchange rate system, establishment of free convertibility of the rupee, and maintenance of a competitive real exchange rate.

Structural and Sectoral Reforms

Tax Reform.

- Implementation of a major tax reform with particular focus on broadening the tax base, reducing the dependence on customs duties, simplifying and lowering the rate structure, and strengthening compliance.

Trade Reform.

- Removal of remaining restrictions on exports.

- Elimination of remaining quantitative restrictions on imports, with the exception of a small negative list.

- Reductions in import tariff rates to an average of about 25 percent and the elimination of exemptions.

Financial Sector Reform.

- Significant reductions in the scope of mandatory investment in Government securities and priority sectors, and progress in the reform and institutional rehabilitation of the rural credit system.

- Completion of the process to strengthen the prudential regulatory framework and the capital base of public banks.

- Adoption of measures to increase private sector participation in the banking sector.

Public Enterprise Reform.

- Completion of process of restructuring and closure for loss-making enterprises.

- An increase in the scale of divestiture in selected profitable enterprises to 51 percent.

- Hardening of budget constraints for remaining public enterprises through the gradual elimination of budget support--initially for non-infrastructure enterprises--and improvement of managerial incentives and autonomy through further deregulation of investment and pricing decisions.

Agricultural Reform.

- Improved incentives for both domestic production and international trade.

- Increased investment in the sector, in large part through reform of the rural credit system.

- Generation and dissemination of new technologies.

- Improved management of the irrigation infrastructure.

Energy and Infrastructure Reforms.

- Improvements in pricing and user charge systems to reflect economic costs and encourage sustainable resource use.

- Expanded private sector role to increase supply, to raise efficiency through greater competition, and to accelerate the development and introduction of more diversified and sophisticated products and services.

- Improvements in the effectiveness of institutional systems for the design and planning of programs and projects, including more explicit and early integration of environmental issues.

Social Dimensions and Human Resource Development.

- Strengthening of "safety nets" to alleviate the social costs of adjustment.

- Improved design, targeting and cost-effectiveness of key social programs that benefit the poor and other disadvantaged groups.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Economic Prospects and Financing Needs

If the pace at which the Government has been stabilizing and reforming the economy is maintained, India's medium term prospects for surpassing the 5.6 percent annual GDP growth rate achieved during the 1980s with restored financial stability would be very good. However, the measures required in several important areas of both stabilization and reform will raise increasingly difficult issues which may strain the political consensus in favor of structural adjustment.

In order to meet the fiscal targets for 1992/93, fertilizer and petroleum prices have been increased significantly--measures which are highly unpopular, and are complicating, at least temporarily, the battle to keep the inflation rate in single-digits. Further subsidy reductions will be required in subsequent years. The Government's reform effort is also likely to be hampered by its concern to avoid arousing significant opposition from groups such as the labor unions and rural lobbies, who see radical changes in areas such as the public enterprise and financial sectors, and fertilizer subsidy as major threats. Persistent double-digit inflation in the prices of low-wage products, and the slowdown in economic activity have also become new focal points for popular dissatisfaction. However, in certain key areas of reform--such as investment de-regulation and trade liberalization--rapid progress should be possible.

Providing for the service obligations on the US$ 72 billion external debt outstanding at the end of 1991/92 (equivalent to 30 percent of GDP and over 300 percent of current account receipts), and for an adequate cushion of foreign reserves, will constrain policy choices for much of the decade ahead. Declining domestic oil production and an emerging need for food imports present serious threats to India's balance of payments. In particular, fuel and other hydrocarbon imports are expected to grow by 60 percent between now and 1996/97, increasing the country's vulnerability to shocks in the international oil market and severely constraining non-fuel imports for the next several years. The import needs of the restructuring effort, and pent-up consumer demand, are also difficult to predict, and there is a risk that import demand may be significantly higher than anticipated.

A prompt and robust recovery of exports is critical to management of the balance of payments over the next several years. India must achieve export growth of about 15 percent per annum in nominal U.S. dollars by the mid-1990s, when there will be a major bulge in debt service requirements. Although recent measures have improved export incentives, a number of impediments remain, including the high cost of imported inputs, restrictions on agricultural exports, and inadequate transport and credit facilities. Addressing these issues must be an absolute priority of the Government if exports are to become more broad-based as world trade recovers. Further reforms in the hydrocarbon sector, addressing

both supply and demand side issues, would also help to stem India's growing vulnerability in this area.

However, even with modest current account deficits over the next five years, India would still require total gross financing of about US$ 9 billion in 1992/93, and about US$ 9-12 billion in each of the following four years. Mobilizing external resources on this scale will present a serious challenge, and GOI will have to attach the highest priority to external portfolio management. The first requirement is for India to improve its utilization of committed or pledged assistance, which would reduce the need for additional new borrowing. Particular effort is required to improve project preparation and implementation in the priority infrastructure sectors. This would help transform pledges more rapidly into commitments, and help reduce the volume of undisbursed official assistance--which tripled from US$ 7 billion in 1980/81 to US$ 22 billion at the end of 1990/91. In the near term, India should also make greater use of available access to export credit so as to leave adequate headroom with multilateral donors to help cope with potential payments difficulties in the mid-to-latter 1990s.

To help meet its financing needs while strengthening the external financial sector, India must raise its reliance on non-debt capital to a level comparable to other industrializing Asian economies--about US$ 1.5 billion each year by the mid-1990s. The power and hydrocarbon sectors, which were opened to private investment in 1991, will provide the first real test of the Government's ability to attract significant amounts of foreign private investment. Nevertheless, given the uncertainties about the timing and magnitude of autonomous private capital flows and the advisability of a gradual re-entry to the international debt markets, India will have to rely heavily on continued exceptional finance from official donors over the next three-four years.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Agriculture

Background

From 1965 to the present, agriculture has grown annually by only 2.5%. This is insufficient given the 2.1% annual population growth and the increasing demands placed on the agro-industry. The last 5 years have been plagued by stagnation in output growth despite a succession of good monsoons.

Seventy percent of the population (the majority being poor) is dependent on agriculture, which comprises 35% of GDP. Agriculture remains within the realm of each state, and therefore the Central government has limited influence over investment and policy scenarios.

Problems

Some liberalizing policies have taken place (e.g. reduced fertilizer subsidies). However, there is still evidence of heavy central and state-level government intervention. For example, the recent fertilizer subsidy reductions have been somewhat perverse: involving an increased subsidy on the over-used nitrogen fertilizers (this product has a negative environmental impact), and a decreased subsidy on under-used phosphates (this product has a positive environmental impact). Also, there continues to be a widespread control on the movement of grain which facilitates the purchase in surplus areas at lower prices for the public food distribution system (which suffers from poor targeting).

Agricultural growth in the past was primarily due to improved agricultural varieties and the increased use of fertilizer (Green Revolution), as well as area expansion. However, the latter is no longer possible, and the former appears to have run out of steam. In addition, capital formation is in decline. There have been major increases in recurrent costs, particularly in excess staffing which are crowding out capital investment. There has also been decapitalization, especially of the irrigation infrastructure which continues to be plagued by poor management, and is compounded by poor cost recovery (note that irrigation falls under the Ministry of Water Resources and not under the Ministry of Agriculture).

Due to poor rural credit performance, the Bank has not included credit in agriculture projects for about 3 years. This problem impacts particularly on lending for privatization, especially in commercial agriculture.

Bank Support

There are at present 33 projects under supervision, comprising: irrigation (including Sardar Sarovar); research/extension; watersheds; forestry (a Ministry of Environment and Forests subject); commercial agriculture;

Agricultural Development Projects (ADPs); and others, including Andhra Pradesh Cyclone Rehabilitation. (Underlining indicates Ministry of Agriculture responsibilities). In FY92, the Bank disbursed $518 million under its agriculture portfolio. Four to five agriculture projects are presented to the Board each year (including irrigation and forestry projects) of which 2 or 3 per year fall under the responsibility of the Ministry of Agriculture.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Human Resource Development

The Status of Human Capital in India

The status of human capital in India remains on average severely underdeveloped. According to the UNDP's Human Development Index (HDI), India ranks 121 among 160 countries. In India, about 280 million people continue to live below the poverty line and the average life expectancy is only 59.1 years. Infant mortality is about 90 per 1,000 live births. More than half the children under five years of age are underweight and about 80% of all pregnant and lactating women are anemic. Maternal mortality at 40 per 10,000 live births is about 300 times greater than in the better-off developed countries. The mean years of schooling of persons over 25 years of age is only 2.4 years. Only 48% of the adults in India are literate.

In addition, and quite significantly, there remain wide disparities in the level of human capital attaintment in India. There has been, in fact, good progress in developing human resources in some places in India, particularly in the south and west of the country. On the other hand, the level of human resources development in the north, particularly in the "Hindi belt" is exceptionally low. In that region, there are significant sections in which the key social indicators are considerably worse than the all India averages and in which, for example, infant mortality rates are about 180 per 1,000 live births, maternal mortality rates may be close to 200 per 10,000 live births, more than 75 percent of the children suffer at least second degree malnutrition, and almost no women are literate. In addition, similar disparities exist between urban and rural areas; males and females; and between the general population compared to the scheduled tribes and scheduled castes. India, thus, has an exceptional problem of human development in one very large region and among the more disadvantaged segments of the population. The level of human development in those areas and among those people is among the lowest in the world.

Critical Social Sector Issues

Despite progress, social services and key safety net programs in India have consistently suffered from similar problems and those problems are generally most severe in rural areas, in the north, and for programs serving women, scheduled tribes, and scheduled castes. Among the most significant of these issues have been:

* India has paid insufficient attention to basic education and primary health care.

* Social programs have been consistently and dramatically underfunded. Non-salary inputs and operation and maintenance have consistently

been inadequately funded.

* The quality of most publically assisted social services has been unacceptably low. Many schools do not achieve minimum levels of learning and many health efforts fail to provide care of even a minimum acceptable level of quality.

* Social programs operate at very low levels of efficiency, due partly to program constraints and partly to the lack of funding of non-salary inputs. The rate of drop out from primary schools in rural India, for example, is very high and only about one child in five who starts primary school will actually finish primary schooling.

* The effectiveness of key social programs has also been limited. Nutrition supplementation, for example, is usually too limited to raise children out of their malnutrished status.

* There has been a serious mismatch between the needs of the disadvantaged and the allocation of resources for social programs. There are numerous social programs whose benefits disproportionally go to the better off.

* Relatively little attention has been paid until recently to the possible impact of adjustment and economic reform on the weaker sections of society.

* There has been considerable duplication of effort and uncoordinated efforts in social sector projects and a lack of empirically based planning and management of key social programs.

* The effectiveness of key programs varies strongly with the relative administrative capacity of the States. Effectiveness, therefore, declines as one moves from West to East and from South to North.

World Bank Involvement

World Bank involvement in human resources development in India has grown dramatically since 1988. Prior to that time, the Bank was involved in four population projects and one nutrition project. Today, there are 13 human resources projects in our portfolio and there will be 15 projects prior to the end of this fiscal year. The value of these projects is about $1.8 billion, and about $1.3 billion is outstanding against them. Human resources projects now carry the vast majority of our annual IDA for India and are about 25% of all new projects. Quite different from the first forty years of the bank's work with India, human resources development is now central to our collaboration with India.

The main aims of our human resources activities in India are to assist in: reducing fertility; improving maternal and child health; reducing endemic and communicable diseases; and raising the level of educational attainments of

India's poorer people, especially young girls. These are essential inputs into India's efforts to reduce poverty. Bank assisted projects have a special focus on women, scheduled tribes, and scheduled castes. Our efforts in this field stress improvements in coverage, quality, effectiveness, efficiency, and sustainability.

The Government is moving to protect the poor from the potentially negative consequences of adjustment. In light of this goal, GOI has recognized that it must take steps to mitigate the transitional costs of adjustment and set a better basis for the medium term development of key social programs. Thus, it has constituted a Program to Strengthen the Social Safety Net which will seek to ensure that the level of effort in the social sectors in general and for its Minimum Needs Program (MNP) in particular, is at least maintained in the current difficult fiscal situation, that this effort is enhanced in key areas where India has not performed well, and that a new but temporary safety net is created to meet fast emerging human resource needs in the industrial sector. The main focus of this program would be to : (a) support existing Social Safety Net programs during the process of severe fiscal adjustment; (b) expand coverage of key social programs and the safety net in the most disadvantaged areas in India; (c) promote measures to achieve greater cost-effectiveness of selected priority programs such as primary education, primary health, communicable disease control program, nutrition and employment for poor slum dwellers; and (d) develop a new social safety net program - the National Renewal Fund (NRF) - to facilitate industrial restructuring. This Program will be supported under IDA's Social Safety Nets Adjustment operation, scheduled for Board consideration in December.

The Government is also finding ways of enhancing the funding for ICDS, basic health, family welfare, and basic education. Efforts are underway to develop human resources despite the growing population rate, prevalence of disease, malnourishment, and illiteracy. Continued World Bank assistance will be needed to ensure that human resource development continues on its projected path.

Until recently the Government had been reluctant to allow direct World Bank involvement in basic education. This stance has now changed and a first Basic Education Project (in the state of Uttar Pradesh) is under preparation. It is hoped that this will lead to a major and sustained IDA role in support of improvements in basic education.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Summary of Bank/IDA Assistance Strategy and Current Lending

1. Main Objectives of the Bank's Assistance Program. While the reform agenda ahead remains formidable and difficult policy changes are yet to be implemented, progress in stabilizing and reforming India's economy over the last year and a half has been impressive. If this pace of reform is maintained over the next few years, India could become one of the world's most dynamic economies during the second half of the 1990s and beyond. In a country that accounts for half of the world's poor, this would change the face of the developing world. The Bank's first priority for the next few years is to support this process. The main vehicles for its support are: (i) economic and sector work program centered on stabilization and reform issues; (ii) policy-based lending for forceful stabilization and reform measures; and (iii) investment lending for projects in agriculture, infrastructure, and social sectors, including anti-poverty projects, when this can help improve the sectoral policy framework and institutions, and support progress in the Bank's areas of special operational emphasis.

2. Policy-Based Lending Program. The policy-based lending program consists of two-to-three operations a year for the next three-to-four fiscal years. It could reach up to 25-30 percent of Bank lending--out of a notional lending target of about US$3 billion a year (US$2 billion for IBRD and US$1 billion for IDA). These resources would provide critically needed financing for the balance of payments and help contain inflation and other social cost of the program -- the Government considers such containment a key to the success of the program. These resources would also help in restoring the viability of India's balance of payments and the country's access to external financial markets.

3. Adjustment operations in the next two-to-three years will support the Government's medium-term structural reform targets in the areas of trade, industrial and financial policies, public enterprises and social sectors. Tax reform issues are being addressed mostly by the IMF and are expected to constitute a central plank of the EFF. As the process of reform broadens in the next year or two to include sectoral policies, the focus of this policy-based lending program may also be broadened to support policy and institutional changes in the energy, agriculture and infrastructure sectors. Because policy-based operations are conditional on continued progress in stabilizing and reforming the economy, the policy-based lending program could fall well below its notional target. But a first US$500 million structural adjustment operations approved by the Board in December 1991 has been already fully disbursed and its objectives met. This, together with the satisfactory performance under the IMF Stand-By, and ongoing discussions with the IMF on an EFF, suggest that the policy-based lending program will be an important focus of Bank activities in the years to come. In the remainder of this fiscal year, in addition to the operation

discussed in this report, adjustment operations are expected to focus on trade and financial sector policies.

4. Investment Lending. Investment lending for agriculture, infrastructure, energy and social sectors at the rate of 10-12 projects a year, will continue to seek improvements in policies and institutions along the lines summarized in Table 3. Besides these improvements, the program's priorities in agriculture will be on redressing the previous neglect of rainfed areas, and rural infrastructure (roads, marketing, irrigation system management), improving access to agricultural services (extension and credit), and strengthening the generation and dissemination of appropriate technology (through support for research and education). In infrastructure and energy, the emphasis will be on projects that help increase India's oil, gas and power production and develop the country's infrastructure. The increased emphasis on social sectors of the recent past will continue and the lending program is focused on increasing the coverage, quality and cost-effectiveness of nutrition, health, family planning, education services and anti-poverty programs. The reduction of endemic and communicable diseases, to which the poor are particularly vulnerable, and the reduction of fertility will be important objectives of health projects. Women will be a special focus of all these efforts. In addition to improvements in policies and institutions in all projects in agriculture, infrastructure, and social sectors, project lending will continue to induce progress in the Bank's areas of special operational emphasis. In agriculture, for example, an agricultural project in Rajasthan to be presented to the Board in November has been used to support important policy and institutional improvements at the state level, including a reordering of expenditure priorities and measures to accelerate the development of the private sector. Environmentally sound development of power generation and measure to strengthen the private sector, including the privatization of a state-owned paper mill, are important goals of a renewable resource project to be negotiated in the fall and presented to the Board sometime in the winter. Lending to railways is conditional on important institutional changes that would entail a more commercial orientation to railway operations.

India: Lending Program: FY92-96
(US$ millions)

	FY92 (ACTUAL)		FY93		FY94		FY95		FY96	
	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA
Adjustment Lending										
Oil & Gas Sector Dev	150.0									
SAL I	250.0	250.0								
FSAL I			400.0							
Soc'l Dimens of Adj I				500.0						
Trade Adj/Trade Logists			380.0	120.0						
Oil & Gas Dev II			350.0							
Publ Ent/Priv Sec Dev I					300.0	100.0				
SAL II					500.0					
FSAL II							400.0			
Secal I							300.0			
Secal II									300.0	
Total Adjust Lending	400.0	250.0	1130.0	620.0	800.0	100.0	700.0	0.0	300.0	0.0
Non-Adjustment lending										
Agriculture										
Maharashtra Forestry		125.0								
Shrimp & Fish Culture		85.0								
W. Bengal Forestry		34.0								
Rubber				92.0						
ADP Rajasthan				105.0						
Bihar Plateau				117.0						
(S)UP Sodic Lands Reclam						100.0				
Water Resources Consol I						200.0				
Sardar Sarovar Can II					200.0	100.0				
ADP Karnataka						100.0				
AP Forestry/FRET						125.0				
Rural Credit Program							100.0	200.0		
Nat Agric Research III								200.0		
ADP IV								100.0		
MP Forestry								120.0		
ADP V										150.0
(S)Water Resources Cons II										200.0
Ag Uniden										100.0
Energy										
Power Util Eff Improv	265.0									
Maharashtra Pow II	350.0									
(R)NTPC Power Generation			(400.0)							
NPTC Power System			350.0							
Jharia Mine Fire Control				15.0						
Power - SEB Restruct					300.0					
Gas Infrast Dev					200.0					
(S)Renewable Resources Dev			75.0	100.0						
Power Util Eff Impr II							300.0			
NTPC Power Generation II							400.0			
Power (Uniden)									300.0	
Power (Uniden)									300.0	
Energy (Uniden)									300.0	

	FY92 (ACTUAL)		FY93		FY94		FY95		FY96	
	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA	IBRD	IDA
Non-Adjust Lending (ctd)										
Industry and Finance										
Indust Poll'n II							100.0	30.0		
Financial Interm I									300.0	
Transport										
Nat. Highways II	153.0	153.0								
Railway Prod Improv			300.0							
Port Modernization					200.0					
National Highways III					300.0					
National Highways IV							300.0			
Transport (Uniden)									300.0	
Urban and Water										
Karnataka WS & Env/San				100.0						
(S)Kerala Urban							100.0			
Urban (Uniden)									200.0	
Water (Uniden)										100.0
Popul'n and Human Res										
Mat'l & Child Hlth I		214.5								
Population VIII		79.0								
AIDS Prev & Control		84.0								
ICDS II (Bihar & MP)				194.0						
Basic Education I				175.0						
Leprosy Control				110.0						
Population IX						150.0				
Blindness Control						100.0				
(S)ICDS III								150.0		
Basic Education II								175.0		
Education (Uniden)										200.0
Population (Uniden)										100.0
Health (Uniden)										125.0
Total Nonadjust Lending	768.0	774.5	725.0	1008.0	1200.0	875.0	1300.0	975.0	1700.0	975.0
Total Lending	1168.0	1024.5	1855.0	1628.0	2000.0	975.0	2000.0	975.0	2000.0	975.0

(S) Standby operation

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Economic and Sector Work

1. In recent years, besides sector reviews in agriculture and gender issues, an important focus of the Bank economic and sector work (ESW) has been on analyzing policy and institutional issues, particularly in industry, trade and finance--identifying alternative policy regimes and institutional arrangements that could lead to more efficient resource allocation and more rapid growth, and tracing the effects of such changes. Such analysis has proved extremely valuable in the last year and a half. It enabled the Bank to establish a fruitful dialogue with the Government on policy reform issues, provide inputs to the IMF on the structural reform aspects of the Stand-By and the EFF under preparation, and lay the analytical underpinnings for policy-based lending, in particular the December 1991 adjustment operation. As India's reform process unfolds, there will be new demands on the ESW program. A major public expenditure review now underway is expected to help the Bank and the Government formulate policies on how best to reduce public expenditure while protecting infrastructure and the social sectors and, more generally, how to make public spending more efficient. This work should help identify actions for sustainable fiscal retrenchment. An analysis of India's linkages to the world economy is expected to provide insights on the dynamics of India's export growth as well as how trade restrictions in OECD countries affect India's export patterns. This study should also provide the element of a medium-term strategy to manage the capital account. Also underway are a trade policy study, a private sector assessment (PSA) being prepared in collaboration with IFC and FIAS, and major strategy papers for the accelerated development of infrastructure and human resources. These tasks will provide a framework for further liberalization measures, and the analytical underpinnings for project-based lending where there is a need for better understanding of policy and institutional constraints, and a better definition of the desirable changes. In particular, there is a great urgency in articulating and discussing with the Government priorities and a comprehensive strategy for reforming the policy framework for agriculture and infrastructure.

2. Policy reforms, particularly sector policy reforms, are likely to be increasingly lying in the domain of state governments, for example: agricultural policies, electricity pricing, social services, management of infrastructure, state-owned public enterprises and taxation. Policy changes at the state level so far have been pursued on a case-by-case basis through project lending but, increasingly, there will be a need to develop a broader and more comprehensive strategic approach. Sector reviews now underway on infrastructure, education and health are expected to provide some of the elements of this approach but additional ESW is planned to deepen this aspect of the reform process. The management of health and education systems at the state level is the focus of a study to start in the next fiscal year, as is the management of SEBs, while a regional development study will integrate these issues in a medium-term comprehensive perspective.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Brief: Portfolio Management and Disbursements Issues

Disbursement Performance. Managing the Indian portfolio is a complex task. There are about 100 projects valued at US$18 billion net of cancellations of which about US$11 billion is undisbursed (ref Annexes I and II). About three quarters of these projects have been negotiated primarily with state governments and are implemented by them with very little administrative or managerial input from the center. Throughout the 1980s the pace at which India has drawndown funds committed to it by IBRD and IDA has slowed down. The main reasons for this deterioration have been chronic start-up delays associated with slow and cumbersome decision making processes for procurement (at both state and central levels), together with the complex processes under state implemented projects for channeling funds from the center through state budgets. Budgets have also become tighter leading to shortages of counterpart funds. All these problems have been compounded by the widening sectoral scope of our operations which have embraced more states often in multi-state projects. We are now dealing with many more state level institutions whose strengthening has been among our main project objectives. Institutional strengthening takes time, and while it is happening, projects often move more slowly than they should. Added to all this has been the considerable real depreciation of the Indian rupee on the US dollar in the second half of the 1980s which has reduced the dollar equivalent of a given flow of rupee disbursements in projects with a high proportion of local expenditure.

Portfolio Management. The Government and the Bank have been working closely to address some of India's disbursement problems including a major portfolio review completed in late 1991, which focused on nonperforming projects and projects with large currency depreciation-related savings. Drawing on this review and earlier implementation experience, the following remedial steps have been taken: (i) increased emphasis on up-front action in the key areas of procurement, land acquisition, and clearances; (ii) in state-operated projects, agreement by the Ministry of Finance to provide Central funding to Bank-assisted projects to accelerate project start-up; (iii) increased use of private consultants for supervision of construction works; (iv) a less accommodating policy regarding extension of closing dates; and (v) restructuring of existing projects (expansion of scope, increased disbursement percentages and extensions when appropriate to achieve the project objectives) and winding-up of problem projects or project components with little scope for improvement. These actions have already resulted in improved start-up rates for newer projects, and successful restructurings and cancellations to draw down undisbursed balances more rapidly, especially for older projects. During FY92, more than US$800 million was canceled from the

IBRD portfolio and US$650 million from the IDA portfolio--and the IDA savings have been reallocated to support the adjustment program, including the operation discussed in this report. A further US$375 million of IBRD has been canceled during FY93 to date and further cancellations are expected. As a result of these actions, undisbursed balances for projects that has been under implementation for more than seven years as of September 30, 1991 (i.e., that were approved in FY84 or earlier) were reduced from US$1.2 billion in September 30, 1991 to less than US$400 million a year later.

Procurement. Perhaps the most important factors slowing down the execution of projects in our existing investment portfolio are those relating to procurement and civil works construction. In general, it has been India's aim to persuade us to adopt procurement documents which channel purchases to Indian suppliers to the maximum possible extent. These discussions have resulted in compromises. Contractors are sometimes prequalified who subsequently fall down on the job. In India, attempts to expel defaulting contractors often leads to litigation which ties up cases in court and stops progress. In India's decentralized system, the Central Government has very little influence over how procurement is conducted at the state level. Also, the adoption of Bank procurement procedures tends to reduce the payoffs which many in the system are accustomed to receiving. Hence getting any change is very difficult.

Given the pervasive nature of the problem, you should urge the government to pick a few cases - probably affecting large central para-statals - and press the issue to show that the government is committed to pressing ahead on issues at levels below high policy. The best case may be the Oil and Natural Gas Commission (ONGC) where the gas flaring reduction project for which we lent $450 million last July has already become bogged down in procurement delays in an organization whose own procurement arrangements are extremely cumbersome and weak. More generally, there is the need to agree model bidding documents whose standard provisions would be applied to all projects in the power sector without amendment so we do not have to debate them anew every time we have a loan. Strong action in these two areas would provide examples which then might be applied in other sectors and at the state level.

INDIA: SECTORAL COMPOSITION OF PORTFOLIO AS OF SEPTEMBER 30, 1992 /a

(US$ million)

Sector	No. of Projs Disb'g	Orig'l Ln/Cr Amts.	Cancel-lations	Cumul. Disbs. to date	Current Undisb Balance /b
Agriculture:	32	4151	429	1618	2662
Power	19	6007	718	2027	3300
Oil, Gas & Coal	7	1912	261	802	848
Transport & Telecoms	8	2141	199	1009	980
Urban & Water	11	1365	193	567	742
Industry	11	2721	70	1474	1188
Pop'n, Health & Nutrition	10	979	51	259	764
Education	3	847	118	94	672
TOTAL	101	20123	2040	7851	11156

/a Based on projects with remaining undisbursed balances as of September 30, 1992.
/b Undisbursed balance may not equal original loan/credit amount less cancellations less cumulative disbursements because of changes in the US$/SDR exchange rate.

INDIA: COMMITMENTS, DISBURSEMENTS AND DEBT OUTSTANDING - FY86-92

(US$ million)

	FY86	FY87	FY88	FY89	FY90	FY91	FY92
IBRD:							
Commitments	1743.2	2128.0	2255.0	2136.3	1108.0	1112.0	1168.0
Disbursements	364.5	831.6	1333.6	1739.0	1396.8	1070.3	1228.0
Cancellations	17.2	8.6	2.1	218.7	447.3	117.7	861.0
Repayments	108.0	171.3	448.4	293.9	376.5	473.5	558.5
Net Disbursements	256.5	660.3	885.2	1445.1	1020.3	596.8	669.5
Interest Payments \a	211.4	306.4	401.4	483.8	553.0	645.8	678.6
Net Transfers	45.1	353.9	483.8	961.3	467.3	-49.0	-9.1
Undisbursed Balance \b	3630.2	5064.4	6425.9	7713.8	8633.0	8811.7	8075.5
Disbursement Ratio	10.0%	16.4%	20.8%	22.5%	16.2%	12.1%	15.2%
Debt Outstanding and Disbursed (DOD) \c	2618.8	3661.9	4628.9	5703.2	7047.0	7589.9	8943.9
Exposure Ratio \c \d	4.4%	4.9%	5.6%	7.3%	7.9%	8.3%	8.9%
IDA:							
Commitments	625.1	677.6	717.2	900.3	832.5	937.4	1024.5
Disbursements	1001.6	687.6	891.8	620.3	594.8	830.5	1001.8
Cancellations	25.6	43.3	14.2	168.7	17.0	0.0	539.4
Repayments	53.7	62.3	71.5	85.7	98.2	121.1	144.2
Net Disbursements	947.9	625.3	820.3	534.6	496.6	709.4	857.6
Interest Payments \a	77.2	92.2	100.6	96.9	89.3	98.3	101.6
Net Transfers	870.7	533.1	719.7	437.7	407.3	611.1	756.0
Undisbursed Balance \b	4183.8	3926.2	4149.5	4450.5	4376.5	4225.4	4710.8
Disbursement Ratio	23.9%	17.5%	21.5%	13.9%	13.6%	19.7%	21.3%
Debt Outstanding and Disbursed (DOD) \c	9934.9	10749.2	11618.6	11949.3	12709.5	13353.2	14706.9
TOTAL (IBRD + IDA):							
Commitments	2368.3	2805.6	2972.2	3036.6	1940.5	2049.4	2192.5
Disbursements	1366.1	1519.2	2225.4	2359.3	1991.6	1900.8	2229.8
Cancellations	42.7	51.8	16.3	387.4	464.3	117.7	1400.3
Repayments	161.7	233.7	520.0	379.6	474.7	594.6	702.7
Net Disbursements	1204.4	1285.5	1705.4	1979.7	1516.9	1306.2	1527.1
Interest Payments \a	288.6	398.6	502.0	580.7	642.3	744.2	780.2
Net Transfers	915.8	886.9	1203.4	1399.0	874.6	562.1	746.9
Undisbursed Balance \b	7814.0	8990.7	10575.4	12164.3	13009.6	13037.0	12786.4
Disbursement Ratio	17.5%	16.9%	21.0%	19.4%	15.3%	14.6%	17.4%
Disb Ratio net of Fast Disbursing Operations	17.5%	16.9%	17.6%	19.4%	15.3%	14.6%	13.0%
Debt Outstanding and Disbursed (DOD) \c	12553.7	14411.1	16247.6	17652.5	19756.5	20943.1	23650.8

\a Incl commitment charges. \b Start of year.
\c At end of year. \d India's share in total Bank DOD

Source: Statements of Loans and Credits, World Bank Annual Reports, Annual Financial Reports and Accounting Department data.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Material: IFC Strategy and Portfolio

India has been a member of IFC since 1956 and currently holds 3.59% of IFC's shares, making India IFC's sixth largest shareholder (ranking equally with Canada and Italy). India is IFC's second largest country exposure with outstanding commitments of $644 million.

The Government should be commended for its liberalization achievements and the encouragement being given to private sector investment. The Government should also be encouraged to maintain policy momentum in reform of the financial sector and continuing liberalization of the trade regime and deregulation of the industrial sector (e.g., with regard to exit policy).

IFC stands ready to continue playing a larger scale investment and funds mobilization role, to help develop the capital markets through both investment and technical assistance, and also to help with the restructuring and privatization of public sector enterprises.

Current Strategy and Work Program

1) Operations

As of June 30, 1992, IFC had made investments in 66 Indian companies totalling US$1.26 billion equivalent, and our current exposure on the same date amounted to US$644 million equivalent, of which about US$97 million was in equity. Gross investments were US$147 million in 1989/90, US$209 million in 1990/91 and $219 million in 1991/92.

IFC's present strategy is to offer a broad range of financing and services to the Indian private sector, with, as always, an emphasis on efficient investments that can yield high financial and economic benefits. This includes :

- Giving priority to large projects which have a large foreign exchange content. Typically, such projects can benefit from IFC's review of project and contractual arrangements. Two areas where IFC can play a useful role are in the power and hydrocarbons sectors. In the power sector, the IFC and the Bank are working together to assist the Government in attracting private investments. The objective would be to ensure that the first few projects are done soon and correctly as they would have a demonstrative effect. As the Government opens the hydrocarbons sector, IFC could help in attracting private sector investments in the sector.

- Expanding external funds mobilization through loan syndications,

international securities issues and country funds.

- Increased focus on equity investments, both in new start-up prospects and in expansions. Our aim is to provide equity to both large and small companies where there is a clear role for IFC.

- Wholesaling arrangements with financial institutions, such as agency credit lines to reach small- and medium-scale enterprises in a cost efficient manner.

- Promotion of foreign joint ventures.

Capital Markets:

- IFC has up to now been primarily involved in institution building, having invested in housing finance, venture capital and leasing. Given the ongoing liberalization of the Indian financial sector, IFC is positioning itself to help develop a variety of institutions, for example, private commercial banking, investment banking, consumer finance, stock brokerage and portfolio management.

- During the last Annual Meetings, IFC and the GOI agreed that IFC will undertake a comprehensive capital markets study. The purpose of the study is to identify constraints on the development of Indian Capital Markets and the internationalization of these markets. A team of IFC staff and experienced outside consultants will begin work in November. A report is due in January 1993.

Services:

- The Corporate Finance Services Department (CFS) of IFC has, with the support of the Government, been discussing with several public sector entities possible assistance in restructuring some of their activities. While CFS has had discussions with several units, at present Hindustan Machine Tools appears to be a prime candidate and discussions are currently underway. This company can clearly benefit from modern technology and fresh capital, which a private joint venture partner can bring.

2) **Field Office Expansion:**

Expansion of our South Asia Regional Mission in India is in progress. The expansion will enable more investment promotion and project processing work to be undertaken in the Regional Mission and thus IFC will be more responsive to the needs of its clients in the Region.

3) **Portfolio**

IFC's portfolio in India has been performing reasonably well. One investment which has been facing difficulty is Nagarjuna Coated Tubes in

Andhra Pradesh. We have filed action against the Company and the guarantor to recover IFC's US$1.5 million loan. In addition, two investments, Hindustan Motors Limited (IFC exposure of $12.3 million) and Bihar Sponge Iron Ltd. (BSIL) (IFC exposure $15.7 million), are facing difficulties because of downturns in their respective sectors and are overdue on their debt servicing. Hindustan Motors has requested rescheduling, which we are considering. BSIL is proposing an expansion and restructuring of their financing, which we are considering together with the Indian Financial Institutions.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Material: MIGA Program

Current Situation

India is not yet a member of MIGA. India signed the MIGA Convention on April 13, 1992, but is still in the process of completing its remaining membership requirements, which are to ratify the Convention and pay the capital subscription. Mr. Iida met with Dr. Manmohan Singh during the Annual meetings to discuss membership and the need to complete the process soon.

To date, MIGA has received 6 applications for political risk coverage from prospective foreign investors for projects in the electricity, manufacturing and agriculture/agribusiness sectors. Several more applications are expected once India becomes a member.

Issues to be Raised

Mr. Preston might wish to urge the authorities to expedite the process of membership. MIGA staff plan to visit India around the third week of November to talk to Government officials and private sector business people about MIGA's program.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Material: Foreign Investment Advisory Services (FIAS-IFC) Assistance

Current Situation

The present Government of India has begun to seek more foreign direct investment (FDI) in India, and has begun to change the policies that previously restricted such investment. As a result of the policy changes and the renewed interest of potential investors, the Government has been involved in a number of promotion efforts and is also considering how it wants to structure investment promotion in the longer term. FIAS is currently providing assistance to the Government of India by conducting an ongoing project which consists of two distinct components : (a) a review and comparison of India's policies governing foreign direct investment with those of other relevant countries; and (b) a review of the organization for investment promotion as it is evolving in India.

The Government of India has also expressed interest in seeking FIAS assistance in further work in this area, including the design and implementation of investment promotion strategy.

INDIA

VISIT OF MR. & MRS. PRESTON: NOVEMBER 10-15

Background Material: India Consortium/Major Donor Assistance

The India Consortium (IC) was initiated in 1958 by then President Mr. E. Black in order to help India deal with a critical foreign exchange situation. Having proved useful on that occasion, IC continued to function and has since become the focal point of India's (non-private) external resource mobilization efforts. Customarily, chaired by the Bank, IC meets once a year (last meeting in June of 1992) to review India's development prospects (with the Bank's latest CEM providing the necessary background) and to consider its needs for Official Development Assistance (ODA).

Over the years, a certain "modus operandi" has developed in IC: at the end of the annual meeting, IC members "pledge", i.e. provide an indication, of their ODA commitments for the coming year. These pledges receive a considerable amount of local and international publicity and have become a kind of barometer of the donor/ODA lender community confidence and support for India's development efforts and policies. Consequently, the Government is always keen to see the level of pledges increased (or at least maintained), albeit it has generally found it difficult to utilize them fully, particularly from bilateral sources, where in recent years it used up only about 50-60% of non-grant ODA pledged.

In June of this year, the total IC pledges amounted to about $7.2 billion (excluding IMF, which cannot "pledge") as compared to about $6.7 billion the year before. A significant amount of ODA was pledged in fast disbursing funds. (A breakdown is attached.) The meeting expressed strong support for the Government's reform program. Several members indicated their willingness to assist the government in dealing with the social costs of adjustment by cofinancing the proposed IDA operation for the Social Safety Nets Adjustment. (Some $300-400 in such confinancings are currently under consideration.)

In some ways, the IC is unique. It is one of the oldest CGs. For a number of IC member countries, India is the largest individual ODA recipient. To date, some members have pledged, and also committed, very substantial ODA; e.g. the total ODA loans and grants from Japan by now amount to about $10.5 billion. Germany and UK also have large ODA portfolios outstanding.

Attachment

INDIA CONSORTIUM

Paris, June 25 and 26, 1992

Indications of New Aid Commitments for 1992/93[1]
(all figures in million)

	Project		Non-Project		Technical Assistance		Total	
	Donor Currency	US$	Donor Currency	US$	Donor Currency	US$	Donor Currency	US$
Bilateral								
Belgium[2]	-	-	-	-	-	-	-	
Canada[3]	30.00	25.17	24.00	20.13	-	-	54.00	45.30
Denmark	250.00	41.98	-	-	-	-	250.00	41.98
France	570.00[8]	109.91	-	-	61.50	11.83	631.50	121.44
Germany	217.70	141.36	209.60	136.10	125.00	81.17	552.30	358.64
Italy[4]	86,000	73.57	-	-	-	-	86,000	73.57
Japan	115,908	926.00	-	-	-	-	115,908	926.00
Netherlands	90.00	51.99	100.00	57.77	-	-	190.00	109.76
Norway[5]	140.00	23.10	-	-	-	-	140.00	23.10
Sweden	470.00	83.93	-	-	-	-	470.00	83.93
Switzerland[6]	10.00	7.24	-	-	35.00	25.33	45.00	32.56
United Kingdom	135.00	256.17	20.00	37.95	30.00	56.93	185.00	351.04
United States	40.00	40.00	125.00	125.00	-	-	165.00	165.00
Subtotal		1780.12		376.95		175.26		2,332.32
Multilateral								
ADB		750.00	-	500.00	-	-		1,250.00
EEC[7]	85.00	112.14	35.00	46.17	-	-	120.00	158.31
IBRD/IDA		3,000.00	-	-	-	-	-	3000.00
IFAD		25.00	-	-	-	-	-	25.00
IFC		150.00	-	-	-	-	-	150.00
Nordic Inv. Bank		60.00	-	-	-	-	-	60.00
UN System		220.00	-	-	-	-	-	220.00
Subtotal		4,317.14		546.17		-		4,863.31
TOTAL[9]		6,097.26		923.12		175.26		7,195.63

1. Fast disbursing components of 1992/93 aid commitments are shown in Attachment 1.

2. Belgium was not as yet in a position to make a formal aid commitment, although a certain amount of ODA in the form of long-term, interest-free, loans was being considered by the Government.

3. The Canadian ODA indication represents anticipated bilateral disbursements. An additional amount of C$12.0 million of NGO/Private Sector assistance, not included in the above totals, is also anticipated.

4. LIT 172 billion was pledged for the period 1/1/1992 - 12/31/1993; 50% of that amount was counted as Italy's pledge for 1992/1993.

5. A range of NOK 135-145 was indicated; the mid-point was included in the table.

6. The figures indicate anticipated disbursements.

7. The figures for ODA from EEC represent only an indicative commitment for CY 1992; a similar level of ODA could be possible in 1993.

8. This indicative figure may also comprise elements of balance-of-payments support.

9. Totals may not add up due to rounding.

INDIA CONSORTIUM

Paris, June 25 and 26, 1992

Fast Disbursing Components of Indications of New Aid Commitments for 1992/1993

	Donor Currency (million)	US$ equivalent (million)
Bilateral		
Canada	24.0	20.13
Germany	209.6	136.10
Japan	33,085.0	264.32
Netherlands	70.0	40.44
Switzerland[1]	45.0	32.56
United Kingdom	20.0	37.95
United States	125.0	125.00
Subtotal		656.50
Multilateral		
ADB		400.0
EEC	77.0	101.6
IBRD		600.0
IFAD		18.0
Nordic Inv. Bank		15.0
Subtotal		1,134.6
TOTAL		1,791.1

[1] Assistance pledged on a disbursement basis.

MEMOS

India

LEWIS T. PRESTON
1818 H Street, N.W.
Washington, D.C. 20433

November 25, 1992

Mr. D. Joseph Wood

Joe:

Thank you for arranging an excellent visit to South Asia. We were able to do so much in just two weeks. After realizing that you weren't trying to kill us, Patsy and I thoroughly enjoyed ourselves. I'm sure you're already planning another visit for us to attend the ground-breaking ceremony of the Wood Memorial Bridge.

Lew

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Rajendra Singh
Chairman and Managing Director
National Thermal Power Corporation, Ltd.
New Delhi, India

Dear Mr. Singh:

Thank you for sending me and Mrs. Preston such beautiful gifts. They will serve as a reminder of the time we spent in your fascinating country.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Kantikumar R. Poddar
President
Federation of Indian Chamber of Commerce
and Industry (FICCI)
Federation House
Tansen Marg
New Delhi 110 001

Dear Mr. Poddar:

Thank you very much for the opportunity to meet with you and your colleagues on November 11th. It was a very fruitful meeting and it was particularly gratifying to have such a frank exchange of views on the direction of India's economic reform program. This discussion provided many insights into the challenges faced by the private sector as the country proceeds with this economic transformation. A key thrust of the World Bank's assistance for India during this period of structural adjustment is to support reforms designed to facilitate and expand the private sector's role in India's development.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

His Excellency, The Maharaja of Jodhpur
Maharaj Gaj Singh
Umaid Bhavan
Jodhpur
Rajasthan
India

Excellency:

I would like to thank you for welcoming us to Jodphur and for making is possible for us to get a taste of Rajasthan's famed traditions, architecture and hospitality.

Mrs. Preston and I will long remember our visit to the dramatic Mehrangarh Fort, the extraordinary collections at the museums, and especially your warm and generous hospitality. Particularly exciting was the equestrian pageant that you had arranged for us.

With best regards and our thanks to Maharani Hemlata Raje.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Jagdish Nehra
The Honorable Minister for Irrigation
and Parliamentary Affairs
Government of Haryana
Secretariat, Sector 17
Chandigarh 160 017
India

Dear Mr. Nehra:

Thank you for accompanying me on a memorable visit to Haryana.

The overall impact of water resources development in Haryana has brought prosperity and improved living standards to the vast majority of the state's population, not only through the direct productive impact of irrigation, but also through health standards, and commercial uses. I wish you well in your continued efforts to maximize the benefits from this constrained but essential resource, and hope the collaboration between the Bank and your government -- in water resources as well as in other sectors -- will continue to be useful and productive.

Kindly convey my appreciation to those who were responsible for the arrangements for my visit.

Best wishes.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Ratan N. Tata
Chairman
TaTa Industries Limited
Bombay House, 24 Homi Mody Street
Bombay 400 001
India

Dear Mr. Tata:

It was a pleasure meeting you in New Delhi. I found our discussion very useful. The private sector's willingness to support the reform program is encouraging.

Thank you for sending me such a well designed watch. It will always remind me of a fascinating visit to your country.

Warm regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Ms. Bakul Patel
Sheriff of Bombay
Bombay, India

Dear Ms. Patel:

Thank you for the warm welcome to Bombay. Though short, the visit has made it possible for me to appreciate the unique contribution Bombay makes to the Indian economy. The visit to Dharavi emphasized the severe social problems faced by the low income population, and the efforts that are being made to address these concerns. The World Bank will continue to work with the City of Bombay on these initiatives.

With best regards.

Sincerely

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. C. Subramaniam
Governor of Maharashtra
Raj Bhavan
Bombay 400 035
India

Dear Governor:

It was a pleasure for Mrs. Preston and me to meet you and Shrimati Sakuntal Subramaniam. Thank you for your warm hospitality.

Your state has an important role to play in the development of the national economy. The World Bank will continue to be a partner in your activities.

The books you have given us will remind us of our wonderful visit to your state and to your country. Mrs. Preston joins me in sending your our warmest regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Montek Singh Ahluwalia
Secretary
Department of Economic Affairs
New Delhi 110 001
India

Dear Mr. Ahluwalia:

My colleagues join me in thanking you for hosting a cocktail party for us in Dehli. It gave us the opportunity to talk to the senior officials in the Government, and to hear their views in an informal setting.

The meetings we had in Dehli and at the state level were very useful. My colleagues will be following-up on these discussions.

Warm regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Sudhakar R. Naik
Chief Minister
Government of Maharashtra
Bombay, India

Dear Mr. Minister:

Thank you for taking the time to meet with me on a Saturday. I found our discussion most useful. It is clear that Maharashtra plays an important role in the economic and financial life of India. The emphasis you place on infrastructure and the social sectors will lead to the more rapid development of the state's economy.

The World Bank will continue to support your Government's development programs.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Jyoti Basu
Chief Minister
Government of West Bengal
Calcutta, India

Dear Mr. Minister:

Thank you for taking the time to meet with me on a Sunday. Our discussion was very useful, and I am glad to know that we are collaborating in the implementation of projects which are pioneering new approaches to enlist the participation of the beneficiaries.

The World Bank will continue to assist your government in its development programs.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

His Excellency Dr. Shanker Dayal Sharma
President of India
Rashtrapati Bhavan
New Delhi, India

Excellency:

Mrs. Preston and I would like to thank you and the First Lady for your generous hospitality. It was a pleasure to meet you to discuss your vision of India's development potential.

Although our visit was short, Mrs. Preston and I were able to get a glimpse of the complexity and beauty of your country. We both look forward to our next visit.

With warm regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. S. Venkitaramanan
Governor
Reserve Bank of India
Central Office
Bombay, India

Dear Governor:

Thank you for hosting a lunch for me in Bombay. It was interesting to meet the private sector and the financial community. Our discussions were very useful and my colleagues will be in touch with you to explore how the World Bank could be of further assistance to you as you undertake the transformation of the financial sector.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Dr. Manmohan Singh
Minister of Finance
Government of India
North Block
New Delhi 110001
India

Dear Mr. Minister:

I have just returned from my visit to South Asia. It was a pleasure meeting you again in Delhi. Thank you for your warm hospitality.

Our discussions were very useful. Your Government's reform program is ambitious and far reaching and the World Bank is ready to continue its assistance in your efforts to transform India's economy.

Best regards.

Sincerely,

Lew -

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

LEWIS T. PRESTON
President

November 25, 1992

Dr. Bal Ram Jakhar
Minister of Agriculture
Krishi Bhavan
Dr. Rajendra Prasad Road
New Delhi 110 001
India

Dear Mr. Minister:

It was a pleasure meeting you on my recent visit to India. Your presentation of the problems and opportunities facing India's agriculture was very interesting. My colleagues will follow up with you to discuss issues of sector policy and project assistance.

The World Bank will continue to assign the agricultural sector a central place in its assistance to India.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Kalp Nath Rai
Minister of Power and Non-Conventional
Energy Sources
Shram Shakti Bhavan
New Delhi 110 001
India

Dear Mr. Minister:

It was a pleasure meeting you on my recent visit to India. Your presentation of the problems and opportunities facing India's power sector was very interesting. My colleagues will follow up with you to discuss issues of sector policy and World Bank assistance.

The World Bank will continue to be India's partner in development.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Kamal Nath
Minister of Environment
Paryavaran Phavan
CGO Complex
Lodi Road
New Delhi 110 003
India

Dear Mr. Minister:

It was a pleasure meeting you on my recent visit to India. Your presentation of the problems of sustainable development facing India was very interesting. My colleagues will follow up with you to discuss possible further World Bank assistance for your programs.

The World Bank wants to be India's partner in its pursuit of sustainable development.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

His Excellency P. V. Narasimha Rao
Prime Minister of India
South Block
New Delhi 110 001
India

Excellency:

It was a pleasure meeting you to discuss India's development progress. Thank you for your warm hospitality.

Although my visit to your country was short, it allowed me a glimpse of its considerable potential. If the ongoing reforms are sustained, India is clearly capable of significantly accelerating its economic and social development. I will be writing to you shortly to reflect on the issues we discussed.

Best regards.

Sincerely,

Lewis T. Preston

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

LEWIS T. PRESTON
President

November 25, 1992

Mr. Bhairon Singh Shekhawat
Chief Minister
Government of Rajasthan
Jaipur, India

Dear Mr. Minister:

It was a pleasure to meet with you in Jaipur on my recent visit to India. Your presentation on the state's economy was interesting and informative.

Rajasthan clearly has significant development potential, and it is encouraging to learn of your emphasis on the social sectors. My colleagues will be following up with you on ways in which the World Bank can assist in the economic growth of the state.

After our meeting, Mrs. Preston and I had the opportunity to see something of your beautiful state, and we are eagerly looking forward to our next visit.

Best regards.

Sincerely,

Lewis T. Preston

LEWIS T. PRESTON
1818 H Street, N.W.
Washington, D.C. 20433

November 25, 1992

Mr. Oktay Yenal

Oktay:

Thank you for your assistance in arranging my recent visit to India. From the splendor of the Taj Mahal to the poverty of the slums of Bombay, we were able to get a glimpse of the diversity of India. The discussions we had at the national and state levels were very useful. India is undergoing an important transformation, and World Bank assistance at this juncture could be critical. The good relations you have with your counterparts are invaluable.

Mrs. Preston joins me in thanking you and Mrs. Yenal for all your efforts.

Sincerely,

Lew

LEWIS T. PRESTON
1818 H Street, N.W.
Washington, D.C. 20433

November 25, 1992

Mr. N.K. Singh

N.K.:

Mrs. Preston joins me in thanking you for all your efforts in arranging our visit to India. The meetings at the national and state level were very interesting and useful. You were able to show us so much of your country in such a short time. We had an experience we will never forget. Thank you.

Best regards.

Sincerely,

Lewis T. Preston

A L L - I N - 1 N O T E

DATE: 18-Nov-1992 11:46am

TO: JOGINDER SHARMA (JOGINDER SHARMA @A1@EDSEL)

FROM: Brenda Turner, EXC (BRENDA TURNER)

EXT.: 81149

SUBJECT: Mr. Preston's India Trip -- Names & Addresses

Mr. Sharma:

Ms. Mohadjer has faxed a message to me to ask your office for its assistance in providing names/address so that we can prepare thank-you letters for Mr. Preston's trip to India.

Would you please provide us with the names, addresses, titles and salutations for the following:

Irrigation Minister
Finance Minister
Agriculture Minister
Power Minister Rai
Monter Ahluwara at the Ministry of Finance
Prime Minister
Environment Minister
President
Chief Ministers in Rajasthan, Maharashtra, West Bengal
Sheriff of Bombay
Governor of the Reserve Bank
Governor of Maharashtra

It is planned to have these letters ready for Mr. Preston's signature on Friday, so I would appreciate receiving as much of this information as possible by c.o.b. today.

Thanks in advance for your help. Please call me at 81149 if you have any questions.

CC: Gisu Mohadjer (GISU MOHADJER)

November 12, 1992

Mrs Manmohan Singh
8, Krishna Menon Marg
New Delhi

Dear Mrs Manmohan Singh :

I want to tell you how much I enjoyed my lunch with you yesterday. I met such an interesting group of Indian women who are working in so many different fields. Their dynamism is truly impressive. Thank you for hosting such an elegent and lively luncheon. It was also my first opportunity to taste Indian cuisine, and I loved it!

The dinner last night and the wonderful welcome of flowers which greeted us on arrival in our room which you were kind enough to send were most appreciated.

Many thanks, and with our best wishes,

Yours sincerely,

Gladys P Preston

November 11, 1992

Mr Hemant Khimani
The Spastic Society of Northern India
Balbir Saxena Marg
Near General Raj School
Haus Khas
New Delhi 110 016

Dear Hemant,

It was a great pleasure to meet you at the Spastics School Center today and to listen to your views on American politics and the World Bank. I wish you success and satisfaction in whatever career you choose to follow after your 10th.

Knowing of your interest in the Bank, I have asked Ms Bissell to send you some publications which tell you more about what the Bank is doing globally. Some of the comparative statistics in the World Bank Atlas will I know, interest you.

With my best wishes,

Yours sincerely,

Gladys P.Preston

November 12, 1992

Mr R.N. Shah
The Bahai House
6 Canning Road
New Delhi 100 001

Dear Mr Shah,

It was an inspirational start to my first day in Delhi to visit the Bahai Temple and to meet you and Mrs Munje. Thank you for showing me around, for enlightening me about philosophy of the Bahai faith, and for letting us come before the Temple opens to the public.

With best wishes,

Yours sincerely,

Gladys P.Preston

cc: Mrs. J. Munje

November 12, 1992

Mrs Jalan
The Spastic Society of Northern India
Balbir Saxena Marg
Near General Raj School
Haus Khas
New Delhi 110 016

Dear Mrs Jalan,

I want to thank you and your colleagues for taking the time to let me see what you are doing to help the spastic, disabled and handicapped.

It was for me a moving, emotional and inspirational experience to see the caring with which the staff work and the services of the chindren. What comes through so clearly is the wonderful rapport shared and the dedication and commitment of the staff.

I thank you for the handmade gift paper, but more than that I want to say that the morning spent with you all was an encouraging uplifting experience. I am full of admiration for your courage and cheerfulness in all that you do.

With best regards,

Yours sincerely,

November 15, 1992

Mother Teresa
Missionaries of Charity
14, Greek Lane
Calcutta - 14

Dear Mother Teresa :

I am extremely grateful to you for giving me the opportunity to come and visit you at Nirmal Hriday, your Home for the dying in Calcutta. It was a truly humbling experience to see the dedication and love with which the Sisters of Charity perform the job of bringing in and caring for those who are alone and uncared for.

While large institutions, with more organisation and resources strive for this element of reaching the most deprived and the most hopeless, it is indeed heartening to see how the vision of a single person can inspire others to voluntarily reach out to help.

It was a great honor and a privilege to meet you and to be able to spend time with you. The rosaries you blessed will give much joy to the recepients. Thank you.

With best wishes for the combined success of your endeavours and with warm personal regards.

Yours sincerely,

Mrs Gladys P.Preston

November 12, 1992

Gitanjali Kashyap
C/o Carma Gallery
Qutab Minar
Crafts Complex
New Delhi

Dear Gitanjali,

I had a chance to view your latest collection at the CARMA Gallery and was most impressed at the range of designs, skills and colour coordination I saw. What a feast for the eyes and the senses.

I am sorry to have missed you, but want to thank you for the elegant scarf which I will wear with great joy.

Hope you are better soon,

With best regards,

Yours sincerely,

Gladys P.Preston

GENERAL

The World Bank
55 Lodi Estate
New Delhi-110003

With the compliments of
Bimla Nanda Bissell
External Affairs Officer

Gisa:

A few photographs - a host of good memories of your visit to India.

Have a wonderful 1993.

Warm love

Bim

12/26/92.

AGA

A26A

A25A

C-18

C-0

SEATING PLAN FOR RBI GOVERNOR'S LUNCH

.....

INVITEE	TABLE NO.	INVITEE	TABLE NO.
Aiyer A.P.	6	Banerjee Kalyan	4
Bhagat Mukarram	3	Bajaj Rahul	3
David A.	3	Das U.B.S.	6
Dobby G.C.	3	Doshi Vinod	6
Duldhoya N.M.	2	Edgar R.J.	4
Freeman V.D.	4	Fernandes M.L.T.	4
Furness A.E.	3	Gandhi R.	5
Godrej Jamshed	5	Goenka Harsh	6
Goenka R.P.	1	Godavitarne Chandra	6
Gopalakrishnan P.S.	2	Janakiraman R.	2
Jadhav Narendra	5	Kalantri Vijay	4
Kale Sharad	3	Kampani Nimesh	4
Kilachand Tanil	3	Kotaiah P.	3
Kothari Hemendra	6	Kunadi Savitri (Ms.)	1
Mehta Freddie	3	Mehta D.R.	4
Mahindra Keshub	2	Mehadjer Gisu (Ms.)	5
Mutoh Tomoji	4	Nadkarni S.S.	2
Palkiwala N.	1	Parekh Deepak	4
Preston Lewis T.	1	Puri Pradeep	6
Patwardhan M.S.	2	Ramakrishna G.V.	1
Rao Jerry	5	Ramamurthy S.	1
Saraf W.S.	5	Singh N.K.	1
Shah Kishore	6	Schumann W.	4
Tarapore S.S.	3	Venkitaramanan S.	1
Vergin Heinz	3	Vaghul N.	2
Wood D. Joseph	2	Yenal Oktay	4
Suman Bery	6	Doshi L.N.	4

VI. General Country Information

A. Basic Economic Data Sheet

B. Social Indicators

ECONOMIC DEVELOPMENT DATA

GNP PER CAPITA IN 1990 US$350 /a

GROSS DOMESTIC PRODUCT IN 1991/92 /b

	US$ Bln.	%	ANNUAL RATE OF GROWTH (% 1980/81 Constant Prices) 60/61-64/65	65/66-69/70	70/71-74/75	75/76-79/80	80/81-84/85	85/86-89/90
GDP at Market Prices	245.15	100.0	5.1	3.0	2.1	3.6	5.6	6.1
Gross Domestic Investment	50.01	20.4	9.0	1.8	5.0	4.9	2.5	8.2
Gross National Saving	47.3	19.3	-	-	-	-	1.1	7.4
Current Account Balance	-2.77	1.1	-	-	-	-	-	-

OUTPUT, LABOR FORCE AND PRODUCTIVITY IN 1981

	Value added (at factor cost) US$ Bln.	%	Labor Force c/ Mil.	%	V.A. Per Worker US$	% of Nat. Average
Agriculture	58.9	38.0	172.7	70.6	341	53.9
Industry	40.1	25.9	31.6	12.9	1268	200.3
Services	55.9	36.1	40.3	16.5	1387	219.1
Total/Average	154.9	100.0	244.6	100.0	633	100.0

GOVERNMENT FINANCE

	General Government /d			Central Government		
	Rs. Bln.	% of GDP		Rs. Bln.	% of GDP	
	1990/91	1990/91	1985/86-1989/90	1991/92	1991/92	1985/86-1989/90
Revenue Receipts	1105.28	20.9	20.7	695.43	11.6	11.1
Revenue Expenditures	1229.20	23.2	23.8	794.22	13.2	13.8
Revenue Surplus/Deficit	-123.92	-2.3	-3.1	-98.79	-1.6	-2.7
Capital Expenditures /e	409.16	7.7	6.6	279.13	4.6	5.7
External Assistance (net) /f	33.40	0.6	0.7			

MONEY, CREDIT AND PRICES

	70/71	75/76	80/81	84/85	85/86	86/87	87/88	88/89	89/90	90/91	91/92
	(Rs. billion outstanding at end of period)										
Money and Quasi Money /g	109.8	224.8	557.7	1023.6	1193.9	1416.3	1642.8	2002.4	2309.5	2658.3	3150.8
Bank Credit to Government (net) /g	54.6	106.3	257.2	503.4	583.2	720.2	843.7	973.7	1180.9	1413.8	1582.9
Bank Credit to Commercial Sector /g	64.6	156.2	366.4	709.5	828.0	947.4	1074.9	1326.6	1517.0	1717.7	1910.7
	(Percentage or Index Numbers)										
Money and Quasi Money as % of GDP	27.3	30.3	41.0	44.2	45.6	48.5	49.4	50.7	51.3	50.2	52.4
Wholesale Price Index (1981/82=100)	-	-	-	120.1	125.4	132.7	143.6	154.3	165.7	182.7	207.6
Annual Percentage changes in:											
Wholesale Price Data	-	-	-	6.4	4.4	5.8	8.2	7.5	7.4	10.3	13.6
Bank Credit to Government (net) /g	15.0	22.7	28.5	23.9	15.9	23.5	17.1	15.4	21.3	19.7	12.0
Bank Credit to Commercial Sector /g	19.4	22.7	18.2	16.8	16.7	14.4	13.4	23.4	14.4	13.2	11.2

/a The per capita GNP estimate is at market prices, using World Bank Atlas methodology. Other conversions to dollars in this table are at the prevailing average exchange rate for the period covered.
/b Quick Estimates, Central Statistical Organization; Reserve Bank of India; and Bank staff estimates.
/c Total Labor Force and percentage breakdown from 1981 Cenus. Excludes data for Assam.
/d Transfers between Centre and States have been netted out.
/e All loans and advances to third parties have been netted out.
/f As recorded in the government budget.
/g Figures for 91/92 are preliminary estimates from the Reserve Bank of India.

BALANCE OF PAYMENTS	1988/89	1989/90	1990/91	1991/92/a
		(US$ million)		
Export of Goods (fob) /b	14262	16850	18491	18135
Imports of Goods (cif) /b	23339	24414	26241	20813
Trade Balance	-9077	-7564	-7750	-2678
Non Factor Services (net)	731	725	823	634
Resource Balance	-8346	-6839	-6927	-2044
Interest Income (net) /c	-2985	-3305	-3743	-3352
Net Transfers /d	2654	2256	2000	2625
Balance on Current Account	-8677	-7888	-8670	-2771
Direct Investment	287	350	112	200
Official Loans & Grants (net)	3039	3011	2917	3465
Gross Disbursements	4007	4040	4122	4901
Amortization	968	1029	1205	1436
Private Borrowing (net)	1731	1726	418	731
Non-Resident Deposits	2650	2341	786	-1627
Net Transactions with IMF	-1210	-1008	1028	773
All other Items /e	607	450	1639	2612
Errors and Omissions	141	167	0	0
Increase in Reserves (- = increase)	1432	851	1770	-3383
Gross Reserves (end of year)/f	4959	4108	2338	5721
Net Reserves (end of year) /g	2594	2615	-285	n.a.
Fuel and Related Materials				
Imports (Petroleum) /b	2938	3766	5726	4997
of which: Crude	1891	2455	3238	3087
Products	1047	1311	2488	1910

MERCHANDISE EXPORTS (AVERAGE 1986/87-1990/91 /b)

	US$ mill	%
Tea	493	3.5%
Iron Ore	490	3.5%
Chemicals	1138	8.1%
Leather and Leather products	1046	7.4%
Textiles	1305	9.2%
Garments	1612	11.4%
Gems and Jewelery	2551	18.1%
Engineering Goods	1518	10.7%
Others	3971	28.1%
Total	14124	100.0%

EXTERNAL DEBT, MARCH 31, 1992	US$ Billion
Outstanding and Disbursed	71.6
Undisbursed	24.0
Outstanding including Undisbursed	95.5
DEBT SERVICE RATIO FOR 1991/92 /a /h	28.2%

IBRD/IDA LENDING, MARCH 31, 1992

US$ Million	IBRD	IDA
Outstanding and Disbursed	8459	14203
Undisbursed	6774	4343
Outstanding including Undisbursed	15233	18546

RATE OF EXCHANGE

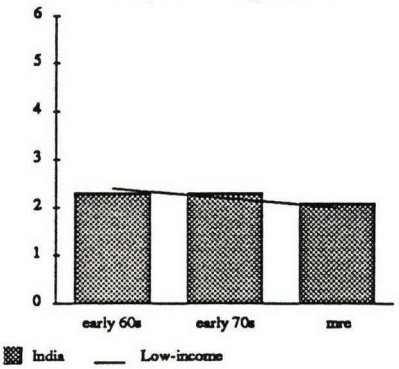
June 1966 to mid-December 1971	US$1.00 = Rs. 7.50
Mid-December 1971 to end-June 1972	US$1.00 = Rs. 7.2797
After end-June 1972	Floating Rate
Spot rate September 25, 1992/i	Free market exchange rate: US$1.00 = Rs. 30.07 Official exchange rate: US$1.00 = Rs. 25.89

/a Estimated.
/b Net of crude petroleum oil exports.
/c Figures given cover all investment income (net). Major payments are interest on foreign loans and charges paid to IMF, and major receipts is interest earned on foreign assets.
/d Figures given include workers' remittances but exclude official grant assistance which is included within official loans and grants, and non-resident deposits which are shown separately.
/e Includes short term loans, exchange rate adjustments to the valuation of reserves and financing of imbalances in rupee trade.
/f Excluding gold.
/g Exclude net use of IMF credit.
/h Amortization and interest payments on foreign loans as a percentage of total current receipts.
/i A free market for foreign exchange was created in March 1992.

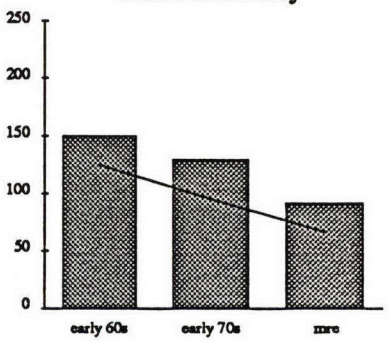
India

	Unit of measure	25-30 years ago	15-20 years ago	Most recent estimate (mre)	Same region / income group: South Asia	Same region / income group: Low-income	Next higher income group
HUMAN RESOURCES							
Size, growth, structure of population							
Total population (mre = 1990)	millions	487	613	850	1,148	3,058	629
14 and under	% of pop.	40.4	39.8	36.9	38.2	35.3	37.3
15-64	"	56.1	56.4	58.7	57.7	60.3	57.8
Age dependency ratio	unit	0.78	0.77	0.70	0.74	0.66	0.72
Percentage in urban areas	% of pop.	18.8	21.3	27.0	26.8	38.7	58.6
Females per 100 males							
Urban	number	..	86	89	89	..	..
Rural	"	..	95	96	96	..	..
Population growth rate	annual %	2.3	2.3	2.1	2.2	2.0	2.0
Urban	"	3.2	3.7	3.6	3.7	5.4	3.2
Urban/rural growth differential	difference	1.0	1.8	2.1	2.2	5.9	2.4
Projected population: 2000	millions	..	..	1,006	1,377	3,672	769
Stationary population	"	..	..	1,862	..	..	..
Determinants of population growth							
Fertility							
Crude birth rate	per thou. pop.	44.8	37.5	30.0	31.5	29.4	29.5
Total fertility rate	births per woman	6.23	5.35	3.94	4.16	3.72	3.74
Contraceptive prevalence	% of women 15-49	..	19.0	45.0	45.0	56.2	..
Child (0-4) / woman (15-49) ratios							
Urban	per 100 women	..	58	..	..	..	..
Rural	"	..	67	..	..	..	..
Mortality							
Crude death rate	per thou. pop.	20.3	15.1	10.6	11.0	9.7	8.5
Infant mortality rate	per thou. live births	149.8	129.6	91.9	92.4	66.9	49.5
Under 5 mortality rate	"	..	..	118.0	131.6	166.6	79.5
Life expectancy at birth: overall	years	45.2	50.4	59.0	58.2	62.1	65.3
female	"	44.4	49.8	58.4	57.8	62.8	67.9
Labor force (15-64)							
Total labor force	millions	207	243	323	423	1,413	238
Agriculture	% of labor force	72.9	70.7	..	..	..	..
Industry	"	11.9	12.9	..	..	..	..
Female	"	30.7	28.5	25.2	23.5	35.6	32.3
Females per 100 males							
Urban	number	..	81	..	..	..	..
Rural	"	..	96	..	..	..	..
Participation rate: overall	% of labor force	41.8	39.2	39.0	37.9	49.4	40.6
female	"	26.5	23.2	20.4	18.4	34.6	25.6
Educational attainment of labor force							
School years completed: overall	years	0.5	..	..	..	..	..
male	"	..	..	..	..	..	..
NATURAL RESOURCES							
Area	thou. sq. km	3,288	3,288	3,287	5,158	37,780	22,765
Density	pop. per sq. km	148	187	253	218	79	27
Agricultural land	% of land area	53.9	55.0	55.1	45.5	38.5	40.9
Agricultural density	pop. per sq. km	275	339	460	479	206	66
Forests and woodland	thou. sq. km	612	656	667	1,114	8,944	6,174
Deforestation rate (net)	annual %	0.3	-0.2	-0.2	0.0	-0.3	-0.5
Access to safe water	% of pop.	..	31.0	72.5	70.6	67.8	..
Urban	"	..	80.0	69.0	68.5	64.5	78.2
Rural	"	..	18.0	82.0	75.7	79.5	46.9

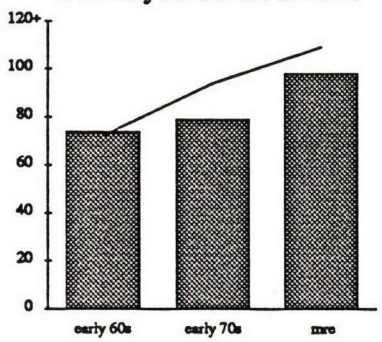
Population growth



Infant mortality



Primary school enrollment



India

	Unit of measure	25-30 years ago	15-20 years ago	Most recent estimate (mre)	Same region / income group: South Asia	Same region / income group: Low-income	Next higher income group
INCOME AND POVERTY							
Income							
GNP per capita (mre = 1990)	US$	90	170	350	330	350	1,530
Total household income							
Share to top 10% of households	% of income	35	34	..	..	..	..
Share to top 20% of households	"	49	49	..	..	..	..
Share to bottom 40% of households	"	17	16	..	..	..	..
Share to bottom 20% of households	"	7	6	..	..	..	..
Poverty							
Absolute poverty income: urban	US$ per person	..	..	..	..	..	..
rural	"	..	..	..	..	..	..
Pop. in absolute poverty: urban	% of pop.	..	..	..	..	..	..
rural	"	..	..	..	..	..	..
Prevalence of malnutrition (under 5)	% of age group	..	..	..	..	..	..
EXPENDITURE							
Food	% of GDP	..	43.6	35.3	..	..	..
Staples	"	..	20.6	12.4	..	..	..
Meat, fish, milk, cheese, eggs	"	..	6.5	7.4	..	..	..
Cereal imports	thou. metric tonnes	7,878	7,669	447	5,282	35,755	38,868
Food aid in cereals	"	..	1,582	456	2,270	6,839	..
Food production per capita	1979-81=100	89.6	100.7	119.3	114.1	121.8	98.9
Share of agriculture in GDP	% of GDP	44.1	40.5	30.7	32.5	29.5	16.8
Daily calorie supply	calories per person	2,021	2,023	2,229	2,215	2,416	2,780
Daily protein supply	grams per person	51	49	55	55	58	72
Housing	% of GDP	..	4.4	7.1	..	..	..
Average household size	persons per household	..	5	..	..	..	..
Urban	"	..	5	..	..	..	..
Fixed investment: housing	% of GDP	..	2.3	2.8	..	..	..
Fuel and power	% of GDP	..	2.4	2.3	..	..	..
Energy consumption per capita	kg of oil equivalent	100.1	130.5	230.7	205.0	349.5	1,102.2
Households with electricity							
Urban	% of households	..	..	..	..	..	..
Rural	"	..	..	..	..	..	..
Transport and communication	% of GDP	..	4.7	5.1	..	..	..
Population per passenger car	persons	1,138	807	553	482	540	24
Fixed investment: transport equipment	% of GDP	..	1.4	2.4	..	..	..
Total road length	thou. km	..	1,215	1,500	..	..	..
Population per telephone	persons	..	352	181	..	..	..
INVESTMENT IN HUMAN CAPITAL							
Medical care	% of GDP	..	2.3	2.0	..	..	..
Population per: physician	persons	4,880	4,900	2,522	2,572	1,462	..
nurse	"	6,500	3,710	1,701	1,723	1,740	..
hospital bed	"	..	1,700	1,300	1,422	755	..
Access to health care	% of pop.	..	..	..	..	..	..
Immunized (under 12 months): measles	% of age group	..	..	56.0	56.5	44.2	65.3
DPT	"	..	..	79.0	64.6	43.1	67.1
Oral Rehydration Therapy use (under 5)	% of cases	..	..	13.0	29.8	36.3	39.8
Education	% of GDP	..	2.6	2.8	..	..	..
Gross enrollment ratios							
Primary: total	% of school-age group	74.0	79.0	98.0	89.7	109.0	100.5
female	"	57.0	62.0	82.0	75.5	98.8	97.4
Secondary: total	"	27.0	26.0	43.0	38.8	40.2	58.3
female	"	13.0	16.0	31.0	28.0	32.6	56.5
Tertiary: science/engineering	% of tertiary students	..	..	28.8	..	..	..
Pupil-teacher ratio: primary	pupils per teacher	42	42	61	59	28	26
secondary	"	22	21	23	22	17	18
Pupils reaching grade 4	% of cohort	..	51.3	..	..	..	86.7
Repeater rate: primary	% of total enrollment	19.9	17.4	3.9	5.0	..	6.6
Illiteracy rate: overall	% of pop. (age 15+)	72.2	65.9	51.8	52.5	38.9	22.9
female	% of females (age 15+)	..	..	66.3	66.3	50.9	28.8
Newspaper circulation	per thou. pop.	13.0	15.3	19.8	18.1	20.8	72.0

Source: World Bank International Economics Department, April 1992.

A L L - I N - 1 N O T E

DATE: 27-Jul-1992 01:18pm

TO: See Distribution Below

FROM: Evelyn S. Castro, SASVP (EVELYN CASTRO)

EXT.: 81428

SUBJECT: Mr. Preston's Trip to South Asia

Mr. Wood would like to get together with you to discuss Mr. Preston's trip to South Asia. We are proposing 4.30 p.m. tomorrow Tuesday July 28th in Mr. Wood's Conference Room (E10-076); I've checked with your office and the timing seems to be agreeable to all. The Directors might wish to invite the officer who will be coordinating this trip.

DISTRIBUTION:

TO:	Paul Isenman	(PAUL ISENMAN)
TO:	Jochen Kraske	(JOCHEN KRASKE)
TO:	William Humphrey	(WILLIAM HUMPHREY)
TO:	Gisu Mohadjer	(GISU MOHADJER)
TO:	Patricia O'Hara	(PATRICIA OHARA)
CC:	D. Joseph Wood	(JOE WOOD)

Gen. file ?

A L L - I N - 1 N O T E

DATE: 22-Apr-1992 09:59am

TO: JANINE SAVAUX (JANINE SAVAUX @A1@PARIS)

FROM: Alexander Shakow, EXTDR (ALEXANDER SHAKOW)

EXT.: 31828

SUBJECT: Preston Travel to Pakistan/India

FOR PAUL ISENMAN

Paul - Per your request re travel time for Mr. Preston to Pakistan-India, I spoke again with Heinz as Joe Wood had indicated he had asked the two of you to sort out the best time - either in late October or early November. Heinz tells me he has been working on the assumption that early November, after the US election, would be best, and so he has assumed a departure from the US o/a Saturday Nov. 7, visits in Pakistan on 9th and 10th, travel on 11th, visit in India on 12-13 and possibly 14th, return to US on 15th. Heinz says there is a minor holiday in India on the 10th, and so he suggests Pakistan might come first - but that is not a serious problem if it needs rto be the other way. He has not yet discussed with the GOI, but it could be arranged this weekend as Yenal and the GOI officials will be here for the D/C. These dates were discussed informally with Mr. Preston several weeks ago and would need to be confirmed again if your soundings and Heinz's bear out this program.

Hope this helps. Alex

CC: Heinz Vergin (HEINZ VERGIN)
CC: Paul Isenman (PAUL ISENMAN)
CC: Patricia O'Hara (PATRICIA OHARA)
CC: Gisu Mohadjer (GISU MOHADJER)

Meeting w/ Mr. Wood July 28th @ 4:30pm of messages

~~Pakistan → India on Nov 10th~~

~~New Delhi — Bombay — Dakka~~

blended arrival on 8th out of action on morning of 8th available after noon

Lahore @ 2:30 pm on 10th to New Delhi depart on 17th BA to London

leaves 11th for Delhi afternoon on 18th

	Sunday 8th	Monday 9th	Tuesday am 10th
Pakistan:	Min of Finance	field visits - schools/health	private chartered to Lahore
	PM dinner	heads of private sector	Governor + dep/ministers
		President, Leader of the Opposition	tube well
		Bank reception in evening	

(no central bank since in Karachi - social sector ministries

11th @ 9:20

IFC India: Delhi / Bombay → Reserve Bank / Industrial Assoc. / poverty + social programs / financial sector — Tatas, NK Singh, Birla } IFC

adj slum areas

$

Bombay → Dakka on 15th @ 5:40am cancelled flight ∴ via Calcutta

Dakka on 16th field visits - flood problem, bridge site

Bangladesh PM on 17th

themes: common to Region - see notes from July 27th

GPP: WB projects, schools, health, urban Δ

Brief in Dakka

Bangladesh → overlay education for Mrs P

Meeting w/ Joe Wood July 27 @ 4:50 pm

themes: ① restructuring of public sector esp. Pakistan relevance
others in other 2 countries

② growth of private sector → hydrocarbon sector
→ power side infrastructure, disaster in Bangla,
Hub in, Indians attract private money to infrastructure financing
Bangladesh on private sector

③ poverty - is in thing that matter Ed/health social programs
what's important Human resources given premium

④ environment - Narmada
great policies - how to improve action? Flood action in Bangla

regional issues - water mgmt Indus basin, better dialogue
issues unit ↳ Bang/Ind/Nepal common benefits to work
together, share electric power
water sharing - India + Bangladesh - delicate issue
security in India-Pakistan

A L L - I N - 1 N O T E

DATE: 25-Sep-1992 11:40am

TO: Steve Talbot (STEVE TALBOT)

FROM: Fred Kilby, SA1CI (FRED KILBY)

EXT.: 80434

SUBJECT: RE: Mr. Preston's Visit to S. Asia

Gisu,

This would be useful from our perspective also. Peter Nicholas will attend for SAC1.

Fred

CC: Eileen Sullivan (EILEEN SULLIVAN)
CC: Javad Khalilzadeh-Shirazi (JAVAD KHALILZADEH-SHIRAZI)
CC: June Nemeyer (JUNE NEMEYER)
CC: George Park (GEORGE PARK)
CC: Manuel Penalver (MANUEL PENALVER)
CC: Peter Nicholas (PETER NICHOLAS SA1CI)
CC: Gisu Mohadjer (GISU MOHADJER)

A L L - I N - 1 N O T E

DATE: 24-Sep-1992 05:53pm

TO: Gisu Mohadjer (GISU MOHADJER)

FROM: George Park, SA3CI (GEORGE PARK)

EXT.: 82367

SUBJECT: PAKISTAN - Mr. Preston's Visit

Philippe Nouvel, Chief of the Resident Mission in Pakistan is here for the Annual Meetings. Before he returns to Islamabad he and I would like to touch base with you on Mr. Preston's upcoming visit. For timing there are several possibilities: Monday September 28 at 11AM or 4 or 4:30; or Tuesday at say 9:30 in the morning. I had also suggested that we meet with Pat O'Hara and we have tentatively agreed on Tuesday morning. Perhaps she could join and we could meet together say a 10 AM on Tuesday.

Please let me know what arrangement/timing would be best for you. Thanks.

CC: Philippe Nouvel (HQ VISITOR) (PHILIPPE NOUVEL)

D10-033

A L L - I N - 1 N O T E

DATE: 29-Sep-1992 04:56pm

TO: See Distribution Below

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: Meeting Tomorrow

Steve, George, Peter,

I am very pleased that we can all meet tomorrow morning to discuss the upcoming visit. Some suggested agenda items:

1) Meetings - a lot of thought has already been given to selecting the meetings - a cross country comparison would be useful

2) Field Visits - let's look at possible Bank supported projects in each country, to select a range of different projects in different sectors

3) Press - what is being done?

4) Schedule - let's look at the daily schedule and the transitions between cities and countries

5) Briefs - I'll bring some samples for you to look at, and we could discuss the contents and timing, some dos and don'ts

These are the topics I'd most like to discuss. I'm sure I've left out some things. EM your suggestions, so I can prepare. Looking forward to seeing you, Gisu

DISTRIBUTION:

TO: Steve Talbot (STEVE TALBOT)
TO: George Park (GEORGE PARK)
TO: Peter Nicholas (PETER NICHOLAS SA1CI)

A L L - I N - 1 N O T E

DATE: 02-Oct-1992 09:12pm

TO: D. Joseph Wood (JOE WOOD)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: November Visit

I've discussed the broad outlines of the upcoming visit with Messrs. Preston, Sandstrom and Karaosmanoglu. I indicated that the proposals were very preliminary, and were a result of discussions I had held with the country officers. Their comments were as follows:

Pakistan: Kirmani would be a good person to meet in Pakistan, if he is there at the time. It is unclear if a meeting with the opposition is necessary (in Pakistan or elsewhere), and it is up to the region to decide. If there is an extra day as a result of a Wednesday departure from the US, it might be preferable to go to India a day early rather than to go to Lahore.

India: As with Pakistan and Bangladesh, a meeting could be arranged with the academics and intellectuals. The calls on Ministers should be kept down to the essential, and more time spent on project visits. An informal stop could be arranged in the slums in Bombay.

Bangladesh: Given that the decision has been made on the Jamuna Bridge, is it really necessary to visit it's site? No breakfast meetings.

I hope these comments are helpful in your discussions with your staff. As you see, Mr. Stern was not in town for the discussion, but I'm sure you are in touch with him.

I will be back in the office next Friday. I will be in touch with the country officers, but do let me know if I can help you with anything.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 13, 1992 03:00pm

TO: Evelyn S. Castro (EVELYN CASTRO)

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: Timing of Briefs

Evelyn, the country officers and I had discussed these timings, giving Mr. Preston 4-5 working days to review the briefs. The dates with * are only indicative, subject to your comments, since they involve Mr. Wood. I assume Mr. Wood would like to discuss the briefing books with Mr. Stern prior to sending them to Mr. Preston. Gisu

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 13, 1992 02:54pm EST

TO: See Distribution Below

FROM: Gisu Mohadjer, EXC (GISU MOHADJER)

EXT.: 81143

SUBJECT: Timing of Briefing Books for Upcoming Visit of the President

The latest itinerary indicates that the departure from Washington is on Wednesday morning, November 4, 1992, for Islamabad via London.

In this case, the timing of the briefs should be as follows:

October 28: Final Version to Mr. Preston
*October 27: Final Version to Mr. Wood for Clearance
*October 22: Draft Version to Mr. Wood for Clearance
Prior to October 20: Draft Versions to me for Comment

*This timing assumes that Mr. Wood would have only one day (October 23) to clear the draft, and you would have only one day (October 26) to incorporate his comments. This is a tight schedule, and I recommend that you consult Mr. Wood's office in order to give him adequate time for review.

As I mentioned, I would be pleased to see the briefs as they are prepared, rather than wait for the complete book.

DISTRIBUTION:

TO: George Park (GEORGE PARK)
TO: Steve Talbot (STEVE TALBOT)
TO: Peter Nicholas (PETER NICHOLAS SA1CI)

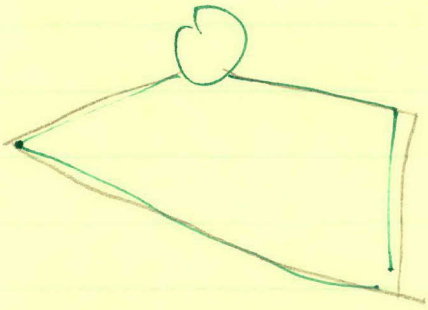
wife of Ambassador of Bangladesh

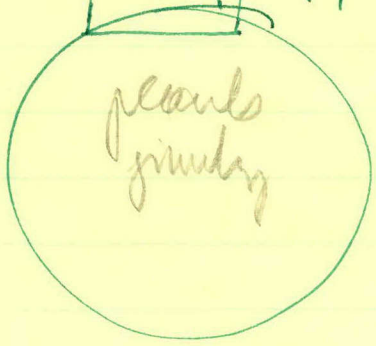
1776 G St
3rd Floor
3025

Meeting w/ Brian Bersill:

fixed appointments: lunch @ 12:00 PM
mtg w/ President @ 5:30 ⟩ NOV 12th

Press Breakfast in Bombay
~~spicy food; ghee;~~ Taj Mahal 1 day by plane





Raj on Board meeting
ESMAP briefing
→ NOV 3-6th CG on ESMAP
1½ hour

dinner w/ Center Director 27th Oct
CGIAR
~40 people FAO/UNDP
talking points
oral briefing

going to India - briefing on India - early / Not after 26th
People not 23rd

Administrative Manual

CHARTER OF AN AIRCRAFT

General Considerations

1. For their own safety, staff members who travel on military, government, private or any commercial aircraft flying non-scheduled routes, or who plan to charter any aircraft, are encouraged to verify as many of the following precautions as possible before boarding the aircraft:

(a) The aircraft must have a valid certificate of airworthiness;
(b) The "100 hourly" engine inspection must not be overdue (a scheduled maintenance check is required every 100 hours of an aircraft's flight time);
(c) The aircraft must be loaded below full capacity, with at least one seat left vacant (more than one seat if considerable freight is being carried on the flight in addition to passengers), and the pilot should be asked whether a "load sheet" or "weight and balance sheet" has been prepared and filed with the flight plan;
(d) The pilot must hold a current license which authorizes the carrying of paying passengers and must hold a current instrument flight rating;
(e) The aircraft should be equipped with working communications/navigation equipment:
  (i) functioning two-way radio equipment;
  (ii) instrument flight navigational aids appropriate to the ground navigational facilities on the flight route, such as radio direction finders (RDF), Omni direction finders, TACAN, instrument landing systems (ILS), etc., with working RDF as a minimum;
  (iii) operating lights, inside and out; and
  (iv) if any part of the flight takes place over water, at least one life jacket for each passenger.
(f) Up-to-date meteorological information must have been obtained and appear satisfactory.

2. Single engine aircraft (helicopters excepted) must not be used when twin engine aircraft are available. Staff should not hesitate to indicate that obtaining assurances on the above points is a Bank requirement. Under no circumstances should a staff member overrule the judgment of a pilot who is hesitant to fly.

Charter of an Aircraft

3. Normally, aircraft may be chartered when there are no commercial flights or other convenient modes of transportation operating to the proposed destinations; or when special circumstances exist which warrant the use of a charter even though other means of transportation are available (e.g, unsettled conditions in the country to be visited); or if several members of a mission travel together and savings in either time or costs will be realized if a charter aircraft is engaged instead of a regularly scheduled commercial aircraft. A charter should not normally be used unless the flight involves two or more staff members. In any case, in countries where there is a field office, arrangements to use charter flights or government supplied aircraft should be made through, or in

consultation with, the head of the field office. At locations where there is no field office, staff members planning to charter an aircraft might be well advised to consult with, or seek the advice of, the UNDP resident representative in that area.

4. Whenever chartered aircraft have to be used in the field, staff members should cable the following to their department and, if the aircraft is to carry more than 10 passengers, to the Insurance Office (PERIT):

(a) name of charter company, owner or government agency concerned;
(b) type of aircraft, number of engines and number of seats installed;
(c) departure, intermediate and destination airports and estimated departure/arrival dates and times;
(d) estimated number of flying hours;
(e) estimated cost, if any, to the department/division to be charged; and
(f) names and titles of passengers, and mission identification/purpose.

5. If it is necessary for the head of a field office to charter an aircraft for the use of field office staff, the head of the field office should cable the information outlined in paragraph 4 above to the Region at Headquarters, and to PERIT when 10 or more passengers are involved. The head of a field office may not decide whether staff members who are not on the field office staff should travel by charter aircraft.

6. Expenditures incurred on charter aircraft will be charged against the operational travel budget of the department concerned.

7. If convenient, claims for reimbursement may be included in the Statement of Expenses of one staff member only, but must be supported by receipted bills.

Travel Insurance

8. Staff members traveling on Bank business on military, government, private and charter aircraft, as well as on any commercial aircraft flying non-scheduled routes, are covered automatically under the Bank's Travel Accident Insurance Policy (see PMS 3.25 or, when it becomes effective, Staff Rule 6.10, "Travel Insurance"). However, among other exclusions, staff are not covered by the Travel Insurance if they are piloting an aircraft or acting as a crew member or if they are flying in an experimental aircraft.

Contractual Arrangements

9. Whenever a charter aircraft is engaged, staff members should not sign a lease agreement (as opposed to a charter agreement) because such action may have the legal effect of making the Bank the operator of the aircraft.

Waiver of Liability

10. On occasion, staff members who are invited to fly as guests on a non-commercial or on a government aircraft are requested by the hosts to sign a waiver of liability. Staff members should be aware that signing a waiver may release the person to whom it is addressed from legal responsibility toward the person signing it. Thus, the person signing the waiver may release the host from any legal liability for injury or death connected with the flight. The signing of such a release, however, does not in any way void the Bank's Travel Accident Insurance coverage.

As discussed
w/ Mrs Preston
Oct 30

October 29, 1992

Dear Mrs. Preston,

Attached please find a copy of your program for the upcoming visit to Pakistan, India, and Bangladesh. It incorporates the latest information available on your program, based on the phone call to Delhi and the latest information this morning from Pakistan and Bangladesh. As you know, Mr. Stern has taken an interest in your program; most of his recommendations are have been included.

The package also contains notes on the weather and dress in each country, and a note on the overnight stays in the different cities for your reference.

I will be sending you notes on the various religions in the Indian Sub-Continent, and some background information on the women who will accompany you in the different cities.

I look forward to discussing the program with you.

Gisu Mohadjer

cc: Ms. Patricia O'Hara

PROGRAM

Overnight Stays

Wednesday, November 4	London, England
Thursday, November 5	Overnight Flight to Islamabad
Friday, November 6 Saturday, November 7	Islamabad, Pakistan
Sunday, November 8 Monday, November 9	Karachi, Pakistan
Tuesday, November 10 Wednesday, November 11 Thursday, November 12	New Delhi, India
Friday, November 13	Udaipur, India
Saturday, November 14	Bombay, India
Sunday, November 15 Monday, November 16	Dhaka, Bangladesh
Tuesday, November 17	Overnight Flight to London
Wednesday, November 18	London, England
Thursday, November 19	Washington, DC, USA

PROGRAM

Wednesday, November 4, 1992

WASHINGTON, DC -> NEW YORK, NY, USA -> LONDON, ENGLAND

10:30am	Shuttle from **Washington** National Airport to **New York** LaGuardia Airport.
	By car to New York John F. Kennedy Airport.
1:45pm	Departure for London by British Airways Concorde Flight 4.
10:25pm	Arrival in **London**, staying at Claridges Hotel.

PROGRAM

Thursday, November 5, 1992

LONDON, ENGLAND -> ISLAMABAD, PAKISTAN

11:30am	Leave hotel for Gatwick Airport.
2:30pm	Departure for Islamabad on British Airways flight BA119, via Manchester.

PROGRAM

Friday, November 6, 1992

ISLAMABAD, PAKISTAN

5:45am	Arrival in **Islamabad**.
12:30pm	Light lunch at the hotel, and briefing (with Mr. Preston).
2:30pm	Visit to Lok Virsa Museum complex, for arts and crafts and folk heritage. The complex is in the Shakarparian Hills, and has an excellent view of the city.
3:30pm	to hotel
4:00pm	Tea with prominent individuals to discuss the social sectors, at the home of the Resident Representative. The guests were particularly invited to meet both you and Mr. Preston.
6:00pm	Light Dinner at the home of the Resident Representative. -OR- Return to hotel for Free Evening.

ask CTP

PROGRAM

Saturday, November 7, 1992

ISLAMABAD -> LAHORE -> ISLAMABAD, PAKISTAN

8:00am	Departure for Lahore by special aircraft (with Mr. Preston).
8:50am	Arrival in **Lahore**.
9:00am	Field trip (with Mr. Preston) by helicopter to rural area in the vicinity of Lahore to see flood damage, visit schools and basic health centers. Informal lunch hosted by the Chief Minister of Punjab (with Mr. Preston).
2:30pm	Departure for Islamabad.
3:20pm	Arrival in **Islamabad**.
5:30pm	Visit to local markets in Islamabad and Rawalpindi.
7:00pm	Return to hotel.
8:30pm	Dinner hosted by Minister of Finance Sartaj Aziz at the Foreign Office Banquet Hall (with Mr. Preston).

PROGRAM

Sunday, November 8, 1992

ISLAMABAD -> KARACHI, PAKISTAN

9:00am	Visit to Local Non-Governmental Organization Projects and Villages. [Mr. Preston has a meeting at 9:00am.]
10:30am	Visit to Resident Mission to meet staff (with Mr. Preston).
12:30pm	Lunch hosted by Mrs. Wasim Sajjad, wife of the Chairman of the Senate.
2:30pm	Return to hotel.
3:00pm	Departure for Taxila, an excavated site and museum occupied from 1000 BC, but coming to prominence in the 6th century BC. Taxila is 40km from Islamabad.
5:00pm	Return to hotel.
6:00pm	Reception hosted by the Resident Representative for Mr. and Mrs. Preston (with Mr. Preston).
8:30pm	Departure for Karachi by special flight (with Mr. Preston).
10:00pm	Arrival in **Karachi**.

PROGRAM

Monday, November 9, 1992

KARACHI, PAKISTAN

8:00am	Visit to Orangi Pilot Project, Katchi Abadis squatter settlements. Also visit microenterprise, and school (with Mr. Preston).
12:30pm	Presentation by Chief Minister (with Mr. Preston).
1:00pm	Lunch hosted by Chief Minister of Sindh (with Mr. Preston).
2:30pm	Return to hotel.
3:00pm	Tea with Federation of Business and Professional Women's Club, All Pakistan Women's Association.
4:30pm	Return to hotel.
8:00pm	Dinner for private sector industrialists, hosted by Bank (with Mr. Preston).

PROGRAM

Tuesday, November 10, 1992

KARACHI, PAKISTAN -> AGRA, INDIA -> NEW DELHI, INDIA

9:00am Departure from **Karachi** to Delhi, for estimated arrival in Delhi at 10:30am. Departure from Delhi after clearing customs, by military plane to Agra. Bags will be taken from Delhi airport directly to the hotel in Delhi. You may wish to carry a small bag with you to Agra.

11:15am Arrival in **Agra**. You will have a day room at the Mughal Sheraton Hotel.

11:45am Visit to the Taj Mahal.

1:00pm Lunch at the Mughal Sheraton Hotel.

2:30pm Depart for Fatehpur Sikri. Akbar, the third Mughal emperor, built this imperial city to pay tribute to the saint who had told Akbar that he would have three sons. Built in the late 16th century, the city was only occupied, and used as Akbar's capital, for 14 years. This 400 year old city is built of stone and is perfectly preserved. The weather is expected to be warm, and you should wear comfortable walking shoes.

4:15pm Leave Fatehpur Sikri for Airport.

4:45pm Departure for Delhi.

5:15pm Arrival in **Delhi**.

6:00pm Check-in at Oberoi Hotel.

Free Evening.

PROGRAM

Wednesday, November 11, 1992

NEW DELHI, INDIA

8:00am Visit to South Delhi. The visit will include stops at the following places:

- Spastics Society Center, a center run by this non-governmental organization to provide rehabilitation services to multi-handicapped persons and the cerebral palsied;
- Baha'i House of Worship, known locally as the Lotus Temple;
- Kalkaji Devi Temple, an important Hindu Temple;
- Qutb Minar, built in the early 13th century by the Muslim rulers of India to proclaim the victory of Islam over the infidel. The Carma Fashion Gallery, where local designers show their work, is also part of the complex.

[Mr. Preston will leave at 7:00am for a helicopter field trip to Haryana to visit irrigation sites and village water supply schemes.]

12:15pm Arrive at Hotel.

1:00pm Lunch hosted by Mrs. Manmohan Singh, the wife of the Minister of Finance

-OR-

Informal Lunch with Mrs. Yenal, wife of the Resident Representative.

3:30pm Visit to Sundar Nagar Market, specializing in jewellery and handicrafts, and Santhushti Shopping Complex, which has a collection of small boutiques selling giftware, ceramics, household linens, leather goods, garments. You will be able to buy cottons, silks, raw silks to have sewn into garments (tailor will come at 6:30pm).

5:00pm Visit to Crafts Museum, containing over 20,000 pieces of Indian crafts from all parts of the country. Crafts Demonstration also scheduled. Dr. Jotindra Jain, the Director, will accompany you on the visit.

6:30pm Return to Hotel. Tailor will meet you at the Hotel, to take your style sample and any material, for next day delivery.

7:30pm Cocktails and Dinner (with Mr. Preston) at the Taj Mahal Hotel, hosted by Minister of Finance Mr. Manmohan Singh.

PROGRAM

Thursday, November 12, 1992

NEW DELHI, INDIA

~~10:00am~~ 9:15	Meeting with staff at Resident Mission (with Mr. Preston). ~~[Mr. Preston will leave the hotel at 8:30am for a meeting with senior editors at the Resident Mission.]~~
10:00am	Press Briefing
11:00am	Visit to Cottage Industries Emporium and The Shops, for handicrafts.
12:00pm	Return to Hotel.
12:30pm	Lunch with prominent women, hosted by Mrs. Yenal, wife of the Resident Representative.
3:30pm	Visit to the National Museum, to view the excellent collections of miniatures, jewellery, and stone carvings. Accompanied by Museum Director.
4:30pm	Return to Hotel.
5:00pm	Leave Hotel (with Mr. Preston) to call on the President.
5:30pm	Call on the President at Rashtrapati Bhavan (with Mr. Preston).
6:15pm	Return to Hotel (with Mr. Preston).
7:00pm	Cocktails and Cultural Program, followed by dinner, hosted by the business community (with Mr. Preston).

PROGRAM

Friday, November 13, 1992

NEW DELHI -> JAIPUR -> JODHPUR -> UDAIPUR, INDIA

8:00am Depart for Jaipur by special aircraft (with Mr. Preston).

8:45am Arrive in **Jaipur** (with Mr. Preston).

9:15am Visit the City Palace and take tea with the Maharani Padmini Devi of Jaipur. This will enable you to see the interior of this early 18th century palace, and visit the Museum which houses a fine collection of Indian miniatures, royal costumes and jewellery.

Visit to the Jantar Mantar, an 18th century astronomical observatory, which is next door to the City Palace.

Visit to Anokhi, a shop selling cotton hand-printed textiles, clothes and linens. There is an Anokhi store in Cambridge, MA, but it does not have the range or diversity of items found in the original store in Jaipur.

Jaipur is a wholesale market for Indian gems, and is especially famous for its emeralds, rubies and sapphires. Arrangements can be made for a selection to be brought for you to see. NO

[Mr. Preston will have a separate program in Jaipur. He will visit a maternal and child health clinic, and call on the Chief Minister of Rajasthan.]

11:30am Depart for Jodhpur (with Mr. Preston).

12:00pm Arrival in **Jodhpur**. Visit to Umaid Maternal Health and Child Care Hospital, run by the Government (with Mr. Preston).

130 ~~2:00pm~~ Lunch at the Mehrangarh Fort, hosted by the Maharaja of Jodhpur (with Mr. Preston). The Fort and Museum are fine examples of Rajasthani fortified palaces. The Museum has an excellent collection of old Moghul tents.

340 ~~4:00pm~~ Depart for **Udaipur** (with Mr. Preston). Stay overnight at the Lake Palace Hotel. Known as the most romantic hotel in India, the Lake Palace Hotel is famous for its afternoon tea, Rajasthani folk dance performances and puppet shows. You and Mr. Preston are both free in the afternoon and evening, but the following could be arranged:

- Visit to City and Jag Mandir palaces;
- Shopping at Mangalam Arts for Indian handicrafts, and at the Lake Palace Hotel for old jewellery;
- Sound and Light show;
- Dinner and a dance performance.

PROGRAM

Saturday, November 14, 1992

UDAIPUR -> BOMBAY, INDIA

7:30am Departure for Bombay (with Mr. Preston).

9:30am Arrival in **Bombay**. Proceed directly to Dharavi for a visit to Bombay Urban Development Project and Bombay Sewerage outfall, accompanied by Mr. Bakul Patel, Mayor of Bombay (with Mr. Preston). The urban slums you will be visiting are close to the airport, and on the way to the hotel.

11:30am Arrival at Taj Mahal Hotel.

1:00pm Lunch hosted by Mrs. Rajagopal, wife of the Cabinet Secretary, at the Oberoi Hotel.

[Mr. Preston has a meeting at noon with the Chief Minister, and a separate lunch.]

3:00pm Visit to the Prince of Wales Museum, specializing in archeology, art and natural history, accompanied by the Director, Dr. Gorakshkar.

-OR-

Project visits, with Mr. Preston, to urban slum clearance sites.

-OR-

Shopping for leather goods, clothes or textiles.

6:00pm Return to hotel.

8:00pm Dinner hosted by the Governor of Maharashtra, with Mr. Preston. [Mr. Preston has a Press Briefing at 7:00pm.]

PROGRAM

Sunday, November 15, 1992

BOMBAY -> CALCUTTA, INDIA -> DHAKA, BANGLADESH

8:15am	Depart for airport.
9:00am	Depart for Calcutta by special aircraft (with Mr. Preston).
11:00am	Arrive in **Calcutta**.
12:00pm	Lunch with Chief Minister of West Bengal (with Mr. Preston). -OR- Visit to Mother Teresa's Convent, if possible.
2:00pm	Depart for Dhaka by special aircraft (with Mr. Preston).
3:00pm	Arrival in **Dhaka**.
3:30pm	Arrival at Sonargaon Hotel.
4:00pm	Visit to Parliament Building and the 18th century Istara (Star) Mosque, with its dome decorated with colored mosaics in the shape of stars.
6:00pm	Return to Hotel.
7:00pm	Official Dinner hosted by the Government (with Mr. Preston).

PROGRAM

Monday, November 16, 1992

DHAKA, BANGLADESH

7:30am	Helicopter field trip to site of Jamuna Bridge and visit to health and education facilities (with Mr. Preston).
12:45pm	Return to hotel.
1:30pm	Lunch hosted by Mrs. Willoughby, wife of the Resident Representative.
4:00pm	Visit to Bangladesh Museum, which has paintings, sculptures and inscriptions from the Hindu, Buddhist and Muslim periods, and Institute of Art and Crafts, which has a collection of folk art.
5:00pm	Tea hosted by Mrs. Saifur Rahman, wife of the Minister of Finance, to meet prominent Bangladeshi women.
6:00pm	Return to hotel.
7:00pm	Reception at hotel for Ministers, senior civil servants and diplomats (with Mr. Preston).

PROGRAM

Tuesday, November 17, 1992

DHAKA, BANGLADESH -> LONDON, ENGLAND

9:00am	Field Trip to Women's cooperatives, maternal and child welfare centers, accompanied by the wives of Bank staff members resident in Dhaka. [Mr. Preston leaves for a meeting at 9:00am with academics.]
1:30pm	Lunch with Wives of Bank Staff Members.
4:00pm	Return to hotel. -OR- Shopping for Bangladeshi pink pearls or Dacca muslin.
8:50pm	Departure on British Airways flight BA144 for London (with Mr. Preston).

PROGRAM

Wednesday, November 18, 1992

LONDON, ENGLAND

5:30am Arrival in London, staying at Claridges Hotel.

PROGRAM

Thursday, November 19, 1992

LONDON, ENGLAND -> WASHINGTON, DC, USA

[Mr. Preston and Mr. Wood have a lunch with nine Financial Times editors, starting at 1:00pm.]

3:45pm Leave hotel for Heathrow Airport (with Mr. Preston).

5:45pm Departure for Washington Dulles Airport on British Airways Concorde flight BA189.

5:05pm Arrival in **Washington, DC.**

PAKISTAN

Weather and Dress in November

	Maximum ºF	Minimum ºF	Rainfall (mm)
Islamabad	79	45	12
Karachi	88	64	2

The weather is very good at this time of year. As in India, the evenings are cooler, and a sweater or wrap is recommended.

Given that Pakistan is a Muslim country, the dress is conservative, mostly knee-length, long sleeved loose blouses over loose pants for day. Summer dresses and spring suits would be appropriate. Skirts and sleeves should be long, necklines should be high. For field trips, loose pants with a long blouse would be best, and a scarf would be a good idea. In the evenings, the women do dress up, although it is unlikely that they would be invited to any of the official functions.

The official engagements in Pakistan are:

Lunches: 1 in Islamabad

Dinners/Receptions: 2 in Islamabad
1 in Karachi

Other: Tea in Islamabad
Tea in Karachi (followed by one of the dinners)

INDIA

Weather and Dress in November

	Maximum ºF	Minimum ºF	Rainfall (mm)
Agra	84	54	2
New Delhi	84	54	1
Jaipur	84	54	3
Udaipur	84	52	6
Bombay	92	68	7
Calcutta	84	64	29

In Agra, New Delhi, Jaipur and Udaipur, the mornings and evenings are cool at this time of year. A shawl, wrap, or sweater would be useful. The days could become hot, and in Jaipur and Udaipur a hat would be quite useful. Bombay and Calcutta will be much warmer, and more humid.

In general, skirts and knee-length dresses for casual and formal wear will be comfortable and appropriate. For evening, conservative cocktail length dresses are recommended. The women are likely to wear their most beautiful saris, with gold embroidery. For the call on the President, either a suit or dress would be appropriate. For the field trips, light cottons would be fine, with comfortable walking shoes and a hat.

The official engagements in India are as follows:

Lunches: 2 in Delhi
1 in Bombay

Dinners/Receptions: 2 in Delhi
1 in Bombay

Other: Call on President in Delhi (followed by one of the dinners)

BANGLADESH

Weather and Dress in November

	Maximum ºF	Minimum ºF	Rainfall (mm)
Dhaka	84	63	7

As in India, the weather in Bangladesh is getting cooler. A sweater or shawl for the evening would be recommended. Although not as conservative as Pakistan, Bangladesh is a Muslim country, and therefore more conservative dress is recommended. This would mean wearing skirts below the knee, and long-sleeved blouses. Cocktail dresses would be appropriate for evening events. Women will most likely wear their most beautiful saris for evening. For the field trips, a light blouse with pants and comfortable walking shoes would be fine (this is surprising - I would have thought skirts were more appropriate).

The official engagements in Bangladesh are:

Lunches: 1 in Dhaka

Dinners/Receptions: 2 in Dhaka

Other: Tea in Dhaka

~~Meeting~~ Discussion w/ Vergin

(1) talk to LTP
cc Exec Directors
need to make sure EDs get it
urgent job
India ED did not have a copy

(2) told Mr. Wood will speak to LTP
about itinerary
→ from India site welcome LTP/GPP first day
in India to visit Agra
for LTP to fly from Kanadu to Agra (late morning)
lunch near Taj, afternoon @ Taj
Agra to Delhi, evening pm
start visit next day morning
pm wrap Udaipur

difficult to shift attendees

→ Annual Meetings Notes

→ CAS from Pak

Meeting on Upcoming Visit to India / Pakistan / Bangladesh

Pakistan → social sector situation → ① social action program

basic ed / health / fam planning – British engineers on training side, like pre-Muslim emphasis

done well on growth, poorly on dissem / family

donors keen on Pakistanis – financing not so important as problem

window of opportunity on social action program

→ LS speech on Education

② / MACRO PRUDENCE

Recent Monsoon comments – not as bad as it looks

take some steps to be prudent – 6% + growth

should tie for agreement w/ Fund

fiscal problem – Pakistan not happy with it → change after Musa?

ECO project → Japanese on Shariah – upto gov – no ~~moments~~ decision

$200m gap – 10% out of $26 due to forex fluctuations $/¥

India → focus on discussions @ centre but State important

PM, Finan Minister – overall reform going well – no major differences

relations between State + centre

Nehru – states ; Gandhi – centre ;

issues – revenue sharing between centre + state & customs duty

Q: → trade w/ PRC – how much 30-40%? now < 10% = barter primarily

assume contamination of supply Rouble / Rupee exchange rate

Trade as indicator, exports = 2 indicators of economy

FDI approvals ↑ 1000% but pow minimal lead to

"soft" state – when someone says yes take time before confirm

Indians colonized by East India Company not county

Pakistan = hare

India = tortoise

Bangladesh = squirrel

↳ better on female education

constitution dialogue on policy } broaden consent for reform

problem of implementation

foreign assistance = political instrument program

↓ donor leverage is high

work to mitigate

strained relations w/ India Bangladesh - porous borders

not best time to talk about dam cooperation in water resources

bondless laborers taken over @ time of partition, bonded go to India

determined action in social sectors - donors in - are we too optimistic?

fertilizer plant

self sufficient in rice - high value crops? 40% of ag

jute, garment making, leather products

power binding - problem of shortage - WB responsible

Q fertility mortality

Q birthrate pop growth rate

BY MESSENGER

6407

INDIA:

Meetings with:

Prime Minister

Minister of Finance

Meeting with Prime Minister Rao

Issues PM is likely to raise:

- Continued WB/IDA support for India's adjustment program

WB Position: FY93 operations under preparation:

- $500 m Social Safety Net Adjustment;
- $500 m Second Oil & Gas Sector Adjustment;
- $400 m Financial Sector Adjustment;
- $400-500 m Trade Adjustment.

Issues to be raised by the Bank:

Stress the need for decisive and early government action on:

1) Tax System (add. revenue needed) Reform;
2) Trade: further tariff reduction needed; (point strong linkage between 1 & 2);
3) Financial Sector Reform;
4) Public Enterprises Reform;
5) Labor Market Reform;

6) Enabling environment for greater private (local & foreign) participation in sectors so far off-limits (hydrocarbons, power, financial services); Stress the significance of 6) for maintaining India's export performance;
7) Highest priority to be given to the poorest population segments during the reform process (basic education & health, particularly for girls);
8) Substantial improvement needed in India's project implementation and loan disbursement performance.