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Folder Title: Norway - President Barber Conable Country Files - Correspondence

Folder ID: 1779828

Series: Country files

Dates: 10/01/1984 - 06/24/1991

Subfonds: Records of President Barber B. Conable

Fonds: Records of the Office of the President

ISAD Reference Code: WB IBRD/IDA EXC-11-49S

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

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PUBLIC DISCLOSURE AUTHORIZED

NORWAY



The World Bank Group Archives
R1992-122 Other #: 17 1779828 209588B
Norway - President Barber Conable Country Files - Correspondence

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

BARBER B. CONABLE
President

June 24, 1991

His Excellency Kjeld Vibe
The Ambassador of Norway
Royal Norwegian Embassy
2720 - 34th Street, N.W.
Washington, D.C. 20008

Dear Mr. Ambassador:

I would like to thank you for your letters of June 19 and 20, 1991 related to the forthcoming conference on Poland - Debt for Environment Swap Scheme - to be held in Oslo on July 1, 1991.

I am pleased to inform you that Mr. David Craig, Senior Economist, Central European Department, will represent the Bank at this conference.

I wish the Oslo conference all success.

Sincerely,

(Signed) Barber B. Conable

bcc : Messrs. Stern, Thalwitz

HSKohli:ab

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

6/21
95

TO: Mr. M. Qureshi (E-1241) | DATE: 6/21/91 |

SUBJECT:

Document From: Jorunn Maehlum
To: bbc
Dated: 6/20/91

Reference No.: EXC910620004

Topic: Conf. on POLAND, Debt for Environment Swap Scheme -- inv. to the
WB to attend from the Government of NORWAY -- July 1, 1991.

ACTION INSTRUCTIONS:

| DUE DATE: |

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

6/26/91

Remarks: NOTE: Received from Mr. Maehlum's office on June 20 (2:31).
Mr. Conable would like the Bank to be represented. (S. Sandstrom)
cc: Messrs. Thalwitz, Stern

URGENT



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence	Barcode No. 1779828
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Document Date Jun 21, 1991	Document Type Memorandum
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Correspondents / Participants
To : Sven Sandstrom, EXC
From : Jorunn Maehlum, EDS20

Subject / Title
Conference on Poland Debt for Environment Swap Scheme - Conference in Oslo 1 July, 1991

Exception No(s).

1 2 3 4 5 6 7 8 9 10 A-C 10 D Prerogative to Restrict

Reason for Removal

Additional Comments
Declassification review of this record can 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 Chandra Kumar	Date May 5, 2014
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ROYAL NORWEGIAN EMBASSY

2720 - 34th Street, N.W.
Washington, D.C. 20008

20 June 1991

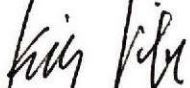
The Honorable Barber B. Conable
President
International Bank for Reconstruction and Development
Washington, D.C.

Dear Mr. Conable:

I refer to my letter of 19 June on the forthcoming Oslo Conference on Polish Debt for Environment Swaps and have the honor to enclose an advance copy of a personal letter to you from Prime Minister Gro Harlem Brundtland. The original letter will be forwarded upon receipt from Norway.

The Norwegian (and Polish) governments strongly wish to see the World Bank represented at this conference in Oslo on 1 July 1991 and we hope that you will view this matter favourably.

Yours sincerely,



Kjeld Vibe
Ambassador of Norway



THE PRIME MINISTER

Oslo, 19. June 1991

Dear Barber Conable,

I am writing to you to inform you personally about a Conference which will be held in Oslo on 1 July and to which the World Bank has been invited to participate. The objective of the conference will be to explore a new concept for debt-for-environment swaps. Such swap arrangements have been an issue which has been studied and debated for a number of years already. The concrete background for the Conference in Oslo is as follows:

As you already know, the Paris Club creditor countries have granted a 50 per cent reduction of Poland's debt and included in the agreed minutes a voluntary option for a swap up to an additional 10 per cent.

Prime Minister Bielecki of Poland contacted me in early April to discuss how a possible debt-for-environment swap could be devised. Prime Minister Bielecki and I met in London in connection with the inauguration of the EBRD and we have since then worked together with the aim of creating a viable concept for such a swap.

The initiative was publicly announced in Warsaw and Oslo on 11 June. A Conference on Polish Debt and Environment will be held in Oslo on 1 July. Participants at this Conference will include Poland's creditor countries. Invitations have already been sent to the World Bank, IMF, EBRD, and the Commission of the European Communities. The purpose of the Conference is to provide a forum for discussion on a Concept Paper which

Mr. Barber Conable,
President of the
International Bank for
Reconstruction and Development,
WASHINGTON

has been prepared by Poland on the basis of initial discussions with Norway and with the assistance of the London-based Coopers and Lybrand consulting company, which has been engaged by the Government of Poland. A copy of the Concept Paper has been made available to World Bank.

It is my belief that there is a need to consider new ways of generating additional investments in environmental protection and that such new ways should aim at cost-effective solutions to shared environmental problems. But new concepts will only gain the full confidence of participating countries if these countries can be assured that the methods will be viable and workable. Our ambition has been to contribute to providing such confidence. Moreover, I believe that World Bank would have a real interest in the continuing discussion of this new concept and that it would enrich our deliberations in Oslo if World Bank were represented at the Conference.

Yours sincerely



Gro Harlem Brundtland



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence	Barcode No. 1779828
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Document Date Jun 20, 1991	Document Type Memorandum
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Correspondents / Participants
 To : Sven Sandstrom, EXC
 From : Jorunn Maehlum, EDS20

Subject / Title
 Conference on Poland Debt for Environment Swap Scheme Invitation to the World Bank from the Government of Norway

Exception No(s).

1 2 3 4 5 6 7 8 9 10 A-C 10 D Prerogative to Restrict

Reason for Removal

Additional Comments
 Declassification review of this record can be initiated upon request

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Withdrawn by Chandra Kumar	Date May 5, 2014
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ROYAL NORWEGIAN EMBASSY

2720 - 34th Street, N.W.

Washington, D.C. 20008

19 June 1991

The Honorable Barber B. Conable
President
International Bank for Reconstruction and Development
Washington, D.C.

Dear Mr. Conable:

On 21 April, the Paris Club granted an exceptional reduction and reorganization of the debt of the Republic of Poland. In the Agreed Minute an optional clause was included, permitting each creditor to swap, on a voluntary basis, up to 10% of the outstanding principal as of 1 April 1991.

On 11 June the Polish Prime Minister, Mr. Bielecki, announced a new initiative designed to link the further reduction of Poland's debt with a debt for environment swap. Essentially, he proposes the creation of an Environment Fund to finance projects in areas of international concern.

The proposal of the Polish Prime Minister is to implement the projects through a debt swap mechanism with the Paris Club creditor countries. It is also envisaged that part of the financing will be provided thorough co-financing operations with multilateral and bilateral agencies.

Shortly after the Paris Club had adopted the Agreed Minute with Poland, Mr. Bielecki contacted the Prime Minister of Norway, Mrs. Brundtland, to discuss and elaborate on the debt for environment swap scheme. She accepted that Norwegian officials engage in a dialogue with the Polish Prime Minister's office to give advice on the functioning of the Environmental Fund and the elaboration of a paper to be presented by Poland on this issue: "Government Initiative on Environmental Fund".

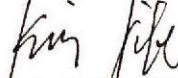
On this background the Norwegian Government has agreed to host a one-day conference in Oslo on 1 July 1991 with Poland, to consider the proposals presented in the attached Concept Paper of 11 June 1991, such as the objectives and scope of the Fund, allocation mechanisms, financial arrangement, institutional framework and operation and administration of the Fund. Mr. Bielecki has on 11 June extended an invitation to the conference to all Paris Club creditor countries and to international financial institutions. We therefore take the pleasure in inviting your organization to attend the Oslo conference. It is our hope that your participation will offer good advice and strengthen the discussion on the technical aspects of the mechanisms proposed in the Concept Paper.

I should emphasize that the Conference's objective is not to take any decisions, but rather to exchange views and discuss different aspects of the scheme, so as to broaden the basis on which each creditor country can decide whether to use this optional debt-swap option.

The Government of Norway has for its part not made any decisions on whether or not to make use of the swap option and participate in the Fund.

In addition to the Concept Paper I enclose a copy of the Norwegian press release on this subject. Futhermore, please find enclosed some practical information on the Oslo Conference and a preliminary draft agenda.

Yours sincerely,



Kjeld Vibe
Ambassador of Norway

X

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

BARBER B. CONABLE
President

January 18, 1991

Dear Madam Minister:

I have learned of your appointment as Alternate Governor for Norway on the Boards of Governors of The World Bank Group. I realize this is incident to your responsibilities in your own Government, but I hope you will be in a position to actively participate in the affairs of the Bank Group, as well.

The Executive Directors, Officers and Staff of The World Bank Group believe very strongly in its development mission and in the battle against poverty. We look forward to working with you to make the Bank Group even more effective during the coming years. Congratulations on your appointment and thank you for your willingness to take on this additional responsibility.

I look forward to meeting you in the near future, and send my best personal wishes.

Sincerely,

(Signed) Barber B. Conable

Her Excellency
Grete Faremo
Minister of Development Cooperation
Department of Multilateral
Development Cooperation
Royal Ministry of Foreign Affairs
P. O. Box 8114 Dep
0032 Oslo 1, Norway

cc: Mr. Haralz
Mr. Terasawa
Mr. Lari
Mr. Gustafson

ETSanidad:jlk

X

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

BARBER B. CONABLE
President

January 18, 1991

Dear Mr. Minister:

I have learned of your appointment as Governor for Norway on the Boards of Governors of The World Bank Group. I realize this is incident to your responsibilities in your own Government, but I hope you will be in a position to actively participate in the affairs of the Bank Group, as well.

The Executive Directors, Officers and Staff of The World Bank Group believe very strongly in its development mission and in the battle against poverty. We look forward to working with you to make the Bank Group even more effective during the coming years. Congratulations on your appointment and thank you for your willingness to take on this additional responsibility.

I look forward to meeting you in the near future, and send my best personal wishes.

Sincerely,

(Signed) Barber B. Conable

His Excellency
Sigbjørn Johnsen
Minister of Finance
Ministry of Finance and Customs
P. O. Box 8008 Dep
Akersgaten 42
0030 Oslo 1, Norway

cc: Mr. Haralz
Mr. Terasawa
Mr. Lari
Mr. Gustafson

ETSanidad:jlk



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence	Barcode No. 1779828
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Document Date Feb 11, 1991	Document Type Memorandum
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Correspondents / Participants
 To : Mrs. Estela T. Sanidad, SECGE
 From : Jonas H. Haralz, EDS20

Subject / Title
 New Governor and Alternate Governor - Norway

Exception No(s).

1
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 10 A-C
 10 D
 Prerogative to Restrict

Reason for Removal

Additional Comments
 Declassification review of this record can be initiated upon request

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Withdrawn by Chandra Kumar	Date May 5, 2014
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REF: 8575 DATE: 910109 TIME: 08:57

TELEX

TO: THE WORLD BANK, WASHINGTON D.C.
COPY: JONAS HARALZ, NORDIC OFFICE, WORLD BANK
COPY: ROYAL NORWEGIAN EMBASSY, WASHINGTON D.C.
FROM: DEPARTMENT OF MULTILATERAL DEVELOPMENT COOPERATION, MINISTRY OF
FOREIGN AFFAIRS, OSLO
DATE: 4 JANUARY 1991

ATTN: VICE PRESIDENT AND SECRETARY THAHANE

NEW GOVERNOR FOR NORWAY OF THE WORLD BANK

DEAR MR THAHANE,

THIS IS TO NOTIFY YOU THAT BY A CABINET DECISION OF 21 DECEMBER
1990, MR. SIGBJOERN JOHNSEN, MINISTER OF FINANCE, WAS APPOINTED
GOVERNOR FOR NORWAY OF THE WORLD BANK, TO SUCCEED MR. ARNE
SKAUSE, THE FORMER MINISTER OF FINANCE.

AT THE SAME CABINET MEETING, MS. GRETE FAREMO, MINISTER OF
DEVELOPMENT COOPERATION, WAS APPOINTED ALTERNATE GOVERNOR FOR
NORWAY OF THE BANK. SHE SUCCEEDS FORMER MINISTER OF DEVELOPMENT
COOPERATION, MR. TOM VRAALSEN.

YOURS SINCERELY,

KJELL HALVORSEN
ACTING DIRECTOR GENERAL

TELEX

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

BARBER B. CONABLE
President

January 4, 1991

Her Excellency
Prime Minister of Norway
Gro Harlem Brundtland
P.O. Box 8001, DEP
0030 Oslo 1, Norway

Excellency:

Your letter of December 21, reaffirming your strong support for the Global Environment Facility, was most appreciated. Your Government's contribution to the Facility, as well as its new Global Climate Fund, will provide valuable additional resources to help developing countries address global environment concerns in their overall development effort.

In view of the support to date for the Facility, we are proceeding, with UNDP and UNEP, with the preparatory work necessary to have the Facility operational by the end of April 1991. I am pleased that GEF operations will have the benefit of Norway's experience and interest in environmental management.

May I take this opportunity to wish you a happy new year.

Sincerely,

(Signed) Barber B. Conable

cc: Mr. J. H. Haralz, Executive Director

bcc: Mmes. & Messrs. Stern, Wood, Kavalsky, Yap, Annez, Yurukoglu, Moreno

LYap:mb

12-210
12-26-90
211
12-28-90

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

cc: BISC OIR SS
Original to JW AK
cc: ES ✓
PA ✓

TO: Mr. E. Stern (E-1227) | DATE: 12/21/90 |

Mr. Wood
For appropriate acknowledgment, please, by web 1/4/91

SUBJECT: |

Document From: Gro Harlem Brundtland
To: bbc
Dated: 12/21/90 Reference No.: EXC901221023
Topic: Re: Global Environment Facility - Norway's pledge

ACTION INSTRUCTIONS: | DUE DATE: |

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

Remarks: cc: Messrs. Thalwitz, Qureshi, Shakow



THE PRIME MINISTER

Oslo, 21 December 1990

Barber B. Conable
President
The World Bank
Washington, D.C. 20433
USA

Dear Mr. Conable,

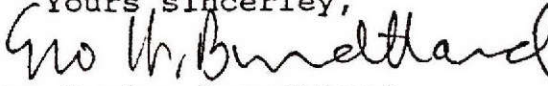
I refer to your letter of 21 November concerning Norwegian contribution to the Global Environment Facility (GEF).

I have the pleasure of informing you that the Norwegian Government has decided to pledge, subject to Parliamentary approval, a contribution of NOK 165 mill. for the three year period 1991-93.

The contribution for the first year will amount to NOK 55 mill. The contribution will come from a new budgetary allocation which is being established from 1991 in addition to, and separate from, the Norwegian development assistance budget. Thus, the contribution represents genuinely additional funds.

My Government has on several occasions stressed the need to mobilize new and additional resources for global environment purposes in developing countries. As a consequence, my Government proposed early in 1989 the establishment of a Global Climate Fund. The GEF pilot programme is to a large extent structured along the same lines. The tripartite cooperation between IBRD, UNEP and UNDP is another feature which underlines the innovative aspects of the GEF initiative.

Against this background, I take great pleasure in wishing the Bank success in the launching of the GEF, and you personally a merry Christmas and a happy new year.

Yours sincerley,

Gro Harlem Brundtland

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

BARBER B. CONABLE
President

November 21, 1990

The Honorable
Prime Minister Gro Harlem Brundtland
Prime Minister of Norway
P.O. Box 8001, DEP
0030 Oslo 1, Norway

Dear Prime Minister:

The last preparatory meeting for the Global Environment Facility will be held in Paris, November 27-28. The purpose of the meeting is to finalize the agreement and obtain funding commitments for the Facility. Once we have clear governmental commitments, we can establish the Facility and have it operational before the middle of calendar year 1991.

As I am sure you will agree, it is important to maintain the momentum on this environmental initiative. Although scientific uncertainties remain, there is agreement on the desirability of helping developing countries make technological choices which are environmentally sound. Developing countries themselves have responded positively to the proposed Facility, and have stressed the importance of additionality as well as concessionality of the funding. We also see the GEF as a means of building consensus for future international agreements on the global environment. As a pilot program, the GEF will provide valuable experience for the 1992 Conference on Environment and Development.

Our discussions with governments so far have generally been positive. Most of the countries we have contacted, among them France, Germany, the U.K., Italy and Japan, have already indicated their intention to announce their pledges at the Paris meeting. The U.S. authorities are reviewing their position; the outcome at this point is unclear.

I hope that Norway will join with other supporters of this important environmental initiative by announcing its pledge at the Paris meeting.

Sincerely,



cc: Mr. J. H. Haralz, Executive Director



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Nov 1, 1990	Document Type Memorandum			
Correspondents / Participants To : Mr. Alexander Shakow, EXTDR From : Jorunn Mahlum, EDS20				
Subject / Title Norwegian Broadcasting Interviews in the Bank				
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal				
Additional Comments Declassification review of this record can 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.		
		<table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date May 5, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			

Country: NORDICS Delegation: Mr. Ole Loensmann POULSEN, Undersec. of State, DANIDA
Min. of Foreign Affairs, DENMARK
Mr. Marti LOUEKOSKI, Min. of Finance, FINLAND
Mr. Jon SIGURDSSON, Min. of Commerce, ICELAND
Mr. Arne SKAUGE, Min. of Finance, NORWAY
Mr. Gunmar LUND, Undersec., Min. of Finance, SWEDEN

September 25, 1990 @ 6:30 p.m.

FACTS: High ODA/GNP ratios (1989):
Norway 1.02% (highest among DAC members)
Denmark 1.00% (second highest among DAC members)
Sweden 0.98%
Finland 0.63% (ODA growth among the most rapid and sustained)

OBJECTIVE: Convince them that we continue to stand for all the things which are important to them--poverty reduction, WID, environment, etc.

SUBJECTS YOU CAN RAISE:

1. Thanks for continued strong support of IDA: Denmark first donor to notify its IDA9 contribution closely followed by Norway and Sweden; Finland's IDA9 contribution represents one of the largest increases of any donor (about 40% over IDA8).
2. [See "Objective" above.] Grateful for the sustained Nordic support in areas about which I personally feel strongly--poverty, WID, environment, Africa. My long-term vision of the Bank involves even stronger emphasis in these areas. Nordic leadership very effective in these areas, not just in the Bank.

3. We continue to emphasize collaboration with UN agencies, development banks and donors. For instance:
 - GEF and Montreal Protocol (UNEP, UNDP)
 - African Capacity Building Initiative (UNDP, AfDB)
 - Support for EBRDetc.

But our priority is to support our member countries in Africa and elsewhere.

And sometimes we wonder about the effectiveness of complex collaborative arrangements.

For instance, TFAP.

What is your advice on this?

3. What else would you like to raise?

[If there is time, seek their advice on our response to the Gulf Crisis and the Special Grant (which would support the UN System). See attached Talking Points.]

1990 Annual Meetings Finance Brief
THE NORDIC COUNTRIES

Mr. Conable's Meeting with the Nordic Governors:
Ole Loensmann Poulsen, Undersecretary of State, DANIDA,
Ministry of Foreign Affairs, Denmark
Matti Louekoski, Minister of Finance, Finland
Jon Sigurdsson, Minister of Commerce, Iceland
Arne Skauge, Minister of Finance, Norway
Allan Larsson, Minister of Finance, Sweden
6:30 pm, Tuesday, September 25, 1990

Major Objective:

Your major objective at this meeting is to convince the Nordics that we continue to stand for all the things which are important to them - poverty alleviation, women in development, environmental protection, etc. In relation to the last, they are obviously supportive of the GEF, yet it almost seems to rankle some of them - particularly the Swedes - that we are taking the lead in this matter. They are happy about the collaborative nature of the exercise with UNEP and UNDP, and you may want to mention your September 17th meeting with Messrs. Draper and Tolba, assuming that was an amicable encounter. They have tried to push us beyond that to collaborate with other UN agencies, other MDBs, other developing countries, all NGOs, etc. You should say politely that, of course, we want to do this, but the first objective is to implement a successful program with the three parties, and other objectives should not compromise this.

Additional Issues:

- The Nordic Group will be represented in the Development Committee by Norway.
- Regarding IDA9, you might wish to thank the Nordic countries as a group for their continued strong support of IDA. Denmark was the first donor to notify its IDA9 contribution, on June 20, and Norway and Sweden followed on June 28.

You might express our special appreciation for Sweden's recent decision to accelerate the encashment of part of its IDA9 contribution, thus enhancing its value by SDR 29.7 million. This action was very helpful in reducing the unallocated gap in the replenishment.

Finland's IDA9 contribution represents one of the largest real increases from IDA8 from any donor, of almost 40 percent at the time of the agreement. Norway's represents a 20 percent real increase, while Denmark's represents a slight percent real increase and Sweden's a slight real decrease. Following is a summary of the Nordic countries' IDA9 contributions.

<u>Country</u>	<u>Share</u>	<u>SDRS mil.</u>	<u>Suppl.</u>	<u>Total</u>
Denmark	1.30	151.83		151.83
Finland	1.00	116.95		116.95
Iceland	0.03	4.00		4.00
Norway	1.42	165.84		165.84
Sweden	2.62	305.99	29.70*	335.69

*In the form of accelerated encashments

- Regarding the GEF, the Nordic countries have appeared somewhat hesitant in lending support, despite their enthusiasm for action on global environmental issues. They have supported the inclusion of other organizations (the U.N., other MDBs, and NGOs) and have indicated reservations about the tripartite cooperation of the Bank with UNEP and UNDP, which they feel should be truly equal and not dominated by the Bank, especially given the U.S. opposition to action on global warming. From early on, they have supported a burdensharing approach to add pressure for a strong U.S. contribution. We feel these issues can be resolved, and if the Nordics are indeed supportive of the GEF in general, we should encourage them to show their support, to galvanize others.
- Regarding IBRD, the Nordic countries as a group are on target in GCI subscriptions. Sweden and Denmark are fully subscribed, and we have received a Memorandum of Law for the third and final installment of Norway's GCI allocation. Finland has subscribed two of the five annual installments of its GCI shares, and the third installment is expected right after the Annual Meetings.

There is a possibility that Switzerland could join the Nordic group on the Executive Board, since the Nordics are the smallest European constituency.

- As DAC ODA donors, the Nordic countries have continued their pre-eminent role. The 1989 ODA results announced by the DAC earlier this summer show the following results.

Donor	ODA/GNP	Trend since 1988
Denmark	1.00	Increase
Finland	0.63	Increase
Norway	1.02	Slight decrease
Sweden	0.98	Increase
Total DAC	0.33	Decrease

Denmark's ODA/GNP ratio increased from 0.89 percent in 1988 to 1.00 percent in 1989, the highest ratio ever reached by Denmark and the second highest of DAC members in 1989. ODA is likely to stay at a high level given Parliament's support of this high level of aid.

Following its decision to achieve 0.7 percent of GNP in terms of ODA appropriations, Finland's ODA growth has been one of the most rapid and sustained among DAC members. In 1989, the ODA/GNP ratio rose from 0.59 percent to 0.63 percent, and the 0.7 percent ODA disbursement target will likely be attained by 1991.

Following an increase in 1988, Norway's ODA/GNP ratio fell from 1.10 percent in 1988 to 1.02 percent in 1989, but remained the highest among DAC Members. ODA disbursements are expected remain above 1 percent of GNP given the government's policy of maintaining a high ODA volume.

Sweden's ODA/GNP in 1989 was 0.98 percent, the highest ratio reported by Sweden since 1982 and the third highest among DAC members in 1989. ODA can be expected to remain at a high level given the government's stated policy of maintaining aid appropriations at a level corresponding to 1 percent of GNP.

FRM

September 5, 1990

→ JV (Am file)

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

BARBER B. CONABLE
President

August 9, 1990

Nordic
PUT THIS
IN
WITH
BRIEFINGS

His Excellency
Ingvar Carlsson
Prime Minister of Sweden
S-103 33 Stockholm
Sweden

Excellency:

I most appreciate your letter of July 26 inviting me to attend the Conference on the Baltic Sea which will be held in Ronneby during the first week in September. My congratulations to you for this important environmental initiative.

As you know, I recently had the opportunity to indicate to Mr. Save-Soderbergh my pleasure that the countries of the Baltic Region were undertaking a regional program of this nature, and assured him at that time of my total support for this endeavor.

I find, unfortunately, that it will not be possible for me personally to attend your Conference because of previously-planned travel during the first week in September to meet with government officials of several of the Bank's member countries. I have asked Mr. Eugenio F. Lari, Director of the European Department, and Mr. Thierry Baudon, Chief of the Environment Division, to represent the Bank in Ronneby. They will explore how we might best support your initiative and offer assistance in close partnership with the other financial institutions concerned.

Although it is not possible for me to take advantage of this opportunity to meet with the new Governor for Sweden of the Bank, I hope to have the pleasure of meeting with Minister Larsson during the Annual Meetings.

Your personal invitation to attend this Conference of the Baltic Sea Countries is most sincerely appreciated, and I send my best wishes for its success.

Sincerely,

Barber Conable

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

~~AK~~

Gellman
Chapin

CORRESPONDENCE DATE : 90/08/02 DUE DATE : 90/08/08
LOG NUMBER : 900802002 FROM : Ingvar Carlsson
SUBJECT : Prime Minister, Sweden: invitation to attend a conference re
"environment" of the Baltic Sea Area on Sept. 2-3, 1990
OFFICE ASSIGNED TO FOR ACTION : Mr. M. Qureshi (E-1241)

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
- _____ FOR YOUR INFORMATION
- _____ FOR YOUR REVIEW AND RECOMMENDATION
- _____ FOR THE FILES
- ✓ _____ PLEASE DISCUSS WITH _____
- _____ PLEASE PREPARE RESPONSE FOR BBC's SIGNATURE
- _____ AS WE DISCUSSED
- _____ RETURN TO _____

COMMENTS :cc: Mr. Stern

Note -- Mr. Conable has conflicts in Yugoslavia & Hungary during this period

EXPEDITE



PRIME MINISTER

1990-07-26

Dnr

Mr Barber B. Conable
President
The World Bank
1818 H Street, N.W.
Washington, D.C.
20433 USA

Dear Mr. Conable:

As you know, a Conference on the Baltic Sea will be convened at Ronneby, Sweden, on September 2-3, 1990. The theme of the Conference is the protection of the environment of the Baltic Sea Area.

I take this opportunity to express my sincere hope that you will have the opportunity to personally attend the Conference.

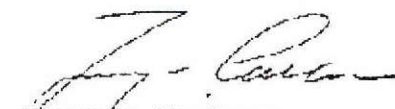
Participants at the Conference will be the Heads of Government of the countries in the Baltic Sea area, including Norway, the Czech and Slovak Federal Republic and the President of the Commission of the European Communities. Besides the World Bank, the European Investment Bank, the Nordic Investment Bank and the European Bank for Reconstruction and Development will also attend.

The purpose of the Conference is to intensify the cooperation on the environmental protection of the Baltic Sea Area. In a Declaration presently under drafting explicit reference is made to the essential role of the financial institutions. Here, the joint efforts by the World Bank and the European Investment Bank on the environmental protection of the Mediterranean has served as an inspiration. We would welcome your thoughts on how experiences from this work could be used in the Baltic Sea Area.

If you decide to attend, please let us know if you would like to meet with the new Governor for Sweden of the Bank, the minister of finance Mr Allan Larsson.

If you have any further questions, please do not hesitate to contact me directly. Your office may also contact either Mats Lönnroth, at the Prime Minister's Office (46-8-7634828) or Staffan Tillander, at the Foreign Office (46-8-7866619).

Yours sincerely,


Ingvar Carlsson

100 1000

Prime Minister's Office
S-100 33 STOCKHOLM
Sweden

Telephone
08-763 10 00
(48 8) 763 10 00

TELEX
17820 premier S

co-file

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

BARBER B. CONABLE
President

December 27, 1989

Dear Mrs. Brundtland,

Thank you for your letter of 27 November concerning the Centre for Our Common Future, and especially for your leadership in supporting the Centre's creation and in following up the important work of your World Commission.

We have given careful consideration to the suggestion that the Bank be associated with the Centre and my staff have been in touch with Mr. Lindner on this matter. I would indeed be delighted for the Bank to be a "Working Partner" of the Centre. I have asked Mr. Kenneth Piddington, Director of our Environment Department, to arrange to send the Centre regular updates on our activities in the environmental field. We would also be glad to make a modest contribution to the Centre in due course, and Mr. Piddington will also be in touch with Mr. Lindner shortly to make arrangements for this.

With my warmest wishes for the New Year,

Yours sincerely,

Barber Conable

Mrs. Gro Harlem Brundtland MP
Norwegian Parliament
Karljohans Gatte 22
N-0026 Oslo 1
NORWAY

cc: Mr. Lindner
Executive Director
The Centre for Our Common Future
Palais Wilson-52, rue des Paquis
CH-1201 Geneva
SWITZERLAND

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

RECEIVED

CORRESPONDENCE DATE : 89/11/27

DUE DATE : 89/12/20

LOG NUMBER : 891207008

FROM : PM Brundage

DEC 12 PM

SUBJECT : Would appreciate a consideration to support/participate re
Centre for Our Common Future as a working partner.

OFFICE ASSIGNED TO FOR ACTION : Mr. Thalwitz (D-1202)

ACTION:

APPROVED

PLEASE HANDLE

FOR YOUR INFORMATION

FOR YOUR REVIEW AND RECOMMENDATION

FOR THE FILES

PLEASE DISCUSS WITH

PLEASE PREPARE RESPONSE FOR

BBCs

SIGNATURE

AS WE DISCUSSED

RETURN TO

COMMENTS :

ad: FAS

EXPEDITE



Oslo, 27 November 1989

Dear Barber Conable,

I have seen Mr. W.H. Lindner's letter to you of 8 August 1989 inviting the World Bank to officially associate with the Centre for Our Common Future as a working partner. The Centre, as you know, functions as a central focal point for follow-up on the report of the World Commission on Environment and Development, which I was privileged to chair.

Having supported and encouraged the Centre's creation, I follow its work very closely and participate in its activities whenever possible. I am well aware of the Centre's capacity for work, its commitment to furthering the messages of the Commission's report and of its many contacts. Indeed, its performance over the past 18 months has proven that we were right in supporting its creation.

I know that the Centre has a continuing need for support and that it will make effective use of all the resources it receives. I would, therefore, appreciate your careful consideration of its request.

Yours sincerely,

Gro Harlem Brundtland

Mr. Barber Conable
President
World Bank International
1818 H Street
Washington DC 20433

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

Norway

BARBER B. CONABLE
President

May 12, 1989

Dear Madame Prime Minister:

It was a pleasure to have the opportunity to meet with you here at the World Bank, and I want to thank you for the time you spent with me and my colleagues during your recent visit to Washington. I have enclosed copies of the photographs taken during your visit.

Your personal and official support for the important work the Bank is doing on the environment and on women in development is greatly appreciated. We are always pleased to have the value of your insights on these and other issues of mutual concern. The encouragement, understanding and financial contributions of the Government of Norway are most important as we strive to achieve sustainable development in the Third World.

Warmest regards.

Sincerely,

Barber Conable

Enclosures

The Honorable
Gro Harlem Brundtland
Prime Minister of Norway
P.O. Box 8001 DEP
N-0030, Oslo 1
Norway

BT to follow

Office of the President

Norway C.F.

October 10, 1989

Senior Vice Presidents

Mr. Conable sent the attached letter to Mrs. Brundtland. He would like to make sure that a PPR or EMENA representative attends the conference/workshops mentioned. He does not plan to attend the ministerial session, but would expect that either the Senior Vice President-PPR, the Senior Vice President-EAA or Vice President-EMENA, would attend the main conference, and in particular the ministerial session. He would like to have confirmation of participants for each event as soon as possible.

Marianne Haug



Attachment

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

BARBER B. CONABLE
President

October 10, 1989

Dear Madame Prime Minister:

I was pleased to receive your invitation to the upcoming regional conference which will be held in Bergen in mid-May to follow-up on the report of the World Commission on Environment and Development.

The World Bank will be represented at the appropriate senior level at both the conference and the ministerial session, as well as the four preparatory workshops. My staff will be in contact with your office to confirm the individual attendances.

Sincerely,



The Honorable
Gro Harlem Brundtland
Prime Minister of Norway
P.O. Box 8001 DEP
N-0030, Oslo 1
Norway

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

AK/SJ
with
file

CORRESPONDENCE DATE : 89/08/22

DUE DATE : 89/09/22

LOG NUMBER : 890908014

FROM : Mrs. Brundtland

SUBJECT : World Commission on Environment & Dev. in the ECE Region, Bergen,
Norway in May 8-16, 1990. A formal invitation to attend the conf.

OFFICE ASSIGNED TO FOR ACTION : Mr. Hopper (D-1202)

ACTION:

_____ APPROVED
_____ PLEASE HANDLE
_____ FOR YOUR INFORMATION
_____ FOR YOUR REVIEW AND RECOMMENDATION
_____ FOR THE FILES
_____ PLEASE DISCUSS WITH _____
* ✓ _____ PLEASE PREPARE RESPONSE FOR BBC's SIGNATURE
_____ AS WE DISCUSSED
_____ RETURN TO _____

Conable

COMMENTS :

***IMPORTANT**

Letter to Mrs. Brundtland 10/10/89



THE PRIME MINISTER

Oslo, 22 August 1989

Dear Barber Conable,

REGIONAL CONFERENCE ON THE FOLLOW-UP TO THE REPORT OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT (WCED) IN THE ECE REGION, BERGEN, NORWAY, 8-16 MAY 1990.

As you may know, at its annual session in April 1988, the Economic Commission for Europe (ECE) welcomed the Norwegian Government's initiative to organise and host a regional conference on the follow-up to the WCED report in the ECE region. The Conference is being organised in cooperation with the ECE and in consultation with UNEP. It will be held in Bergen, from 8 to 16 May 1990.

On behalf of the Norwegian Government, I would now like to extend a formal invitation to your organization to be represented at the Conference. I would also like to invite you personally or your designated representative to attend the Ministerial session scheduled for 14 - 16 May.

Four main topics which are considered to be particularly significant to the ECE region have been selected for the Conference. Four governments have generously offered to host preparatory workshops on these topics. The schedule for the meetings is as follows:

1. "Awareness Raising and Public Participation",
United Kingdom, 24-26.09.1989

Mr. Barber B. Conable
World Bank
Washington D.C.

2. "Sustainable Industrial Activity", Poland,
21-23.11.1989
3. "Sustainable Energy Use", Federal Republic of
Germany, 11-14.12.1989
4. "The Economics of Sustainability", United States,
24-26.01.1990

Invitations to the meetings will be extended by the respective host governments. More details about the preparations for the Conference are provided in the enclosed Outline and Update notes.

The reports from the workshops and a synthesis paper prepared by the ECE Secretariat incorporating member countries' national reports, as well as reports or papers presented by international organizations, will form a basis both for reviewing the measures implemented within the region in response to the WCED report, and for identifying new initiatives to be agreed upon at the Conference.

In our view, the Bergen Conference represents a unique opportunity to promote cross-sectoral cooperation on the environment and development issues confronting our region, and discuss our responsibilities towards other parts of the world. We attach great importance to the cross-sectoral nature of the Conference and have encouraged Governments to take this into account both in their national preparations and in appointment of their national delegates to the Conference.

In conclusion, I would like to assure you that the Norwegian government will do its utmost to make the 1990 Conference a successful, productive event. The participation and contribution of your organization will be most welcome.

Yours sincerely,



Gro Harlem Brundtland

1990 Conference Secretariat



ACTION FOR A COMMON FUTURE

BERGEN • NORWAY • MAY 8 - 16 1990
1990CS/N/4
31/01/1989

OUTLINE

I PURPOSE

In April 1988, the member countries of the Economic Commission for Europe (ECE) welcomed the initiative of the Government of Norway to organise a regional conference in May 1990 with the dual purpose of

- reviewing progress in the follow-up of selected aspects of the WCED report; and
- identifying initiatives for further measures of relevance to the ECE region.

The 1990 Conference is being organised in response to the United Nations General Assembly resolution 42/187 on the WCED report, which states, inter alia, that sustainable development "should become a central guiding principle of the United Nations, Governments and private institutions, organisations and enterprises". The resolution also welcomed follow-up activities, such as national, regional and global conferences.

The challenge for the ECE region is to translate the concept of sustainable development into a plan of action in the regional context. In April 1988, ECE governments adopted the Regional Strategy for Environmental Protection and Rational Use of Natural Resources. One of the key long-term concepts of the Strategy is sustainable development. In the description of the Strategy's scope and approach it is anticipated that "the Strategy will be evaluated and adjusted as appropriate by ECE Governments taking into account global perspectives presented by the World Commission on Environment and Development and UNEP" (para.8). The 1990 Conference will provide an opportunity to make progress in this respect.

II MAIN TOPICS

The issues raised in the WCED report are manifold and complex. For the purpose of the 1990 Conference, four topics of particular relevance to the ECE region have been singled out. These fall within two separate categories (not listed in order of priority):



(1) Necessary Conditions for Sustainable Development

Chapters 3 and 12 of the WCED report outline changes needed in the economic system and structural framework within which we operate in order to make the transition to sustainable development. With this in mind, the following two topics have been identified for the 1990 Conference:

(a) "The Economics of Sustainability"

The Conference should define a response to the World Commission's call for a change in the nature of growth. To integrate environmental objectives in social and economic planning and policies, measures that need to be considered include:

- institutional changes to make government agencies accountable for the environmental impact of their policies and decisions;
- extended use of financial incentives and disincentives;
- further development and use of economic indicators that reflect environmental impact of production and consumption;
- extended use of resource accounts supplementing traditional national accounts as a planning instrument;
- extended application of the Polluter Pays Principle in a transboundary context;
- agreement on principles for sharing the costs of preventing overexploitation and environmental degradation of resources of global interest, such as tropical rain forests.

(b) "Awareness Raising and Public Participation"

The Conference should define a response to the World Commission's call for a change in human attitudes through "a vast campaign of education, debate and public participation". To this end, measures that need to be considered include:

- increased dissemination of information about environment and development issues;
- extended use of mass media, formal and informal education programmes, and other means of communication to raise awareness among the general public and decision-makers in the public and private sector;
- institutional and legal changes to ensure greater access to information about and influence on major decisions taken by Government and industry affecting health and the environment;
- strengthening of the public's right to legal remedies and redress when the environment has been or may be seriously affected;
- increased cooperation with and financial resources to non-governmental organisations.

(2) Key Policy Areas

Under the heading "Common Challenges" the WCED report focuses on six areas where policy changes are needed: Population, Food Security, Species and Ecosystems, Energy, Industry, and



During the first week, there will be working sessions on all four main topics. The purpose of these sessions will be to finalise work on the Agenda for Action on the basis of reports from preparatory meetings, the regional synthesis of national reports (see below), on reports from relevant organisations, as well as on interventions made at the Conference itself.

The Ministerial Session will include a general debate and the adoption and signature of the Declaration. Another purpose of this part of the Conference is to facilitate a dialogue and exchange of experience between Ministers with different policy responsibilities, and, as appropriate, between Ministers and the various sectors represented at the Conference.

Interpretation will be provided during both parts of the Conference in the three official languages of the ECE: English, French and Russian. All official Conference Documents will be made available in the same languages. The Conference will be conducted according to the principle of consensus.

VI FURTHER PREPARATIONS

(1) International Preparatory Committee

An International Preparatory Committee for the Conference (PREPCOM) open to all ECE countries will be established, and will comprise, wherever appropriate, representatives of national preparatory committees or representatives from the various participant groups. The principal task of the PREPCOM will be to draft the Declaration to be adopted by the Ministers. On the basis, inter alia, of reports from the meetings of experts, the regional synthesis of the national reports, and reports from various organisations, the PREPCOM will also prepare the text of the Agenda for Action to be submitted to the Conference.

The working languages of the PREPCOM will be the same as for the Conference.

PREPCOM meetings are tentatively scheduled as follows:

1. September 1989 - to review the synthesis paper of national reports, draft a preliminary Agenda for the Conference, as well as to discuss a first draft of the Ministerial Declaration.
2. Early 1990 - to continue work on the Declaration as well as prepare the text of the Agenda for Action on the basis, inter alia, of reports from the meetings of experts (see below).
3. Spring 1990 - A final meeting of the PREPCOM may be needed during April or at the beginning of the Conference in order to finalise the Conference Documents.



the Urban Challenge. With these areas in mind, the following two topics have been identified for the 1990 Conference:

(a) "Sustainable Energy Use"

The Conference should define a response to the World Commission's call for the development of "low-energy paths" based on renewable sources. To this end, measures that need to be considered include:

- formulation of strategies for limiting energy consumption;
- extended use of financial incentives and disincentives to promote a switch to renewable energy;
- development of agreed strategies for reducing emissions of causative gases, in particular CO₂, within a given timetable;
- extended cooperation with industry to develop technologies that improve energy efficiency, and the setting of targets in this respect;
- introduction of a system of calculating energy input in and energy labelling of products.

(b) "Sustainable Industrial Activity"

The Conference should define a response to the World Commission's call for increased integration of resource and environmental considerations into industrial planning and decision-making. To this end, measures that need to be considered include:

- development of procedures to ensure that the prices of inputs to industry and of products reflect their environmental costs;
- greater use of financial incentives and disincentives to encourage development and use of environmentally sound technology, and cooperation for increased dissemination of such technology;
- strengthening of legal means and institutional capacity to ensure industry's compliance with environmental laws, regulations, and standards;
- extended use of environmental labelling of products;
- agreement on environmental criteria for operations of ECE-based industries in developing countries.

Under each of the four main topics a special effort should be made by the Conference to respond to the needs identified by developing countries. In this respect, conclusions and recommendations from other regional conferences such as the African Regional Conference on Environment and Development to be organised by ECA/UNEP in Uganda in June, 1989, may be of relevance. Such response would also serve as valuable input to and stimulus for the preparations for a global conference on environment and development to be organised in 1992.

III EXPECTED OUTCOME

Two separate final documents from the Conference are foreseen:



(1) "Agenda for Action"

This should be a broad consensus document containing a wide range of recommendations for action and reflecting the views of - and be addressed to - all parties at the Conference. A first text of the Agenda for Action will be prepared by the PREPCOM (see below) and presented to the Conference for finalisation during the working sessions of the Conference (see below).

(2) Ministerial Declaration

A Ministerial Declaration taking due note of the Agenda for Action is expected to be adopted at the end of the Ministerial Session (see below). It should reflect the commitment and the political willingness of ECE governments to undertake specific action (preferably within a given time frame) at both the national and international level, in order to move towards sustainable policies in the policy areas discussed at the Conference.

IV PARTICIPATION

It is expected that national delegations to the Conference will reflect the cross-sectoral nature of the agenda, as well as of the WCED report itself. ECE governments are thus invited to include representatives from industry, labour, youth, and other non-governmental organisations in their official delegations in accordance with the spirit of the WCED report. ECE governments may wish to designate a particular Minister as "focal point" for the 1990 Conference.

For the first part of the Conference, scheduled to take place from 8 to 11 May 1990, high-level government representatives are expected to attend, as well as representatives from relevant intergovernmental and non-governmental organisations and the scientific community. A limited number of representatives from these sectors may also be invited to the Ministerial Session.

All ECE governments are invited to be represented at Ministerial level for the last part of the Conference, scheduled to take place from 14 to 16 May.

The international NGO community has been invited to select a "focal point" for the coordination of the NGOs' preparations for and participation in the Conference. A grant from the Norwegian government has helped initiate this process. The Conference Secretariat is working to encourage a similar body to assume responsibility for industry's input to and participation in the Conference.

V STRUCTURE OF THE CONFERENCE

The Conference will be organised in two parts:



(2) Expert Meetings

An important input for the 1990 Conference will be preparatory expert meetings on each of the four main topics. As a cooperative effort, four ECE governments have kindly offered to host these meetings during the fall of 1989:

<u>Host Country</u>	<u>Topic</u>	<u>Tentative Time</u>
1. United Kingdom	Awareness	SEPT
2. Poland	Industry	OCT
3. United States	Economics	NOV
4. Federal Republic of Germany	Energy	DEC

The exact dates and venue of each meeting will be confirmed in separate invitations.

The expert meetings will be planned and organised jointly by the governments concerned and the Government of Norway, and in consultation with the ECE. The meetings are expected to assemble experts drawn from all sectors represented at the Conference, and are expected to last from two to four days. The report of the meetings should reflect the "state of the art" and contain recommendations for further action.

(3) National Reports

As part of the preparations for the Conference, ECE countries are invited to produce a national report focussing on the four main topics for the Conference. The report should be based on Guidelines elaborated in cooperation with the ECE Secretariat. It should feature a review of measures already taken, as well as future-oriented proposals for further action, both at the national and regional level. It is important that the report be informative but succinct. To save time, the Guidelines have only been produced in English. However, governments are invited to submit the report in English, French or Russian.

The report should be returned to the 1990 Conference Secretariat, Ministry of Environment, P.O. Box 8013 Dep., 0030 Oslo 1, Norway with a copy addressed to the Executive Secretary of the ECE, Mr. Gerald Hinteregger. PLEASE RESPECT THE DEADLINE OF 1 JUNE 1989.

In cooperation with the ECE Secretariat a regional synthesis paper will be produced in July-August on the basis of the national reports. The synthesis will serve as an input to the meetings of experts, as well as an official Conference Document.

(4) International Reports

Several international organisations will be invited to participate at the Conference and contribute with papers/reports for consideration by the meetings of experts and by the Conference itself.



VII RELATED ACTIVITIES IN BERGEN

The Norwegian Research Council for Science and Humanities (NAVF) will organise an international meeting of scientists on the follow-up to the WCED in Bergen at the same time as the 1990 Conference. Other planned activities in Bergen during the period 8-16 May include an international youth meeting and a trade and technology fair focussing on environmentally sound technology. Other activities may be added to the list as the planning for the Conference proceeds.

1990 Conference Secretariat



ACTION FOR A COMMON FUTURE

BERGEN • NORWAY • MAY 8 - 16 1990

1990 CS/N/6
18 July 1989

UPDATE ON BERGEN 1990

Action on Resolution 42/187 of the United Nations General Assembly has led to preparations for regional conferences in the four UN economic regions. These four conferences are seen as leading up to the 1992 world conference on environment and development.

The 1990 Bergen Conference will assemble a majority of developed countries and addresses those topics from the WCED report which are felt to be particularly relevant to the Region. These being without priority:

- (a) Awareness Raising and Public Participation;
- (b) Economics of Sustainability;
- (c) Sustainable Industrial Development; and
- (d) Sustainable Energy Use.

Under each of the four main topics a special effort should be made by the Conference to respond to the needs of the developing countries.

More detailed information can be found in the Conference Outline (1990 CS/N/4) which describes the purpose, the main topics and the Conference documents: the Agenda for Action and the Ministerial Declaration. This update highlights the more recent developments for the Conference.

1. INVITATIONS

The member countries of the ECE have been invited to nominate national delegations to participate in the Conference. These may not only include government representatives but non-governmental representatives as well.

In keeping with the cross-sectoral approach of the WCED report, each member country of the ECE has been invited to select a minister, not necessarily the environment minister, to be that country's focal point for the Conference.



In addition to the national delegations, a number of relevant international organisations, both inter-governmental and non-governmental, will be invited to participate. Four non-governmental groups have been identified: industry, youth, voluntary environmental groups and science. All four have begun independent preparations for the Conference and are expected to participate in the governmental meetings. Contacts for the non-governmental groups are available in document 1990CS/N/5 from the Conference Secretariat.

Finally, invitations will be extended to the other Economic (and Social) Commissions of the UN to send observers to the Conference.

2. PREPARATIONS

Preparations for the Conference are proceeding on two fronts. The first being The International Preparatory Committee for the Conference (PREPCOM) with representatives of all invited groups and second, Expert Meetings on each of the four main topics of the Conference.

The tasks of the PREPCOM will be to draft the conference documents, these being the Agenda for Action and the Ministerial Declaration. The documents will be drawn from the reports of the Expert Meetings, the synthesis of the national and relevant international reports and from interventions at the PREPCOM meetings and during the working sessions of the Conference itself.

The task at the four Expert Meetings will be to draw up clear recommendations for action on the four topics selected for the Conference.

The schedule of meetings is as follows:

(A.) International Preparatory Committee for the Conference

Meeting # 1 September 6-8, 1989
 Bergen, Norway
 Host: Norway

Tasks to be addressed will include:

- (i) to review the synthesis paper of the National Reports which will in part form the basis for the Agenda for Action;
- (ii) to decide upon the organisational work outline for the Conference; and
- (iii) to discuss the possible elements of the Ministerial Declaration.

Meeting # 2 Mid February, 1990
 Geneva, Switzerland
 Host: ECE



The tasks to be completed at this point may include:

- (i) to prepare a first draft of the Agenda for Action drawing upon the reports resulting from the four Expert Meetings; and
- (ii) to draft the Ministerial Declaration.

If necessary, a third and final meeting of the PREPCOM may be required in late April 1990 or at the beginning of the Conference to finalise the Conference documents.

(B.) Workshops (previously called Expert Meetings)

The planning of and preparation of documents resulting from the Workshops will be the joint responsibility of the host country and the Government of Norway in consultation with the ECE. A select number of experts will be invited to participate in each meeting. The schedule of meetings is as follows:

Host Country	Topic	Date
United Kingdom	Awareness	Sept 24-26, 1989
Poland	Industry	Nov 22-24, 1989
Federal Republic of Germany	Energy	Dec 11-14, 1989
United States of America	Economics	Jan 24-26, 1990

The venue for these Workshops will be confirmed in separate invitations.

3. RELATED ACTIVITIES AT BERGEN

A number of complimentary activities will take place in Bergen at or about the same time as the 1990 Conference. Titles and dates for the events are listed below:

- (A.) "The Conference on Sustainable Development, Science and Policy"
Science Conference, May 8 - 12, 1990
- (B.) "Youth Action for a Common Future"
Conference on Environment and Development for Youth Organisations in the ECE countries, May 5 - 7, 1990
- (C.) "World Care Action 1990"
International Environment Exhibition, May 8 - 11, 1990

4. COMMUNICATIONS

With the Conference fast approaching and various meetings planned for the near future, newsletters will be distributed every two months beginning in early summer to keep all participants and interested parties informed of developments leading up to the Conference.

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

BARBER B. CONABLE
President

December 15, 1989

Dear Mr. Minister:

I have learned of your appointment as Governor for Norway on the Boards of Governors of The World Bank Group and MIGA. I realize this is incident to your responsibilities in your own Government, but I hope you will be in a position actively to participate in the affairs of the Bank Group and MIGA, as well.

The Executive Directors, Officers and Staff of The World Bank Group and MIGA believe very strongly in its development mission and in the battle against poverty. We look forward to working with you to make the Bank Group and MIGA even more effective during the coming years. Congratulations on your appointment and thank you for your willingness to take on this additional responsibility.

I look forward to meeting you in the near future, and send my best personal wishes.

Sincerely,

(Signed) Barber B. Conable

His Excellency
Arne Skauge
Minister of Finance
Ministry of Finance
P.O. Box 8008, Dep.
Akersgaten 42
0030 Oslo 1, Norway

cc: Mr. Haralz
Mr. Terasawa
Mr. Lari
Mr. Gustafson

ETS^{ts}anidad/sr

COUNTRY: NORDIC COUNTRIES DELEGATION:

Mr. Ole Loensmann Paulsen, Ambassador and
Undersecretary of State, Denmark
Mr. Erkki Liikanen, Minister of Finance, Finland
Mr. Jon Sigurdsson, Minister of Commerce and
Industry, Iceland
Mr. Gunar Berge, Minister of Finance, Norway
Mr. Kjell-Olof Feldt, Minister of Finance, Sweden
Mr. Jonas Haralz, Executive Director, Sweden

Tuesday 9/26 @ 6:00 p.m.

BACKGROUND

- Norway, Sweden and Denmark significantly above UN ODA/GNP target of 0.7%; Finland expected to reach this level in 1989.

POINTS TO BE MADE TO THE DELEGATION

ODA Performance: Acknowledge creditable performance of the Nordic countries which have among the highest ODA/GNP ratios.

Support for Bank Group: Express appreciation of strong support, particularly

- Norway has funded a sizeable part of the Environment (\$2.6 m) and Women in Development (\$1.5 m) programs in the Bank. Also seconded staff.
- Denmark hosted IDA-9 meeting in July and has made an effort to increase co-financing of Bank operations.
- Sweden and Norway supported the use of IDA reflows for debt service and the recent buyback facility.

Support for IDA-9: Express appreciation of each of their willingness to maintain at least IDA-8 shares; we welcome any contribution Nordic countries make (like Finland) to help close the 304% "unallocated gap".

Technical Assistance Grant Scheme: Welcome their interest in contributing to this. We will be happy to share information on the outcome of the first tranche.

IF DELEGATION MENTIONS...

Poverty Alleviation as IDA's Primary Mandate and its integration into all lending operations

YOU SHOULD INDICATE the status of IDA-9 negotiations and their prospects.

Debt Reduction for Middle- and Low-Income Countries, assessment of current situation and additional steps such as extending Toronto terms beyond Africa.

YOU SHOULD INDICATE that this is a sensitive issue and we believe it is not useful to make any public proposal at this stage.

- Informally do not see a marked difference between low-income Africa and countries like Bolivia and Nepal to justify differentiation.

Risks to the Bank from Involvement in the Brady Involvement and the risks to debt-distressed countries from heightened but possibly unfilled expectations.

YOU SHOULD SAY that for middle-income countries we are satisfied that incremental exposure is within manageable bounds.

- Mexico went to guidelines limit; Philippines no incremental funds.
- Regarding expectations, stress message is that sound adjustment programs, pursued over time, will be supported and countries expecting support without adequate domestic adjustment will be disappointed.

Bank Strategy for the 1990s

1989 Annual Meetings Finance Brief
THE NORDIC COUNTRIES

Mr. Conable's Meetings with the Nordic Countries
6:00 pm, Tuesday, September 26, 1989

Mr. Ole Loensmann Paulsen, Ambassador and Undersecretary of State, Denmark
Mr. Erkki Liikanen, Minister of Finance, Finland
Mr. Jon Sigurdsson, Minister of Commerce and Industry, Iceland
Mr. Gunar Berge, Minister of Finance, Norway
Mr. Kjell-Olof Feldt, Minister of Finance, Sweden
Mr. Jonas Haralz, Executive Director, Sweden

Issues you should raise:

- Acknowledge their ODA performance. ODA/GDP ratios for Norway, Sweden and Denmark are beyond the UN target of 0.7 percent. Finland intends to reach this level with the fulfillment of its 1989 budget. Its ODA increased by one third in 1988 alone.
- Your appreciation of the Nordic countries' continued strong support of the Bank Group:

Norway has funded a sizeable part of Environment and Women in Development programs in the Bank. (1)

Denmark has made an effort to increase its cofinancing of Bank operations. (2) It hosted the last IDA9 meeting in July.

Sweden and Norway have been the driving force behind efforts to reduce commercial bank debt through buy-backs. Consequently, they supported the use of IDA reflows to help IDA-only countries service their IBRD debt and the recent buy-back facility.

- Appreciation of the Nordic countries support of IDA9. Each of the Nordic countries has stated its willingness to maintain at least its IDA8 share. Finland has signalled a willingness to accept a small increase. We would very much welcome any contribution other Nordics could make to help close the "unallocated gap" of 3-4 percent, on the assumption that Japan will make a major effort.
- Their interest in contributing to the \$5-million Technical Assistance Grant Scheme initiated by the Japanese. The Norwegians want to know how it works and we have agreed to let them know the outcome of the first tranche. In August, they (and the Swedes) informally indicated to Mr. Piddington their willingness to contribute. He made it clear that demand will outstrip supply.

Issues (3) they will raise:

- They will want to discuss IDA9 and the importance they attach to IDA's prime mandate of poverty alleviation, and its integration into all lending operations. They will want to hear your views on the status of the IDA9 negotiations and their prospects, especially in light of the US stance.
- Support for the Bank Group's role in debt reduction for middle- and low-income countries. They are interested in your current assessment of the debt crisis and whether additional steps are needed such as the extension of Toronto terms to countries outside of low-income Africa. You should say that this is a sensitive issue, discussed quite extensively at the Summit and in the Paris Club. We therefore do not believe it useful for us to make any public proposals at this stage. But, personally, we do not see such a marked difference between low-income Africa and countries like Bolivia, Guyana, Nepal or Bangladesh as to justify differential treatment. Indubitably they would benefit from an extension of the Toronto terms.
- They are interested in how you perceive the risks both to the Bank from further involvement in the Brady Initiative, and the risks to the debt-distressed countries from heightened but possibly unfilled expectations. You should say that for the middle-income countries we are satisfied that the incremental exposure by the Bank is well within manageable bounds. You can note that in Mexico we went to the full limit of the guidelines; in the Philippines no incremental funds are currently proposed. As to expectations, you should stress that the message of the current developments is that sound adjustment programs, pursued over time, will be supported by the financial community at a level which permits accelerated growth and reduces the debt overhang. Countries which expect support without taking adequate domestic adjustment measures will be disappointed - but support of the level provided Mexico can only be justified on the basis of adequate self-help.
- Interest in the Bank's strategy for the 1990s. The Nordic countries would like to be given an overview of the Bank's medium- and long-term plans, and the development policies it intends to pursue.

FRMRO
September 15, 1989

- (1) Norway established trust funds for support to the Environment Department of \$2.6 million, and for WID activities for \$1.5 million. In addition Norway has seconded staff to both Departments.
- (2) Cofinancing with concessional aid from Denmark has steadily increased during the past decade. From FY80 through FY89, Denmark provided about US\$ 122.6 million to sixteen Bank-assisted projects in the form of cofinancing.
- (3) The Nordic countries have agreed themselves to raise three specific issues in their meeting with you:
 - Bank strategy for the 1990s;
 - The Bank's role in debt relief for middle- and low-income countries; and
 - IDA9.

DENMARK
Cofinancing

General Overview

In 1987, Denmark's net ODA was 0.88% of GNP ranking third among the OECD countries. While cofinancing with Denmark has been somewhat limited, an increase in FY89 is encouraging and the trend is expected to continue as the umbrella cofinancing framework agreement gains momentum.

Official

In July 1986, the Bank and IDA signed a cofinancing framework agreement with the Government of Denmark, represented by the Danish International Development Agency (DANIDA). DANIDA will commit a certain amount of funds for the cofinancing of Bank projects at the beginning of each calendar year. Cofinancing, under DANIDA's bilateral program of development cooperation, is to be done in the form of tied loans and grants. Under the agreement, DANIDA may also extend assistance through untied grants which are earmarked mainly, but not exclusively, to Denmark's main recipient countries (Bangladesh, India, Kenya and Tanzania).

Cofinancing with concessional aid from Denmark has steadily increased during the past decade. From FY80 through FY89, Denmark, through DANIDA, provided approximately US\$122.6 million to sixteen (16) Bank-assisted projects in the form of cofinancing. Danish cofinancing is concentrated in the Africa (66%), Asia (24%), and EMENA (10%) regions. The sectors of primary emphasis are population and education (23%), agriculture (21%) and industry and telecommunications (18%).

The Danish Consultant Trust Fund, signed in May 1986, has been a great success. This agreement has substantially improved our cooperation with DANIDA. As a result, Denmark replenished the trust fund with an additional Dkr7.5 million (US\$1.2 million) in December 1987, and then doubled the replenishment in March 1989, with an additional Dkr 15 million.

Denmark originally pledged US\$150 million in grant aid for the debt-distressed low-income African countries with adjustment programs for the three year period, 1988-90, at the Paris meeting in December 1987. Subsequently, at the May 1988 meeting under the Special Program of Assistance (SPA) for low-income debt-distressed countries in Sub-Saharan Africa, Denmark made a preliminary pledge of US\$27.0 million to be used for specific parallel financing arrangements. As of December 1988, Denmark has officially pledged a total of \$52 million, of which \$33 million have been disbursed.

Export Credits

Denmark's Export Credit Agency (EKR), guarantees Danish exporters against losses on claims on foreign debtors, and banks against losses on loans to Danish exporters. In addition, the Danish Export Finance Corporation finances medium- and long-term credits.

There is no record of Bank cofinancing with Danish export credits. However, as this source of cofinancing is usually firmed up only after the borrower finalizes the procurement process, this record may well be understated.

Private

Danish banks were minor participants in the Bank's B-loan program. Five (5) banks have contributed approximately US\$16.0 million to six (6) B-loans. Out of this total amount, approximately US\$1 million (6%) was in the form of concerted lending to Mexico. The largest share of Danish banks' total contribution to the B-loan program was provided by two banks, namely the Provinsbanken International Bank and the Sparekassen SDS Ltd.

Aid Strategy

Denmark has significantly surpassed the 1978 ODA target of 0.7% of GNP. Further growth in this level is expected given the Danish parliament's decision to expand aid by annual increments of 0.03% of GNP to reach the 1% of GNP target by 1992. Following a comprehensive review of the Danish aid program by Parliament in 1987, decisions were taken to widen the group of countries eligible for Danish grant assistance, to provide assistance on a limited basis to so-called "poverty pockets" in certain countries which would otherwise not be eligible for Danish aid, and to integrate environmental and human rights consideration in Danish development cooperation.

CFSVP
August 1989

DENMARK

Political, Economic and Aid Situation

The Political Scene

The three-party coalition led by the Conservative Prime Minister, Poul Schluter, is beginning to show signs of strain just twelve months after it was formed with great difficulty. Its ability to stay in office until the next scheduled general elections in May 1992 will entail some deft political manoeuvring on the Prime Minister's part. Until now the Conservatives and the Liberals have managed to share power without minor grievances over political direction spilling over into open discord on specific policies. But, with the rank and file of both parties beginning to become restive about the swing away from them to the extreme right-wing Progress Party, there are increasing doubts about whether the status quo can be maintained. Recent opinion polls have shown that the Progress Party, which campaigns on an anti-tax, anti-immigrant and anti-public-service platform would gain some six to ten seats if an election were held in the near future. This would boost its representation in parliament from its current sixteen. In the recent elections for the European Parliament, the Social Democrats, led by Svend Auken, gained one seat to hold four of the sixteen Danish seats. By contrast the Conservatives lost two of their previous four seats, making them by far the biggest losers. As elsewhere in Europe, the election was fought largely on domestic issues and the result is seen as a setback for the Prime Minister's coalition -- especially for its recent tax reform program.

The Economy

The government has recently proposed a major tax reform -- the second in less than five years. The goal is to lessen the personal and corporate tax burden over a five-year period starting in 1990. Under this plan the top rate of tax would be reduced from 68 to 52 percent. But there is strong opposition to this from the socialist bloc in parliament which would like to see the reduction spread out over a longer period. The government plans to finance these tax cuts by increases in user charges for local government services and sharp revisions in employment benefits and public sector and welfare cutbacks. The Social Democrats published their own proposals at the end of April and the rise in their opinion poll ratings would seem to have been confirmed by the results of the Euro-elections. Their plan calls for the use of collective savings through compulsory pension contributions, a reduction in corporate tax and a broadened tax base, but they want to maintain a steeper progressive income tax. A surge in Danish merchandise exports of 6.9 percent in 1988 boosted the trade surplus and helped narrow the current account deficit to \$1.8 billion -- considerably lower than earlier forecasts. But Denmark's net external debt, at about \$44 billion and representing some 130 percent of the country's annual export earnings, is proving to be an intractable problem and acts as a drag on growth prospects.

Economic Aid

Denmark continues to be one of the leading aid donors in relation to GNP among DAC countries, having attained or exceeded the 0.7 percent target for ODA as a percentage of GNP in every year since 1978 (in 1989 it was 0.89 percent). During the period 1981/82 to 1986/87, Danish ODA net disbursements have shown one of the fastest annual growth rates in real terms among DAC members -- 6.3 percent, compared with a DAC average of 2.6 percent. In spite of its serious external financial problems, the government is aiming at attaining one percent of GNP in 1992 in terms of ODA appropriations. Denmark's aid is characterized by strong support for the multilateral institutions, high concessionality, and the concentration of bilateral ODA on low-income developing countries, which receive over 90 percent of Danish aid. The Strategic Plan of Action referred to in last year's note has now been reviewed by parliament. Its main elements are: a move to an all-grant program; a reduction from 66 to 24 in the number of countries receiving Danish aid; country programming -- with country studies and sectoral strategies completed for 10 countries and two regions to date; decentralization of personnel and authority to the field; and moves towards greater flexibility in procurement.

August 1989

FINLAND
Cofinancing

General Overview

In 1987, Finland's net ODA was 0.50% of GNP, ranking sixth among the 18 OECD Development Assistance Committee (DAC) donors. Our cofinancing record is gradually improving and may continue to improve as Finland channels part of its targeted increase in ODA through the Bank by means of cofinancing.

Official

An umbrella cofinancing framework agreement was signed in October 1984 with the Government of Finland. Under this agreement, Finland is to provide financing for Bank supported development projects on a grant basis, unless otherwise agreed between Finland and the Bank.

The Government of Finland signed a consultant trust fund agreement with the Bank in October 1986. An initial amount of FIM1.0 million (US\$240,000) was committed for the trust fund to be used to defray the costs of consultants recruited from Finland for short-term operational Bank arrangements. In November 1987, Finland replenished the trust fund with an additional FIM1.0 million to be used until 1990. The trust fund agreement with Finland has been so successful, however, that Finland again replenished the fund in October 1988, with an additional FIM2.5 million.

Concessional aid from Finland during the past decade has been rather modest. In fiscal year 1989, however, cofinancing from Finland increased significantly, accounting for almost 50% of the total from Finland over the past decade. Since FY80, Finland, through the Finnish International Development Agency (FINNIDA), provided US\$70.5 million in cofinancing for fourteen (14) Bank-assisted projects. Finland's official cofinancing has increasingly concentrated in the agriculture (35%), adjustment lending (23%) and infrastructure (19%) sectors, and has been limited to the Africa (72%) and Asia (28%) regions.

Finland originally pledged US\$194 million in mostly grant aid for the debt-distressed, low-income African countries with adjustment programs for the three-year period, 1988-90, at the Paris meeting in December 1987. Subsequently, at the May 1988 meeting under the Special Program of Assistance (SPA) for low-income debt-distressed countries in Sub-Saharan Africa. Finland made a preliminary pledge of about US\$63.0 million (33%) to be used for specific joint and coordinated financing arrangements. As of December 1988, Finland has officially allocated \$28 million to recipient countries, none of which has yet been disbursed.

FINLAND

Political, Economic and Aid Situation

The Political Scene

The Finnish economic boom (GNP growth was 4.8 percent in 1988) has revealed tensions within the Socialist-Conservative coalition government. The government is now struggling with the adverse effects of the deregulation of financial markets and the phenomenal credit expansion which is fueling inflation and worsening the current account deficit. The actions taken so far to cool down the economy have failed and the government has had to concede that a tighter fiscal policy is needed. The Conservatives are committed to a tax reform that will lower the tax burden, while the Social Democrats are anxious to keep social welfare policies intact through a large public sector. An attempt at tax reform last winter failed to get the necessary two thirds majority in parliament and the government is now considering public spending cuts. This will not be easy for the Conservative Prime Minister, Harri Holkeri, who is expected to meet with strong grassroots resistance from Social Democrats. In his efforts to keep the coalition together, the prime minister has seen his party's ratings in the opinion polls fall below that of the opposition Centre Party, which has also drawn level with the Social Democrats -- the largest of the three other coalition partners.

The Economy

The economy is going through a boom period generated by strong domestic demand and favorable export markets. But, on the negative side, inflation is accelerating and the current account deficit is deteriorating. So far the government's stabilization program has not succeeded in cooling down the economy. The government has therefore decided to take more money out of corporate coffers by raising the payroll tax by 25 percent and to raise the VAT by one percent. It is hoped that these measures will effect a gradual slowdown. But domestic demand is expected to remain lively and to keep the rate of inflation above the five percent level. The government is expected to face strong pressure to curb credit expansion in 1990 in order to bring down inflation, and the finance ministry is working on a new incomes policy for next year. But the prospects are not very promising. The government itself is split on tax reform and there is rivalry between private and public sector pay claims, so the current boom in domestic demand is likely to slow down only marginally next year.

Economic Aid

Political support for development aid in Finland is strong, making it easier for the government to pursue its policy objective of reaching the target of 0.7 percent of GNP by the end of this year. However, the rapid growth in GNP may delay achievement of this until 1990 or 1991 at the latest. In 1988 ODA net disbursements increased by 26 percent in real terms and the ODA/GNP ratio rose from 0.49 percent in 1987 to 0.59 percent in 1988. Finnish aid will in the future be focused on three sectors -- agriculture and forestry; industrial and infrastructural development; and social development, including health care and education. Finland recognizes the need for structural adjustment but feels that these programs should be designed to include not only short-term corrective policy related actions, but also measures to alleviate any negative social impact and measures to secure the enhancement of the countries' development potential. Finland has also intensified its efforts towards sustainable development and conservation of the environment by increasing the number of projects with a sound development base and paying attention to the environmental aspects and sustainability in all project preparation and in the recruitment of new project staff. In 1988 net ODA disbursements totalled \$380 million, an increase (in national currency) of 44 percent over 1987. This represented 0.50 percent of GNP. There has been a steady increase of about 22 percent (in national currency) in ODA disbursements since 1981. There have been no significant differences between budgeted funds and disbursements in the last few years. In 1988 the disbursements were almost 100 percent (92 percent in 1987).

August 1989

ICELAND
Cofinancing

Iceland is not among the OECD Development Assistance Committee (DAC) donors. Iceland has not participated in any cofinancing arrangement with the Bank Group.

We understand Iceland is considering the establishment of a consultant trust fund with the Bank.

CFSVP
August 1989

ICELAND

Political, Economic and Aid Situation

Political Situation

As austerity measures began to bite, support for the governing coalition weakened earlier this year. According to the opinion polls, an immediate election would benefit the right-leaning Independence Party to the detriment of the three parties forming the coalition and of the small Regional Equality Party that helps (with its one seat) to keep the coalition in power. The environmental group, Greenpeace, has launched a campaign aimed at stopping Icelandic whaling by dissuading consumers from buying Icelandic fish. The campaign seems to be having some effect on the Iceland's canning industry where there have been 30 redundancies among the industry's 300 workforce. A large West German supermarket chain and a restaurant chain in the United States have stopped buying canned fish from Iceland. Last year Icelandic vessels caught 67 whales which, according to official sources, were for research purposes and analysis by marine biologists. But these claims were greeted with some skepticism when container loads of whalemeat from Iceland were discovered in Finnish docks en route to Japan, where the price of whalemeat is particularly high.

The Economy

There was an unexpected deficit of about \$160 million in 1988 and the new government's plans aims for a balanced budget in 1989. Personal and corporate income taxes have been raised as have the tax on petrol and other excise duties. The planned introduction of a value added tax to replace the sales tax has been deferred. The government continues to derive well over two thirds of its revenue from indirect taxes and less than one third from direct taxes -- the reverse of the situation in many OECD countries. Iceland expanded its representation to the European Community in 1988 although opinion in Iceland is still opposed to membership in the Community, primarily because of unwillingness to open up the 200 mile fishing limit fought for in the 1970s. Iceland nevertheless holds onto the hope that it will be able to gain access to the Community's markets, through its association with EFTA, without having to give up its fishing rights.

Economic Aid

Iceland is a member of the OECD although it does not belong to the DAC. It takes part in the weekly Nordic conference call in which aid matters are discussed and positions agreed upon for the Nordic position in the multilateral organizations. It now provides the ED for the World Bank but has passed on its duties as the coordinator for the Nordic Group to Denmark, which last year had that responsibility. Iceland does not have a full-fledged aid policy.

August 1989

NORWAY
Cofinancing

General Overview

In 1987, Norway's net ODA was 1.09% of GNP, the highest among the 18 OECD Development Assistance Committee (DAC) donors. Our cofinancing relationship with Norway continues to grow.

Official

In October 1986, the Kingdom of Norway signed an umbrella cofinancing framework agreement. (An earlier agreement has existed since December 1973.) Under this agreement, Norway will make available development grant funds to cofinance Bank projects. Norway is to inform the Bank at the beginning of each calendar year of the amount of funds appropriated by the Norwegian Parliament for cofinancing during that year.

A Norwegian Consultant Trust Fund has been in effect since June 1987. Norway committed Nkr7.0 million (US\$1.1 million equivalent) to defray the costs of Norwegian consultants recruited for short-term operational Bank assignments. This trust fund has a relatively unique feature in that it allows, with Norway's approval, the recruitment of non-Norwegian consultants. The Bank has made extensive use of this provision by hiring consultants from African countries. In March, 1989, Norway replenished the trust fund with an additional Nkr7.0 million.

Norway's bilateral cofinancing record has been fairly constant. During the past decade, Norway provided approximately US\$235.0 million to forty-five (45) Bank operations. Norwegian cofinancing has been concentrated in the Africa (69%), Asia (28%), and EMENA (3%) regions and in the population (28%), power (25%), agriculture (19%) and, increasingly, in the structural adjustment (9%) sectors.

Norway originally pledged US\$210.0 million in untied grant aid for the debt-distressed, low-income African countries with adjustment programs for the three-year period, 1988-90, at the Paris meeting in December 1987. Subsequently, at the May 1988 meeting under the Special Program of Assistance (SPA) for low-income debt-distressed countries in Sub-Saharan Africa, Norway made a preliminary pledge of only about US\$8.0 million to be used for specific joint financing arrangements. As of December 1988, however, Norway has officially allocated \$67 million, of which \$50 million have been disbursed.

Export Credits

The Export Council of Norway is an agency engaged in promoting the expansion of Norwegian exports. The Government agency, Garanti-Instituttet for Eksportkreditt (GIEK), provides insurance against export credit risk. In addition, medium and long-term financing is extended to Norwegian exporters by the Financing and Export Credit Insurance Institute of the Norwegian Commercial Banks, Ltd., (EF). EF lends at both OECD consensus terms and at market terms.

Norway has export credit interest in several areas. However, there is no record of World Bank cofinancing with Norwegian export credits. Since the source of export credit cofinancing is usually firmed up after the borrower finalizes the procurement by selection from among a number of suppliers, this record may well be incomplete.

Private

Four Norwegian banks participated in the Bank's B-loan program. They provided approximately US\$23.0 million, a minor share, to four (4) B-loans. Only about US\$1.0 million (4%) of this total amount was in the form of concerted lending to Mexico. The most active Norwegian bank has been the Den Norske Creditbank which contributed US\$13.0 million and US\$3.0 million, to the Hungary Industry and Petroleum and the Colombia FEN Power B-loans, respectively.

Aid Strategy

Norway's ODA as a percentage of GNP does not only rank first among the DAC members, but its growth rate has been above the DAC average during the past few years. Norwegian aid is likely to remain at these levels given the Government's stated policy to increase ODA appropriations in real terms and as a proportion of GNP. Bilateral ODA is concentrated on low-income countries with an emphasis on Sub-Saharan Africa. Priority is given to supporting poverty and alleviation activities and structural adjustment programs. Norway has also recently drawn up a comprehensive strategy for Norwegian aid in the field of environmental protection and natural resource development.

CFSVP
August 1989

NORWAY

Political, Economic and Aid Situation

The Political Scene

According to the most recent opinion polls it would appear that the ruling minority Labor Party headed by Mrs. Gro Harlem Brundtland is likely to obtain the largest number of seats in the general elections scheduled for September -- but not a majority. This is in spite of the fact that the jobless total rose to record levels in January, forcing the government to introduce new job creation and training schemes. Ironically Mrs. Brundtland's Labor Party may benefit from the recent growth in support of the extreme right wing Progress Party which is likely to take votes away from the Conservatives and other opposition groups. No other party would be inclined to form an alliance with the Progress Party in light of their anti-immigration and other reactionary policies. The Progress Party, which could increase their seats from two to as many as 25, is also opposed to foreign aid. The major themes in the current campaign are the environment and the question of Norway's membership in the European Community. Thirteen years ago a very divisive referendum was fought on the European issue and generally politicians have tended to avoid raising it. But the approach of 1992 and the single market has had echoes in Norway, as in other non-member countries -- Sweden, for example. Indeed recent polls have shown an increase in the number of Norwegians in favor of joining the Community, although with only one-third in favor, there is still some way to go before a majority is achieved.

The Economy

1988 was the third year of adjustment to lower oil prices. The austerity policies pursued by the government since the spring of 1986 have begun to affect the labor market, with unemployment being pushed up to high levels by Norwegian standards. Eighty thousand people, or four percent of the workforce (up from 1.5 percent in 1987) were unemployed by the beginning of this year. The minority government of Prime Minister Gro Harlem Brundtland has made major steps in bringing inflation and budget deficits under control. But although it hinted in March that it would give personal tax concessions to prompt a moderate national wage agreement, no publicly explicit undertakings were made in the 3.7 percent deal which was concluded at the end of that month. The agreement was itself a considerable achievement. Having recorded a decline in GDP of half a percent in 1988, growth is expected to pick up moderately in 1989 at slightly under one percent and recover to 3 percent in 1990. Slow growth in the domestic economy which will limit imports, combined with strong export growth, bolstered by a strengthening oil price will have a positive effect on the current account deficit which should fall from \$5 billion in 1988 to \$2.1 billion this year.

Aid Situation

Following a decline in 1987, Norwegian ODA resumed its upward trend in 1988, when ODA disbursements increased by 4 percent in real terms to reach almost \$1 billion. The ODA/GNP ratio rose from 1.09 percent in 1987 to 1.12 percent in 1988 and remained the highest among DAC member countries. Given the Government's stated policy of increasing ODA appropriations in real terms and as a proportion of GNP, it is likely that Norway's ODA volume will remain substantially above 1 percent of GNP in the years ahead. A triennial opinion poll on Norway's development cooperation was taken in the autumn of 1986, when the need for new fiscal austerity had become widely appreciated. The poll showed an increase of public support for aid, from 81 percent in 1983 to 85 percent in 1986. Nevertheless officials of the Norwegian Aid Ministry worry that this trend could be reversed if the public becomes influenced by the anti-aid rhetoric of the Progress Party. Norway remains a strong supporter of Bank policies and consistently advocates enlarged IDA replenishments and a strong poverty focus in IDA's operations.

August 1989

SWEDEN
Cofinancing

General Overview

In 1987, Sweden's ODA was 0.88% of the GNP, ranking third (along with Denmark) among the 18 OECD Development Assistance Committee (DAC) donors. Our cofinancing relationship with Sweden has grown steadily in recent years.

Official

As a first step in reaching some formalized cooperation with Sweden, the Bank and the Swedish Agency for International Technical and Economic Cooperation (BITS), signed in October 1986 a consultant trust fund agreement for which BITS committed US\$300,000. The trust fund has been used to defray the cost of Swedish consultants selected to go on short-term operational Bank assignments. In February 1988, the trust fund was replenished with US\$500,000. This agreement has helped to improve our overall cooperation with Sweden.

From FY80 through FY89, the Swedish International Development Authority (SIDA) provided US\$206.3 million in cofinancing to twenty-five (25) Bank-assisted operations. The regional distribution of SIDA's cofinancing has predominantly favored the Africa (85%) region, with EMENA (11%), LAC (2%) and Asia (1%) receiving the balance. Sectors of emphasis have been power (35%), industry and telecommunications (27%) and, more recently, adjustment lending (16%).

Sweden originally pledged US\$675.0 million in mostly untied grants for the debt-distressed low-income African countries with adjustment programs for the three-year period, 1988-90, at the Paris meeting in December 1987. Subsequently, at the May 1988 meeting, under the Special Program of Assistance (SPA) for low-income countries in Sub-Saharan Africa, Sweden made a preliminary pledge of only about US\$27.0 million for specific joint financing arrangements. As of December 1988, however, Sweden has officially allocated \$219 million, of which \$91 million have been disbursed.

Export Credits

EKN pursues cofinancing opportunities with the Bank and has, since FY80, provided approximately US\$154.0 million in export credit cofinancing. Since the source of export credit cofinancing is usually firmed up after the borrower finalizes the procurement by selection from among a number of suppliers, this record may well be understated.

In 1988, Sweden signed a new cofinancing framework agreement with the Bank. Under this agreement, BITS is to make available concessionary credits and combination credits on terms and conditions consistent with the rules on tied aid credits adopted by OECD's DAC. In addition, the agreement provides for cofinancing with export credits guaranteed by the Swedish Export Credit Guarantee Board (EKN).

Private

Six Swedish banks participated in seven (7) B-loans for an amount of approximately US\$17.0 million. Out of this total amount, only about US\$1.0 million (3%) took the form of concerted lending (Mexico). One Swedish bank, Svenska Handelsbanken, contributed the largest share of all Swedish banks' total participation in the B-loan program.

Aid Strategy

Sweden's ODA levels can be expected to remain high given the Government's determination to reach and maintain the 1% of GNP level. While there has been an increase in disbursement of Swedish tied concessionary credits in the past couple of years, the Swedish aid program remains characterized by an almost exclusive provision of aid in the form of grants, and a concentration on low-income countries (with a strong emphasis on Sub-Saharan Africa and South Asia). Sweden has moved from a mainly responsive acceptance of recipients' requests to a more intensive dialogue with recipients, and participates actively in international aid coordination. It supports the IMF's and World Bank's structural adjustment programs in its main partner countries, and is placing increased emphasis on environmental concerns.

CFSVP

August 1989

SWEDEN

Political, Economic and Aid Situation

Political Situation

Despite the political scandals associated with the Palme assassination investigation, Prime Minister Ingvar Carlsson led his ruling Social Democrats to victory in the September 1988 election with the loss of only three seats in the 349-seat Riksdag. The Green Party, which many observers had feared would hold the balance of power in the new parliament, entered the Riksdag for the first time with 20 seats. However, these were mainly at the expense of the non-socialist parties, the Social Democrats were able to form a minority government, as before, with the help of the Communists. The government was expected to move quickly to cool down the overheated economy, but it was April before Finance Minister Kjell-Olof Feldt managed to persuade the cabinet to agree on an austerity package which, inter alia, aimed to raise VAT to a record 25.46 percent and abolish the milk subsidy. The outcry in Parliament and from the usually loyal trade union movement was such that Feldt had to back down on some of the measures. The Conservatives called for new elections, but failed to gather the support of the other opposition parties. The result of this failed no-confidence vote was that the Social Democrats were forced to forge a new alliance closer to the middle ground. This ruled out the Communists and the Greens, and a partner was eventually found in the Centre Party.

The Economy

The centre-left political compromise resulted in a watered down austerity package in which the proposed rise in the VAT rate was replaced by a compulsory savings scheme and the milk subsidy was not removed (the Centre Party was formerly the Agrarian Party with its base among farmers) but taxes were raised on tobacco, alcohol and energy instead. Banks and industry have criticized the compromise package as being too weak to slow inflation and lacking in measures to stimulate non-inflationary growth. Real GDP fell from 2.4 percent in 1987 to 2.1 percent in 1988 and is expected to remain at the same level this year. Inflation is running at close to 7 percent and despite a healthy trade surplus resulting from a strong export market for Swedish forestry, metal and engineering products, the current account deficit is expected to grow during 1989 and 1990. Unemployment remains low at 1.5 percent of the labor force and Swedish industry is experiencing a shortage of skilled workers. Sweden's policy of neutrality prevents it from applying for membership of the European Community, but there is a broad political consensus favoring closer cooperation with Brussels. A white paper published in May spelled out possible approaches to the Community and, in addition to unilateral harmonization of certain laws and directives, an emphasis is being placed on negotiations between EFTA (of which Sweden is a founding member) and the EC.

Aid Situation

In 1988 Swedish ODA disbursements remained virtually stable in real terms to reach \$1,534 million. The ODA/GNP ratio declined slightly from 0.88 percent in 1987 to 0.87 percent in 1988 but remained one of the highest among DAC members. Sweden continues to plan appropriations of 1 percent of GNP annually for its aid programs. Swedish aid continues to be provided almost exclusively in the form of grants. It is concentrated on least-developed and other low-income countries. Its high flexibility and continuous adjustments to the changing needs of recipient countries undertaking economic reform programs is one of its outstanding features. Traditionally, Sweden has accorded high priority to rural development and the government has made it clear that environmental issues will now be given equal attention. Sweden has actively promoted various initiatives to relieve the debt of low-income countries. It participated in the Bolivia Debt Buy-back plan and Swedish officials were amongst the earliest advocates of reduction of interest on official debt of low-income countries which ultimately resulted in the Toronto Summit agreement. Similarly, Sweden advocated proposals to ease the IBRD debt service of debt distressed IDA countries.

August 1989

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

BARBER B. CONABLE
President

October 17, 1988

Dear Mrs. Brundtland:

I am writing to express the Bank's gratitude for your Government's decision to provide extra-budgetary funds to support our work on Women in Development and the Environment over the next two years. I recall your opening remarks at the Oslo conference and the decision which has now been communicated to us will enable greater flexibility in our work program and an accelerated rate of progress towards common goals. On behalf of the staff concerned and the Bank as a whole please accept my sincere thanks.

I understand that the arrangements covering these funds should be embodied in an exchange of letters between your government and the Bank in the near future. I am hoping that during one of your forthcoming visits to the United States, you might be able to include a call at the Bank. This would provide an opportunity for a short signing ceremony and also for discussion on our follow up to the Oslo conference. If you are willing to lead a discussion of the World Commission's report, I know that this would attract a great deal of interest around the Bank and you have a warm invitation to do this if your timetable permits.


I look forward to the opportunity to welcome you here in Washington. My staff will maintain contact through the Scandinavian Executive Director about the possible dates for such a visit.

Sincerely,

Barber Conable

The Honorable
Gro Harlem Brundtland
Office of the Prime Minister
P.O. Box 8001 DEP
N-0030, Oslo 1
Norway

OFFICE MEMORANDUM

Date: October 13, 1988
To: Mr. Barber B. Conable
From: V. Rajagopalan 
Ext.: 3-3419
Subject: Norwegian Support for Environmental Programs

We have now received the attached confirmation from the Norwegian authorities on the funding they are prepared to make available for the Bank's environment program over the next two years. This generous support was foreshadowed in Mrs. Brundtland's opening statement at the Oslo conference and I suggest that you send the attached letter expressing formal thanks and also inviting her to visit the Bank during one of her forthcoming visits to the US.

Attachments



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Oct 13, 1988	Document Type Memorandum			
Correspondents / Participants To : Mr. Kenneth Piddington, ENVDR From : Svein Aass, EDS20				
Subject / Title Norwegian Support to Environment Department				
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal				
Additional Comments Declassification review of this record can 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.		
		<table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date May 5, 2014</td></tr></table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Feb 6, 1990	Document Type CV / Resumé			
Correspondents / Participants				
Subject / Title Curriculum Vitae - Mr. Tom Eric Vraalsen				
Exception No(s). <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal Personal Information				
Additional Comments		<p>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.</p> <table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date May 5, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date May 31, 1989	Document Type Memorandum			
Correspondents / Participants To : Mr. Jonas H. Haralz, EDS20 From : W. A. Wapenhans, EAASV				
Subject / Title Norway - International Recruitment				
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal				
Additional Comments declassification review of this record can 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.		
		<table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date May 5, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

Norway

CORRESPONDENCE DATE : 89/05/02 DUE DATE : 00/00/00
LOG NUMBER : 890503003 FROM : Mr. Kavalsky (ES)
SUBJECT : Briefing: Luncheon meeting w/Prime Minister Gro Harlem Brundtland
Norway, on Thursday, May 4, 1989 at 1:30 pm
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
- _____ FOR YOUR INFORMATION
- _____ FOR YOUR REVIEW AND RECOMMENDATION
- _____ FOR THE FILES
- _____ PLEASE DISCUSS WITH _____
- _____ PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
- _____ AS WE DISCUSSED
- _____ RETURN TO _____

COMMENTS :cc: Mrs. Haug, JVolk

5-037
5-2-89
OFFICE MEMORANDUM

DATE: May 2, 1989

TO: Mr. Barber B. Conable, President

THROUGH: Mr. Ernest Stern, FINSV *ES*

FROM: Mr. Basil Kavalsky, Director, FRM

EXTENSION: 76931

SUBJECT: Finance Briefing for your Luncheon with Prime Minister Gro Harlem Brundtland, Norway, 1:30 pm, Thursday, May 4, 1989.

1. The Norwegians are strong, reliable supporters of the Bank and generous aid donors. Norway's 1987 ODA to GNP ratio was 1.09 percent (1.2 percent in 1986), the highest of any DAC country. You might express our recognition of Norway's consistently strong aid performance.

2. IDA9 Replenishment. The major Finance issue you should raise is the IDA9 replenishment. Although Norway's share¹ is small compared to that of the largest donors, it is substantial in relation to traditional burdensharing relationships. In IDA8, Norway played a very positive, supportive role which led the way to a consensus agreement. Currently, within the IDA9 negotiations, Norway's support has again been evident, and you should let the Prime Minister know we are counting on Norway once more to help build a consensus for a substantial replenishment.

3. The Norwegian Deputy² to the IDA negotiations has agreed that a substantial increase in IDA's resources is crucial. She has expressed the view that minimum size of the replenishment should maintain IDA8 in real terms. The Norwegian authorities approve of the operational approach IDA has taken during the IDA8 period, but have emphasized the need to make poverty alleviation the main focus of all IDA operations. Closely linked to this central concern of poverty alleviation are efforts to prevent environmental degradation and to strengthen the role of women.

4. Environment. Mrs. Brundtland has gained international recognition for leadership on environmental issues, most notably

1/ Norway contributed 1.42 percent of the IDA8 basic replenishment, up from 1.27 percent in IDA7. Cumulatively, Norway has contributed 1.24 percent of all IDA resources to date.

2/ Ms. Jorunn Maehlum, Deputy Director General of the Multilateral Department of the the Ministry of Development Cooperation, has served as Norway's IDA Deputy. We now understand that she may join the office of the Nordic Executive Director to the Bank as Alternate Executive Director.

through her chairmanship of the United Nations' World Commission on Environment and Development. A medical doctor by background, she served as Norway's Minister of Environment from 1974 to 1979.

5. While in Washington, she will deliver the Benjamin Franklin keynote speech to "National Science and Technology Week" sponsored by the major U.S. science organizations, such as the American Association for the Advancement of Science, National Science Foundation, and National Academy of Sciences. Her topic will be global warming. She will also attend the ceremony of the IEB (the International Environmental Bureau of the International Chamber of Commerce) where she, as last year's winner, will present an award to Brian Mulroney, the Canadian Prime Minister, for environmental advocacy. She is also planning to meet with U.S. Environmental Protection Agency head William Reilly. She may bring up some environmental issues during her meetings with President Bush and on Capitol Hill, where bilateral Norwegian-U.S. issues are nevertheless expected to dominate, and in her speech to the National Press Club.

6. Norwegian Trust Funds. Norway has been active in funding the Bank's Environment Department work program through the Norwegian Trust Fund for the Environment. The Women in Development unit has received similar support. Recently, there has been some indication that the Norwegian authorities expect the Bank to match this funding more actively, as the Bank's activities in these areas bring it positive recognition in many shareholder countries.

7. Other Current Issues. Despite Mrs. Brundtland's activism on the environment, we understand that during your meeting, she would like to explore other current development issues, particularly the latest thinking within the Bank on debt strategy, the Brady Plan and adjustment lending.

8. At the April Development Committee Meetings, the Norwegian Finance Minister, Gunnar Berge, made the statement on behalf of the Nordic Group and touched upon these subjects.

Adjustment. He reaffirmed support for adjustment, but pointed out that performance has been mixed. The main issue is how the design and implementation of adjustment programs can be improved. He identified three general concerns:

- that programs be realistic and not involve reforms in too many areas at once, which overstrain the country's administrative capacities;
- that sustainability of adjustment be ensured through measures to minimize short-term negative social consequences on the poor, especially women;

- environmental considerations should be taken fully into account.

Debt Strategy. He urged continued, long-term efforts on behalf of the low-income countries, especially in sub-Saharan Africa. He called for more donor cofinancing of the supplemental IDA credits from IDA reflows to ease IBRD debt service. (Norway has provided such cofinancing.)

Brady Plan. His guarded endorsement called it an initiative which deserves "careful consideration as well as further clarification." The voluntary, market-based, case-by-case approach of the previous strategy should be continued, and adjustment should still be the basis. The Bank should particularly consider using its resources for debt reduction in the smaller countries, where it would have the greatest impact. The Bank's role should be circumscribed by the need to maintain its financial standing and to avoid transferring private risk to public institutions.

9. GCI Subscriptions. Norway subscribed the first tranche of its GCI share promptly in early August 1988 and has indicated that the remaining shares will be subscribed within two years.

10. Bank Staffing Issues. It is possible that Mrs. Brundtland will raise the question of why there are no Norwegians at the Director level or above (there is a Norwegian division chief). Overall, the Norwegian staffing position in the Bank and IFC is not considered by Personnel as relatively bad; Norway has about 0.5 percent of total Bank/IFC staff, compared to IBRD share allocations of 0.7 percent. Norway has been included in the European recruitment campaign undertaken during the past year.

cleared with and cc: Mary Oakes Smith

cc: Messrs. Wood, Yurukoglu
Ms. Mashayekhi

JKirby-Zaki

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

Norway

CORRESPONDENCE DATE : 89/05/01 DUE DATE : 00/00/00
LOG NUMBER : 890501002 FROM : Mr. Rajagopalan
SUBJECT : Visit of Prime Minister Brundtland - May 1, 1989 at 4:30 pm.

OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:


_____ APPROVED
_____ PLEASE HANDLE
_____ FOR YOUR INFORMATION
_____ FOR YOUR REVIEW AND RECOMMENDATION
_____ FOR THE FILES
_____ PLEASE DISCUSS WITH _____
_____ PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
_____ AS WE DISCUSSED
_____ RETURN TO _____

COMMENTS :cc: Mrs. Haug, JVolks

OFFICE MEMORANDUM

DATE: April 28, 1989

TO: Mr. B.B. Conable

FROM: V. Rajagopalan 

EXTENSION: 33419

SUBJECT: Visit of Prime Minister Brundtland

1. In preparation for your forthcoming meeting with Mrs. Brundtland, you may be interested in seeing the attached documents, namely:

(a) a summary of the Report of the World Commission on Environment and Development, "Our Common Future" (the Brundtland Report); and

(b) a brief biographical sketch of Mrs. Brundtland.

2. A copy of the Development Committee Paper on implementation of the Bank's environmental policy is also attached.

Attachments

cc: Messrs. Qureshi (OPN), Stern (FIN), Hopper (PPR), Fischer (DEC), Piddington (ENV)

BY MICHAEL BRADY

Gro Harlem Brundtland

SCANDINAVIAN OF THE YEAR

Gro Harlem Brundtland has been named Scandinavian of the Year for her work as head of the World Commission on Environment and Development.

“Congratulations,” the diplomat said, pumping her hand. She smiled. “I mean,” he continued, “on being the Nordic countries’ first lady Prime Minister.”

That was a stopper. She had yet to think of it that way. Besides, was she really “first?” Eight months earlier, in mid-1980, Vigdis Finnbogadóttir had been elected President of Iceland.

But even if correct, the “first” label was far from the whole story. As a Scandinavian politician, Mrs. Brundtland had followed well trodden paths on her route to public life. But as a member of the Norwegian Labor Party her political career had bordered on the iconoclastic. She was a champion of women’s rights—but not a product of Labor Party feminist activities. She also lacked the working-class background so prized by labor politicians in the social democracies. Her provenance was rather the second-generation Labor Party intelligentsia, heirs to that tradition forged by the academicians who had served in the Einar Gerhardsen government to help rebuild the country after World War II.

She was, in short, the right person at the right time, a proponent

of change in a changing country. The party decision that catapulted her to Prime Minister was almost instinctive: The momentous meeting of Labor elders that appointed her lasted just 24 minutes.

Her first government lasted a little over 7 months, until the October 1981 elections gave a three-party non-socialist coalition the majority in the *Storting*. But by then, Gro (pronounced “Groo”) had become a household word, encapsulating a point of view in a name the Norwegian dailies had found convenient for headlines. Not that they had much choice. The American penchant for initials, such as JFK for President Kennedy, strikes a jarring note in Norwegian. For the new P.M., the Danish custom of a first name and last initial, like *Anker J.* was out: *Gro HB* was near risqué (HB is Norwegian slang for home-brewed liquor!). The contrivance stuck, and spread: Kåre Willoch, the Conservative leader who succeeded her as P.M., became just *Kåre* in many headlines. In the years that followed, *Kåre* and *Gro* became buzzwords signifying political debate, whether or not the Prime Minister or leader of the opposition were directly involved. After his government fell and they



Eva Rudlinge



Einar Aaserud/Scan Photo

Gro Harlem Brundtland takes time out to exchange opinions with hardhats, top, and to relax with some windsurfing, above.

switched roles in May 1986, the custom continued; only the order of first names changed. In mid-1988, when she enjoined her chief party deputy, Einar Førde, to withdraw his resignation, headlines proclaimed *Gro Asks Einar: "Stay!"* "Gro" had, inadvertently, made politics and politicians more accessible.

The country's first first-name P.M. was also its youngest ever, just 42 when first appointed. Yet she came to the post equipped with lifelong political savvy. Born the first of Inga and Gudmund Harlem's four children, Gro was just seven when she joined *Sentrum Framlag*, an informal children's group led by Werna Gerhardsen, wife of then-Prime Minister Einar Gerhardsen. It's tempting to compare the adult Gro Harlem Brundtland with her father: also a doctor with a penchant for research, also a politician, twice a Minister (of Social Affairs 1955-61, and of Defense 1961-65) in the Gerhardsen government. But Mrs. Brundtland likens herself more to her mother, and on that she and her father agree. In the Harlem household there was no need to argue women's rights.

In retrospect, then, heredity and environment both formed the foundations of her future. As a child, she had stage fright. When they had to sing at a Labor Party Christmas party, she and a girlfriend practiced assiduously only to collapse in fits of giggles when they went on stage to perform. She proclaimed her Labor Party involvement at an early age, with her parents' approval. Before finishing

secondary school, she announced her intention to study medicine. Her father, of course, approved of that decision too, but her mother was skeptical, if only because Gro had also said she wanted to have several children. In 1960, she married Arne Olav Brundtland, a staunch Conservative. *That* took some explaining. But it was also typical of her bold style. Up to then, similar beliefs had been considered a prerequisite for marriages of the politically involved.

By 1963, at the age of 25, the future P.M. had finished medical school and had borne her first child. Politics had, of course, been her main extracurricular activity. In 1959, she had been the only woman in a group of a dozen dissidents who broke with the Socialist Student Organization to form the Labor Party Student Organization. In Norway, as elsewhere in Scandinavia, student politics is the grooming ground for the political arena. Gro had taken her first major step. The die was cast.

She continued her studies at Harvard University, earning a master's degree in public health in 1965, and returned to Norway in order to serve as a medical officer in the Health Directorate. There she started a program of statistical analysis of birth defects and devised improved registration methods. In 1969, she was appointed medical director of the Oslo Board of Health, a position that reinforced her growing conviction that the etiologies of many illnesses include social factors not covered in traditional medical texts and references. She became a doctor more



concerned with patients than with their symptoms, and a ready spokeswoman for Labor Party views on medical and social questions.

In September 1974, Prime Minister Trygve Bratteli summoned her to his office. She assumed that a routine review of social matters was on the agenda and she arrived prepared. It was unnecessary. The P.M. was brief: "No use beating around the bush. I want to ask you to join my government as Minister of the Environment."

"I have to think it over," she replied.

"Yes—but no longer than the rest of the day."

Thoughts swirled. A doctoral dissertation lay unfinished; six months' leave of absence to complete it were outstanding. But if medical maladies often had social roots, could not prudent politics then be considered preventive medicine for social ills? By the end of the day she had accepted. She was just 35.

The post in the relatively new ministry took her far afield, as a growing awareness of transboundary pollution thrust environmental issues into the international political arena. Her involvement also provided her with the experience that was to culminate in her appointment as Chairman of the World Commission of Environment and Development a decade later (see box). And it made her the darling of the media. The loquacious minister who could listen; the formidable lady who could command, the politician from the "right side" of Bygdøy (her birth-

place) who was versed in life on the "wrong side" both at home and abroad... there was always a story there. She thrived in the ministry, keeping her post there through two governments. Nothing short of an election could remove her from it. That happened in 1979, and she took the seat in the *Storting* to which she had been elected in 1977.

Like her former Conservative opponent, Kåre Willoch, Mrs. Brundtland has a brilliant command of the language that enables her to reduce complex issues to terms meaningful to the public. But unlike Willoch, she can turn on a fervent appeal, as the country first learned in early 1977, when she was still Minister of the Environment. That April, the young oil nation had suffered its first major offshore accident. A blowout on the Bravo platform in the Ekofisk field in the North Sea released some 15,000 tons of oil that endangered the Norwegian coast.

The Minister rose to the occasion, working round the clock to avert what she saw as impending disaster. Red Adair grappled with the well and left when the blowout died out of its own accord, but for Mrs. Brundtland the implications were long lasting. So vociferously did she propound her views that critics labeled her "the loudmouth from Bygdøy." She shrugged off the insult as "simple name calling by opponents who have been outmaneuvered." But the media pounced on it gleefully. Such epithets take on lives of their own: *Kjefiesmelle fra Bygdøy* has stuck to this day.



Prime Minister Brundtland welcomes Prime Minister Thatcher to Norway for a state visit, top, and makes dinner-table conversation with the Soviet Union's Nikolai Ryzhkov.



BLOTT, ASKESUD, SNAPE, FODD

A Voice of the North

In the long term, North Sea oil and gas reserves will be depleted. How will the Norwegian economy then survive?

We are talking about 100 years in the future, but the problem of securing a strong mainland economy is here today. We must be aware of the need to increase productivity and we must invest in research, technology and industrial cooperation in order to reorganize and restructure for high competitiveness in our non-oil-related industries.

Does the world listen when Norway talks?

My experience is that all the Nordic countries have a stronger voice internationally than would be commensurate with the size of their populations. We should be aware of the responsibility that this role carries with it.

In the Information Age, can Norwegian culture survive in Scandinavia, in the world?

This is a challenge to all Scandinavians. We wish to be open to the world around us, but we also have strong feelings about our own cultural identity and background.

What is the outlook for Norway joining the EEC by 1992?

We have defined our national strategy for the coming four years as one of adjusting to the internal market, and not one of raising the question of membership.

Worldwide, women are professionally and financially underprivileged. Do you see the situation improving in the near future?

I'm afraid that the important process

of improving women's lot in society still will take a long time, although there has been considerable positive change in many parts of the world in the past few years.

Entrenched custom in the professions dictates less respect for women than for men. When women perform tasks, work is often degraded. Will this change?

This kind of problem shows that we still have a way to go. But changes are indeed taking place.

The World Commission on Environment and Development, which you have headed since 1983, published its landmark report last year. The report clearly identified issues critical to continued life on this planet and called for environmental awareness to prevent disaster. Do you see the principles involved taking hold, being given priority over shorter-term interests, such as private sector profits, local concern about jobs and vested national interests?

What I see is an increased awareness and a change in public opinion which will influence developments in years to come, but a lot of work will still be needed to secure the necessary changes.

Norway has had many Labor Party prime ministers, but you are the first without the working-class background so treasured in social democracies. Does this signal the fact that ideology has replaced social class as the demarcation between the political parties in Norway, or in most de-

veloped countries?

It is a historical fact that our Labor movement was based on industrial workers, farmers and fishermen, and gradually the percentages of working people from these three sectors have diminished over the decades. Ideology has always been a strong force in the Labor movement. Now it's more independent of specific background. Earlier generations had no chances to get a higher education; it has gradually been made available to all people.

As the mother of four, do you sometimes feel that your family life suffers, since your position is both demanding and time consuming?

Yes. How could it be otherwise? I was optimistic and ambitious when I was 20, and decided that I wanted to have a lot of children and still work. I was convinced it would be possible for me and my husband to find solutions to the difficulties involved. It never occurred to me to choose a career over a family. I have never regretted my choice.

You are often bullied by the [Norwegian] media, but always handle it well. How do you do it?

To the extent that it has been so, I have been very deliberate in thinking that this is an historical process that I am going through, one which involves changes in cultural roles and patterns between men and women in society. In the future this kind of problem will have been overcome. I see it as my duty and my role to disregard such attacks—and to continue working with issues—if and when this sort of aspect enters into the picture.



As Prime Minister, Mrs. Brundtland has chagrined old-line diplomats by criticizing both friend and foe. When Margaret Thatcher paid her first state visit to Norway in September 1986, the thorny question of transboundary pollution in the form of acid rain was on the docket. Environmental activists misread Thatcher's visit as a sign of weakness on the part of the Norwegian government and staged demonstrations that got out of hand just as the two Prime Ministers were to dine at a state reception in the Akershus fortress in Oslo. The police used tear gas to disperse the rioters, a move that filled tabloid pages for days thereafter. What the kids outside didn't know was that hard words had been exchanged, that the "Iron Lady" from Great Britain had met her match, that the dialogue so vital to solving the problems at hand was well established.

To her subordinates, Mrs. Brundtland represents the ideal modern manager: hard-working, demanding, ready to delegate responsibility, yet always in control, with a full overview. Governments are a bit like symphony orchestras. The Prime Minister wields the baton, but depends on the skill of the various sections to produce a harmonious whole. In the Brundtland orchestra, the recurring theme is efficiency: Cabinet ministers dare not meet her unprepared, and the "Conductor" always knows the score inside and out. However, there is the occasional sour note: the P.M. often has greater difficulty keeping her Labor Party colleagues in line than in winning

Storting approval of government proposals. Such disruptions are usually minor, but one earlier this year grew into the greatest setback of her political career.

After decades of study, deliberation and debate, the *Storting* voted on the location of a new gateway airport for Norway, to be located near Oslo. Three alternatives were up for consideration: a combination of Fornebu, the existing airport close to the city center, with Gardemoen, a larger civilian-military field 55 km north of the city, used for charter traffic and jets too large for Fornebu's runways; an expansion of Gardemoen alone; and a completely new airport at Hurum, a woodland location south of the city. The Government opted for Gardemoen alone as the least expensive, most rapidly implemented, and environmentally most prudent alternative. Some opposition parliamentarians agreed, and the outcome seemed evident; but when the vote came up, 14 Laborites sided with the opposition, tipping the balance in favor of Hurum.

For the private Mrs. Brundtland, life is less hectic, but she remains physically active. While Minister of the Environment, she was off call twice a week, working out Tuesdays and Thursdays at an exercise institute across the street from Bislet Stadium—the arena, as it happens, which holds the world record for number of world records set in track and field events. For relaxation, she prefers the solitude of a mountain cabin, skiing winters and hiking summers. All very Norwegian. But like the trips to the



Ingar Johansen/Scan Foto

Mrs. Brundtland the internationalist: on a state visit to India, opposite page; with Robert Mugabe of Zimbabwe, top; and at a conference in Brussels, above.



The Scandinavian of the Year jury members, sitting from left to right: Hasse Olsson of *Dagens Industri*, Peter Dall of *B.T.*, Jan Cortzen of *Børsen*, Fritjof M. Åldstedt of *Adresseavisen*, Pär-Arne Jigenius of *Göteborgs-Tidningen*, Einar Eriksen of *Bergens Tidende*, Per Brunvand of *Arbeiderbladet*; standing: Asger Nørgaard Larsen of *Jyllands-Posten* and Karl Beijbom of *Scanorama*. (Absent from the photo-session was Lars Engqvist of *Arbetet*.)

Harlem cabin of her childhood, stays at the Brundtland hideaway may well include discussion and debate.

Eight of the 18 seats in her cabinet are filled by women, including herself, and women dominate in other national leadership posts as well, including education and public sector services. That situation has already inspired one study to suggest that Norway may be evolving into Europe's first state matriarchy.

Perhaps. But as Mrs. Brundtland sees it, tenacity, not gender, is the key characteristic of tomorrow's leaders. If women persevere they will get the jobs. Her own record corroborates the accuracy of that assessment: for every post to which she has been appointed, all the selectors and all her competitors have been men.

Significantly, when King Olav V held the inaugural Cabinet meeting to officially appoint her and her first government in 1981, he lauded her promotion from "Minister at the table" to Prime Minister. But: "the King didn't mention the word woman," she told reporters afterward. A few steps away she was stopped again, by a group of *Sami*, or Lapp women in native costumes. Each murmured congratulations, and each gave her a red rose, a feminine symbol as well as a symbol of Labor. Gro wiped away a public tear, not for the first time, and not for the last. ■

Mr. Brady is a freelance journalist living in Oslo.

Read and Heed

During the exactly 900 days between the first meeting of the United Nations World Commission on Environment and Development and the publication of its report in March 1987, drought and famine in Africa killed about a million people; a leak from a pesticides factory in Bhopal, India, killed more than 2,000 and a liquid gas explosion in Mexico City another 1,000; the Soviet nuclear power station at Chernobyl exploded; a warehouse fire in Switzerland polluted the Rhine almost beyond recovery, in this generation at least; and about 60 million people, most of them children, died of diarrheal diseases related to polluted drinking water and malnutrition.

It might seem a tragic coincidence that all these disasters should occur while the new commission was toiling furiously to diagnose the underlying ills of which they were symptoms. But the real tragedy was that such had always been the way of the world, and virtually any similar period would have yielded a comparable catalog of suffering and devastation.

Chaired by Gro Harlem Brundtland, the 21-member Commission was backed by consultants in the hundreds. Their expertise was truly global, and their credentials read like the assembled curricula of all the world's universities. Hearings were held on five continents, and the conclusions were unanimous. The Commission report, *Our Common Future* (Oxford and New York, Oxford Paperbacks, ISBN 0-19-282080-x), is disquieting but compelling reading.

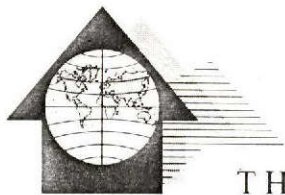
The bad news is that we who inhabit this Earth are faced with increasing numbers of disasters and

accelerating destructive trends that threaten to wipe us out. The weight of evidence is overwhelming. The good news is that we now have enough knowledge to do something about the situation. We have tackled a few specific problems that once appeared insurmountable—infant mortality, for example, is now lower and literacy higher than ever—so why not take on the larger underlying issues?

As the chairman pointed out in her Foreword to the report, the main obstacles are psychological. We must decide to do something about our plight, and act accordingly. Environmental ministries and departments are relatively new, and in some political circles they are seen as unimportant. Development is a concept that most people associate with "developing" countries, or (if you happen to live in a developed country) with the "have-nots" struggling to become "haves." This mental pigeonholing is as hazardous as many of the destructive forces the report details. Environment, by definition, concerns us all. Development is something we all do. The two are interlocked. We must sustain them both. In a single phrase summarizing the report's 400 information-packed pages, our collective goal is "sustainable development."

The report offers no blueprint solutions, but neither is it a forecast of doom. It's a serving of notice. As such, it belongs in schoolrooms throughout the world, for the coming generation is the one with the most to lose. And today's decision-makers should have it—not to gather dust on departmental library shelves, but to read and to heed. The time to act is now.

Reprinted from SCANORAMA
December 1988 – January 1989
Vol. 18, No. 12/Vol. 19, No. 1



THE CENTRE FOR OUR COMMON FUTURE

Palais Wilson
52, rue des Pâquis
CH-1201 Geneva
Switzerland
Tel. (022) 32 71 17
Telex 27910 ch
Fax (022) 34 07 97

April 4, 1988

Dear Madam Prime Minister:

Thank you for your letter of February 23, regrettably only recently received, inviting me to attend a Special Conference in Oslo on July 9 and 10 to discuss follow-up to the Report of the World Commission on Environment and Development. While I regret that due to scheduling problems I will not be able to join you, I have asked Mr. W. David Hopper, Senior Vice President, Policy, Planning and Research, to represent me at these important discussions.

We look forward to receiving in due course further information and the background papers for the Conference. In the meantime, we anticipate a useful discussion of the Bank's environmental program and key elements of your report at the April 15 Development Committee meeting.

Sincerely,

(Signed) Barber B. Conable

Her Excellency
Mrs. Gro Harlem Brundtland
Prime Minister of Norway
Oslo, Norway

cc: Mr. Stanton (EXC)
Mr. Hopper (SVPPR)
Mr. Shakow (SPDR)

MMcDonald/AShakov

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

200
AH

CORRESPONDANCE DATE : 88/02/23 DUE DATE : 88/04/04
LOG NUMBER : 880324027 FROM : Gro Brundtland
SUBJECT : Inv. BBC to attend Special Conf. in Oslo from July 9-10 from the
Prime Minister of Norway.
OFFICE ASSIGNED TO FOR ACTION : Mr. Hopper (D-1202)

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
- _____ FOR YOUR INFORMATION
- _____ FOR YOUR REVIEW AND RECOMMENDATION
- _____ FOR THE FILES
- PLEASE DISCUSS WITH _____
- _____ PLEASE PREPARE RESPONSE FOR BBC's SIGNATURE (o/r)
- _____ AS WE DISCUSSED
- _____ RETURN TO _____

COMMENTS : Note: This request was made to EXC by phone a few months ago,
at which time we indicated that BBC would not attend. It
should be determined if an alternate can attend.
This letter was received in EXC only on Monday, March 21st.

URGENT



THE PRIME MINISTER

Oslo, 23 February 1988

Dear Mr. Conable,

The World Commission on Environment and Development presented its report last year to the Governing Council of UNEP and to the General Assembly of the United Nations. Since it was my privilege to serve as the Chairman of the Commission, I have been particularly pleased by the fact that the General Assembly, following its first consideration of the report, adopted a consensus resolution (A/42/187) which was very positive and which outlines a responsible follow-up procedure.

To facilitate the initial phase of this work and to stimulate discussions within the UN system, the Norwegian Government has decided to invite the Heads of many of the organs and agencies in the UN system to a Special Conference in Oslo this summer.

This initiative has been discussed with the Secretary General of the United Nations and with the Executive Director of UNEP and enjoys their full support. We are pleased that they both have decided to come to the conference.

We have envisaged a largely informal setting during the week-end 9 - 10 July to enable participants at the ACC meeting in Geneva to continue on to Oslo, arriving on the evening of 8 July. The venue we have chosen will be a comfortable hotel outside and overlooking Oslo. I intend to open the conference and spend the week-end there.

Mr. Barber B. Conable, Jr.
World Bank
Washington, D.C.

Please be assured that the Norwegian Government will do everything it can to make your stay in Norway a pleasant one.

You will receive further information about the conference through the Norwegian Ambassador in due time, including background papers produced at UN Headquarters in New York.

In concluding I would like to underline the importance we attach to your participation at this conference.

Yours sincerely,

A handwritten signature in cursive script, reading "Gro H. Brundtland". The signature is written in dark ink and is positioned above the printed name.

Gro Harlem Brundtland

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

3/6

2:30

(see ES's
note)

CORRESPONDENCE DATE : 89/03/02 DUE DATE : 00/00/00
LOG NUMBER : 890303004 FROM : Kavalsky (ES)
SUBJECT : BRIEFING: Meeting with Kjeld Vibe, Ambassador of Norway to the US
on Monday, March 6, 1989 at 2:30 pm.
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

CP

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
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- _____ FOR THE FILES
- _____ PLEASE DISCUSS WITH _____
- _____ PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
- _____ AS WE DISCUSSED
- _____ RETURN TO _____

COMMENTS :cc: Mrs. Haug, JV (follow file)

3-047
3-2-89

OFFICE MEMORANDUM

DATE: March 2, 1989

TO: Mr. Barber B. Conable, President

THROUGH: Mr. Ernest Stern, FINSV *ES*

FROM: Mr. Basil Kavalsky, Director, FRM

EXTENSION: 76931

SUBJECT: Your Meeting with Kjeld Vibe, Ambassador of Norway to the United States, 2:30 pm, Monday, March 6, 1989

P.S. There also is an issue with Norway about not granting us either swap or investment permission, after we borrowed Krouer. The Minister of Finance has twice reneged on a promise to resolve the problem. I will raise it if time permits.
ES

1. Ambassador Vibe has recently assumed his posting in Washington, and a major purpose of his visit is to meet with you in his new capacity. Since the Nordic Executive Director generally focuses on common Nordic group policies towards Bank issues, the five member-country embassies cover the narrower bilateral issues, such as procurement and personnel. Therefore, we expect Ambassador Vibe to raise four issues with you: 1) Prime Minister Brundtland's visit to the Bank in May; 2) Norway's funding of Environment and Women in Development programs in the Bank; 3) Norwegian staff at the Bank; and 4) Norway's procurement performance. We do not yet have any details on the Prime Minister's visit. The latter three subjects are discussed below.

2. Norway's Funding of Environment and WID. We understand that this issue is of concern to the Nordics as a whole and was discussed in a recent Nordic Group meeting. Through the Norwegian Trust Fund for the Environment, Nkr 17 million (\$2.55 million) has been made available to the Bank for funding environmental programs. Additional support has come from the funding of secondments and of consultants through Norway's Consultant Trust Fund. Strong support has also been given to WID, where Nkr 9.95 million (\$1.5 million) was contributed for the work program. The Nordic countries believe that the Bank should fund a higher share of these programs and feel that they are letting the Bank off the hook on this issue. Mr. Haralz's statement at the January 31st Board Meeting discussion of the upcoming year's budget emphasized this point; see Attachment 1 for an excerpt from his statement.

3. Norwegian Staffing in the Bank. The Norwegian personnel situation is related to the aforementioned concerns. The Norwegians find their current 0.3 percent share (representing 12 Norwegians) of regular, higher-level staff too low overall, and also low compared to the ratio for Sweden, Denmark, and Iceland. Norway holds 0.7 percent of IBRD allocations. As part of the European Recruitment program this year, the Bank is making an effort to recruit more Norwegians, and a recruitment mission to Norway took place last November. However, the Norwegians have been particularly concerned about the staffing of the Environment Department. Here, they feel that they have actively presented Norwegian candidates for the Environment Department to the Bank, and yet not one regular member of that departmental staff is

from Norway.¹ There is one Norwegian in the Environment Department, but on secondment. Eight Norwegians are currently seconded to the Bank, with salaries paid by Norway, which represents about one third of all of the Norwegians in the Bank. Another of these seconded Norwegians is a highly valued staff member of the WID unit, although staffing in the case of WID has not been of concern to the Norwegians.

4. Procurement. In the case of procurement, Norway's share has fluctuated in recent years, generally at a level significantly lower than its IBRD shareholding. On a cumulative basis, through June 30, 1988, Norway has received 0.3 percent of procurement for IBRD and 0.2 percent of IDA.

	FY85		FY86		FY87		FY88	
	<u>\$Mil</u>	<u>%Share</u>	<u>\$Mil</u>	<u>%Share</u>	<u>\$Mil</u>	<u>%Share</u>	<u>\$Mil</u>	<u>%Share</u>
<u>IBRD</u>	7	0.2	14	0.3	7	0.1	14	0.2
<u>IDA</u>	4	0.3	13	0.6	5	0.2	3	0.1

Attachments

Cleared with and cc: Mrs. Smith

cc: Messrs. Wood and Yurukoglu
Ms. Mashayekhi

JKirby-Zaki

1/ At the time of the Reorganization, the Norwegians presented to the Bank about 100 resumes of candidates for positions in what was then expected to be a greatly expanded Environment Department. A panel of Division Chiefs reviewed all of the resumes, finding only a few likely candidates for the positions actually available. Thus, no special mission was sent to Norway at the time. Ultimately, none of these Norwegians were hired in the Environment Department.



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828
Document Date Jan 31, 1989	Document Type Board Record	
Correspondents / Participants		
Subject / Title Excerpt from Mr. Haralz's statement in the January 31, 1989 Board Discussion of the FY89 Budget		
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict		
Reason for Removal Board record		
Additional Comments Declassification review of this record can 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 Chandra Kumar		Date May 5, 2014



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence	Barcode No. 1779828
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Document Date Feb 28, 1989	Document Type CV / Resumé
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Correspondents / Participants

Subject / Title
Curriculum Vitae - Kjeld Vibe - Ambassador of Norway to the United States of America

Exception No(s).

1 2 3 4 5 6 7 8 9 10 A-C 10 D Prerogative to Restrict

Reason for Removal
Personal Information

Additional Comments

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Withdrawn by Chandra Kumar	Date May 5, 2014
--------------------------------------	----------------------------

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

Files
Norway

BARBER B. CONABLE
President

March 10, 1989

Messrs. Hopper, Qureshi, Stern & Wapenhans

I believe we should be responsive to Mr. Haralz
to the extent possible.

Barber Conable

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDENCE DATE : 89/03/06 DUE DATE : 00/00/00
LOG NUMBER : 890306017 FROM : Mr. Haralz
SUBJECT : Subjects touched during the meeting with the Norwegian Ambassador
Vibe's on March 6, 1989.
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

APPROVED

PLEASE HANDLE

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FOR YOUR REVIEW AND RECOMMENDATION

FOR THE FILES

PLEASE DISCUSS WITH _____

PLEASE PREPARE RESPONSE FOR _____ SIGNATURE

AS WE DISCUSSED

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COMMENTS :



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Mar 6, 1989	Document Type Memorandum			
Correspondents / Participants To : Mr. Barber B. Conable, President From : Jonas H. Haralz, EDS20				
Subject / Title Your Meeting with the Norwegian Ambassador - March 6, 1989				
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal				
Additional Comments Declassification review of this record can be initiated upon request		<p>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.</p> <table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date May 5, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			

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

BARBER B. CONABLE
President

December 2, 1988

Dear Ms. Groendahl:

I was most pleased to receive your recent telex indicating the Norwegian Government's appreciation of the World Bank's Special Program of Assistance for Africa and of the Board's decision to allocate a portion of IDA reflows to IDA-only countries with outstanding IBRD debt. Both initiatives have benefitted from the advice and support of the Government of Norway and we owe you a very special debt of gratitude for your pioneering efforts to highlight the issue of the IDA-only countries with IBRD debt.

I thank you also for the continuing concrete support of both initiatives reflected in your government's decision to cofinance SPA adjustment credits to Uganda and Madagascar and to supplement the annual allocations of reflows with a grant to help alleviate Bangladesh's IBRD debt service burden. My staff are working to ensure disbursement by the end of the year.

Sincerely,

(Signed) Barber B. Conable

Ms. Kirsti Kolle Groendahl
Minister of Development Cooperation
Ministry of Development Cooperation
Victoria Terrasse 7
0033 Oslo 1, Norway

cc: Mr. Jonas H. Haralz, Executive Director

bcc: Messrs. Stern, Wood, Jaycox, Karaosmanoglu,
Inakage (with copy of incoming telex)

NBurnett/ml

12.2
12/1/88

CTA
BSC

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDENCE DATE : 88/11/23
LOG NUMBER : 881128005
SUBJECT : Norwegian Government has decided to provide additional support
to the SPA and Co-Finance programs.
OFFICE ASSIGNED TO FOR ACTION : Mr. F. Stern (E-1227)

DUE DATE : 00/00/00

FROM : Kirsti Groendahl

Mr. Wood

*Basil, Plr. draft repl
fr Conal's objection
by c.c. 12/2.*

*thanks
J 12/1*

ACTION:

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- FOR THE FILES
- PLEASE DISCUSS WITH _____
- PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
- AS WE DISCUSSED
- RETURN TO _____

COMMENTS :cc: Mr. Qureshi



ZCZC DIST2407 WBW1100
EXC EDS20
REF : TCP CF

* EXC - EXECUTIVE OFFICES *

WBW1100
88.11.28.0743 1100 88.11.28.0743
197688 WORLDBKMUT
76548 NORAD N
REF: 974 DATE: 881128 TIME: 12:09
TELEX

TO: THE WORLD BANK, WASHINGTON D.C.
COPY: NORDIC OFFICE, EDS20, THE WORLD BANK, WASHINGTON D.C.
FROM: NORWEGIAN MINISTRY OF DEVELOPMENT COOPERATION, OSLO
DATE: 25 NOVEMBER 1988

ATTN: MR. BARBER B. CONABLE, PRESIDENT

DEAR MR. CONABLE,

THE NORWEGIAN GOVERNMENT CONTINUES TO EMPHASISE THE NEED FOR DEBT RELIEF AND ADDITIONAL CONCESSIONAL RESOURCES TO POOR, LOW-INCOME COUNTRIES, PARTICULARLY IN SUB-SAHARAN AFRICA. I HAVE BEEN IMPRESSED BY THE DEDICATION AND SPEED WITH WHICH THE WORLD BANK UNDER YOUR LEADERSHIP HAS RESPONDED TO THESE COUNTRIES' NEEDS THROUGH THE SPECIAL PROGRAM OF ASSISTANCE (SPA).

IT IS AN HONOUR FOR ME TO BE ABLE TO OFFICIALLY COMMUNICATE TO YOU THAT THE NORWEGIAN GOVERNMENT TODAY HAS DECIDED TO PROVIDE ADDITIONAL SUPPORT TO THE SPA AND CO-FINANCE, ON A GRANT AND UNTIED BASIS, TWO ADDITIONAL IDA-CREDITS FOR STRUCTURAL ADJUSTMENT: UGANDA ECONOMIC RECOVERY PROGRAM WITH NOK 20 MILL. AND MADAGASCAR PUBLIC SECTOR ADJUSTMENT PROGRAM ALSO WITH NOK 20 MILL.

MY GOVERNMENT GREATLY APPRECIATES THE RECENT DECISION BY THE WORLD BANK TO ALLOCATE ON AN ANNUAL BASIS A PART OF FUTURE IDA REFLWS TO SUPPORT IDA-ONLY COUNTRIES WITH OUTSTANDING IBRD-DEBT. IN SUPPORT OF THIS INITIATIVE, THE NORWEGIAN GOVERNMENT TODAY ALSO DECIDED TO PROVIDE A GRANT OF NOK 35 MILL. TO SUPPLEMENT THE INITIATIVE AND TO BE UTILIZED TO ALLEVIATE BANGLADESH'S DEBT SERVICE BURDEN ON IBRD-LOANS.

THESE THREE GRANTS TALLING NOK 75 MILL. ARE MADE UNDER OUR CURRENT FISCAL YEAR ENDING 31 DECEMBER 1988 AND SHOULD THEREFORE BE DISBURSED BEFORE THE END OF THIS CALENDAR YEAR. INFORMAL CONTACTS HAVE ALREADY BEEN MADE WITH MEMBERS OF YOUR STAFF TO DRAW UP THE NECESSARY AGREEMENTS FOR DISBURSEMENTS TO BE MADE, AND I WOULD APPRECIATE THE BANK'S COOPERATION IN FACILITATING THIS PROCESS.

LET ME ALSO TAKE THIS OPPORTUNITY TO INFORM YOU THAT AS PART OF THE MEASURES TO FURTHER ASSIST DEBT-DISTRESSED, LOW-INCOME COUNTRIES, MY GOVERNMENT TODAY ALSO APPROPRIATED NOK 60 MILL. FOR 1988 AS A FIRST CONTRIBUTION TO INTEREST RATE SUBSIDIES TO IMFS ESAF.

YOURS SINCERELY,

KIRSTI KOLLE GROENDAHL
MINISTER OF DEVELOPMENT COOPERATION

=11280748

NNNN

DEAR

Both

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDENCE DATE : 88/09/15 DUE DATE : 00/00/00
LOG NUMBER : 880915010 FROM : E. Stern
SUBJECT : NORWAY: Brief for mtg. with Kalle Grondahl, Min. for Dev.
Cooperation on Friday, September 16 at 12 noon.
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

_____ APPROVED
_____ PLEASE HANDLE
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_____ FOR THE FILES
_____ PLEASE DISCUSS WITH _____
_____ PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
_____ AS WE DISCUSSED
_____ RETURN TO _____

COMMENTS :M. Haug, J. Volk (FF)

THE WORLD BANK

ROUTING SLIP

DATE:

9/14

OFFICE OF THE
SENIOR VICE PRESIDENT, FINANCE

NAME

ROOM NO.

Mr. Conable

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:

SS.

ROOM NO.:

EXTENSION:

FRM
September 14, 1988

Norway

Finance Brief for Mr. Stern's and Mr. Conable's Meetings with
Kolle Grøndahl, Minister for Development Cooperation
11:30 am and 12:00 noon, Friday, September 16, 1988

Issues you should raise:

- Express to Mrs. Grøndahl our appreciation for Norway's action as the first country to subscribe GCI shares. (1)
- The results of the Board discussions of the use of IDA reflows, especially the proposal to supplement adjustment credits to IDA-only countries with outstanding IBRD debt. (2)

Issues Mrs. Grøndahl may raise:

- The upcoming IDA9 negotiations. (3)
- Norway's interest in cofinancing supplementary IDA adjustment credits for the IBRD debt of IDA-only countries. You might welcome this and inquire about the amounts Norway would be willing to commit. (2)
- Other aspects of the Bank's strategy regarding developing country debt. (4)

1) Norway subscribed 1135 of the 4380 shares it was allocated in the GCI, contributing \$137 million immediately to the Bank's capital and headroom. The shares were subscribed on August 3, making Norway the first country to subscribe to the GCI.

2) The Committee of the Whole is scheduled to discuss the proposal on the use of IDA reflows on Thursday, the day before your meeting. The discussion will cover these recommendations:

- Increase IDA commitment authority in advance of actual receipts, by SDR 525 million per annum in FY89-93. Without advance commitment, IDA liquidity would reach an unacceptable level. However, only 90 percent of the expected reflows would be committed, as a prudential measure.
- Use the balance 10 percent of reflows, as and when received, to supplement adjustment credits to IDA-only countries with outstanding IBRD debt.

The Norwegians are expected to support these proposals strongly, as they, along with the Swedes and other Nordic donors, have been urging action to address the burden of IBRD debt on the low income countries within the context of the Special Program of Assistance (i.e., the "Fifth Dimension" scheme). Interest has been expressed (particularly by Norway and Sweden) in the possibility of cofinancing the supplementary allocations, thereby enhancing further the favorable benefits/incentives that have have been identified.

3) Norway has supported IDA consistently and has increased its share steadily since IDA was established, from 0.89 percent in the initial IDA to 1.42 percent in IDA8. Norway devotes about 1 percent of GNP to ODA, reaching 1.10 percent over the period 1985-87, 41 percent of which was channeled through multilateral organizations. We should recognize and encourage this support. While there seems to be no pressing argument for Norway to increase its share in IDA9, we can expect them to support a large replenishment overall and uphold the character of IDA as a global multilateral concessional fund.

4) Regarding the Bank's debt strategy, you might wish to note the following:

We are working to lessen the burden of the Bank's own debt service on borrowing countries, especially the low-income countries.

- Repayment terms on all new loans made after April 1988 have been modified to reduce repayments over the next decade in ways tailored to country circumstances.
- As noted above, IDA reflows are to be used to increase IDA's commitment authority, including additional allocations to IDA-only borrowers with debt to the IBRD (provided adjustment programs are in place).

The poorest countries of Africa burdened by debt have been a special focus of the Bank over the past year.

- Through the Special Program of Assistance, we are mobilizing and coordinating the efforts of other donors to address the special problems of these countries. Half of IDA8 commitments have been made to Sub-Saharan Africa, and we have continued to press for concessional debt relief in the Paris Club, now within reach as the creditors work out an agreement.

In the case of the heavily-indebted, middle-income countries, the Bank is willing to take risks in carrying out its part of the debt strategy by increasing its exposure in these countries through adjustment programs, and the record demonstrates this.

- Commitments to the HICS in FY88 (\$6.4 billion) were 40% above the level in FY85 (when the Baker Plan was announced), despite the interruptions in adjustment lending in a number of countries, including Brazil, Nigeria and Yugoslavia.

Press reports regarding the fall of net transfers from the Bank in FY88 are highly misleading as a measure of our role in the debt strategy.

- The drop in the Bank's net transfer to HICs (from \$0.7 billion to -\$1.3 billion) can be accounted for by Brazil, Nigeria, and Yugoslavia, where adjustment lending faltered. Excluding these three countries, the net transfer remained positive.
- The IDA net transfer was positive, at over \$2.9 billion.
- Net transfer figures for the Bank as whole also include repayments from former borrowers (such as Spain) or countries that have reverted to IDA-only status. The FY88 figures also include some prepayments.

NORWAY

Mrs. Kirsti Kolle Grøndahl
Minister of Development Cooperation

Experience

- Since June 13, 1988 - Minister of Development Cooperation.
- 1986-1988 - Minister of Church and Education.
- 1985-1986 - Member of the Standing Committee on Foreign Affairs and the Constitution.
- 1977 - Elected to the Storting.
- 1972-1977 - Served as a member of the Røyken Municipal Council and Municipal Executive Board.
- 1966-1972 - Worked as a lower secondary school teacher.

Education

University Degree in 1966

Personal

Born in Oslo on September 1, 1943, married.

FRM
September 14, 1988

Norway

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Kolle Grøndahl, Minister for Development Cooperation
11:30 am and 12:00 noon, Friday, September 16, 1988

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- The drop in the Bank's net transfer to HICs (from \$0.7 billion to -\$1.3 billion) can be accounted for by Brazil, Nigeria, and Yugoslavia, where adjustment lending faltered. Excluding these three countries, the net transfer remained positive.
- The IDA net transfer was positive, at over \$2.9 billion.
- Net transfer figures for the Bank as whole also include repayments from former borrowers (such as Spain) or countries that have reverted to IDA-only status. The FY88 figures also include some prepayments.

NORWAY

Mrs. Kirsti Kolle Grøndahl
Minister of Development Cooperation

Experience

- | | |
|---------------------|---|
| Since June 13, 1988 | - Minister of Development Cooperation. |
| 1986-1988 | - Minister of Church and Education. |
| 1985-1986 | - Member of the Standing Committee on Foreign Affairs and the Constitution. |
| 1977 | - Elected to the Storting. |
| 1972-1977 | - Served as a member of the Røyken Municipal Council and Municipal Executive Board. |
| 1966-1972 | - Worked as a lower secondary school teacher. |

Education

University Degree in 1966

Personal

Born in Oslo on September 1, 1943, married.

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

BARBER B. CONABLE
President

October 19, 1988

Dear Mrs. Kolle Grondahl,

On behalf of the World Bank's Management and member countries, I would like to thank you and your Government for Norway's generous contribution of 17 million Norwegian Kroner in support of urgent environmental programs over 1988-89. Your financial support follows on Norway's initiatives in this critical area, as evidenced by your Prime Minister Mrs. Brundtland's chairmanship of the World Commission on Environment and Development.

We are now making the necessary administrative arrangements and will be in touch with your authorities through the Nordic Executive Director's office. We see no obstacle to the expeditious release of the first tranche for calendar year 1988.

Again, we thank you and look forward to our joint efforts in this area.

Sincerely,

Barber Conable

Mrs. Kristi Kolle Grondahl
Minister of Development Cooperation
Norwegian Ministry of Development Cooperation
P.O. Box 8142 DEP N-0033
Oslo 1, Norway

ROUTING SLIP		DATE: June 24, 1988	
NAME		ROOM NO.	
Mr. Barber B. Conable		E-1227	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
<input checked="" type="checkbox"/> INFORMATION		RECOMMENDATION	
<input type="checkbox"/> INITIAL		SIGNATURE	
<input type="checkbox"/> NOTE AND FILE		URGENT	
REMARKS:			
<p>The biographical note on Mr. Tom Eric Vraalsen is attached.</p>			
FROM: Alexander Shakow, SPR		ROOM NO.:	EXTENSION:
		J-3073	34697

BIOGRAPHICAL NOTE

TOM ERIC VRAALSEN (NORWAY)

Tom Eric Vraalsen, who today was elected Chairman of the First Committee (Political and Security), has been Permanent Representative of Norway to the United Nations since 29 March 1982.

Previously, he was Director-General in the Political Department of the Norwegian Foreign Ministry, a post he assumed in 1981. He served as his country's Deputy Permanent Representative to the United Nations from 1975 to 1979, and has been a member of Norway's delegation to the General Assembly every year since 1971.

Mr. Vraalsen was born in January 1936. He acquired a master's degree in economics from the University of Arhus in Denmark in 1960, and held various positions in Norway's embassies in Peking (1962-1964 and 1969-1970), Cairo (1964-1967), Manila (1970-1971) and Djakarta (1971).

From 1971 to 1973, Mr. Vraalsen served in the Norwegian Foreign Ministry's Political Department in charge of bilateral relations with countries in Africa, Asia and Latin America. From 1973 to 1975, he was in charge of Norway's participation in the United Nations and other international organizations. Between 1971 and 1975, he was also responsible for Norway's relations with African liberation movements.

Mr. Vraalsen is co-author of a 1975 book on the United Nations that is used in Norwegian colleges and universities.

He is married and is the father of two daughters.

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

*Co. File
Norway*

CORRESPONDANCE DATE : 88/06/24 DUE DATE : 00/00/00
LOG NUMBER : 880624019 FROM : Alex Shakow
SUBJECT : BRIEFING: Mr. Conable's meeting with Mr. Tom Eric Vraalsen on
Monday, June 27, 1988 at 5:30 p.m.
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

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____ PLEASE HANDLE
 FOR YOUR INFORMATION
____ FOR YOUR REVIEW AND RECOMMENDATION
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____ PLEASE PREPARE RESPONSE FOR _____ SIGNATURE
____ AS WE DISCUSSED
____ RETURN TO _____

COMMENTS :cc: MH, JV (follow file)

OFFICE MEMORANDUM

DATE: June 24, 1988

TO: Mr. Barber B. Conable
(through W. David Hopper, SVP/PPR)
FROM: Alexander Shakow, Director, SPR

EXTENSION: 34697

SUBJECT: **Your Meeting with Mr. Tom Eric Vraalsen -
Monday, June 27, 1988 at 5:30 p.m.**

The attached brief has been prepared by the Africa Region. Messrs. Jaycox and Humphreys of the Africa Region and I will join you at the meeting.

Attachment

cc: Messrs. Jaycox (AFRVP), Humphreys (AFRCE)

Brief for Mr. Conable on the visit of
Mr. Tom Eric VRAALSEN
World Bank, June 27, 1988

Background

Mr. Vraalsen is the Permanent Representative of Norway to the UN and chairman of the Ad Hoc Committee of the Whole of the UN General Assembly for the midterm review of the UN Program of Action for African Economic Recovery and Development (UNPAAERD). The Committee will meet in September, basing its discussion on a report of the Secretary General, which the Bank is helping prepare. The purpose of Mr. Vraalsen's visit is to gain a first-hand impression of the Bank's view of the situation in Africa and the Bank's response to the African problem. Before meeting you, Mr. Vraalsen will have had detailed conversations with the IMF, including Mr. Camdessus, and with Mr. Jaycox.

Discussion notes

You may wish to ask Mr. Vraalsen to explain his work as chairman of the Ad Hoc Committee and to give his own evaluation of the response of African governments and the international community alike to the UN Program of Action, as seen from a UN perspective. You may also wish to ask Mr. Jaycox to summarize his earlier discussions with Mr. Vraalsen. You may then wish to emphasize the following points.

(i) The African situation. Although conditions in Africa remain generally poor, there are distinct positive signs that point to progress and give hope that conditions can be improved with strong reforms and adequate support, which would justify continued high levels of assistance. For example, there is evidence of strong reform efforts being made by one half to two thirds of the African countries (more appropriate exchange rates, lower budget deficits, containment of public employment, improved public enterprises, and higher farm prices). And there is some evidence, as reported in this year's World Development Report (Box 1.5), that sustained reforms are leading to improved economic performance (relatively better GDP growth, agricultural production above trend, rising export shares for some commodities, improving average investment and savings rates). Now that reforms are moving in Africa, now is the time to emphasize that Africa merits, as well as needs, more donor support. This message is especially important at a time when there are growing demands to increase aid to other developing regions. But governments still need to continue to strengthen their reform efforts. The Ad-Hoc Committee might want to reiterate this point.

(ii) The donors' response. Donors have launched several initiatives for Africa (mobilizing more resources, increasing Africa's share of aid, increasing commitment levels in real terms, offering more debt relief). The Bank is doing its full measure to fulfill the donors' half of the UNPA compact (for example, 50 percent of IDA-8 to sub-Saharan Africa, the Special Program of Assistance (SPA) for low-income debt-distressed countries with adjustment programs). The Paris meetings, last December to launch the SPA and many subsequent meetings, including the Toronto Summit, indicate clearly that there has emerged a very strong consensus among

donors for continuing and improving their assistance to accelerate recovery in Africa. It would be appropriate now to congratulate the international community on its response and to encourage donors to progress as rapidly as possible in translating initiatives into disbursements.

(iii) Social dimensions of adjustment. Given the strong concerns in Africa and among many donors of the social costs of adjustments, you may wish to stress again that adjustment is a remedy, not a cause, that delaying reforms also has social costs, and that reforms generally benefit the majority and often the most disadvantaged. Moreover, excessive focus on the costs of adjustment, while minimizing the gains, risks weakening the growing confidence of donors in Africa's commitment to adjustment. You might note that the Bank also has initiated special efforts to deal with the social dimensions of adjustment by designing programs that take them into account.

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

BARBER B. CONABLE
President

August 5, 1987

Dear Madame Prime Minister:

Thank you very much for your letter of July 29, 1987. I am glad to see that the work of the World Commission on Environment and Development is receiving wide and well-deserved attention in leading political and financial gatherings.

I am afraid, however, that it will not be possible to present the Commission's report to the Boards of Governors of the Bank and its affiliates when they meet in September. The agenda of these meetings, which are held jointly with that of the Board of Governors of the International Monetary Fund, is heavy and leaves no room for a meaningful session on topics outside the formal agenda.

As you know, the Bank shares the concerns of your Commission on the need to safeguard the environment. Therefore, I will be glad to make your report available to the Board of Governors through the Executive Directors of the Bank.

Sincerely,

(Signed) Barber B. Conable

Her Excellency
Gro Harlem Brundtland
The Prime Minister of Norway
Oslo, Norway

LForget/SHChoi:ew

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDANCE DATE : 88/03/24 DUE DATE : 00/00/00
LOG NUMBER : 880328001 FROM : V. Rajagopalan
SUBJECT : BRIEF FOR: Mtg. with Ambassador Eliassen of Norway on Monday,
April 4 at 12 noon.
OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

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____ AS WE DISCUSSED
____ RETURN TO _____

COMMENTS : M. Haug, J. Volk (AF)

NB

MR. SANDNESS HAS
ACCEPTED THE INVITATION
TO OSLO IN THE SUMMER.

THE WORLD BANK

ROUTING SLIP

DATE: 3/24/88

FROM THE VICE PRESIDENT
SECTOR POLICY AND RESEARCH

NAME

ROOM NO.

Mr. Conable

Thru: Mr. Hopper

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:

Briefing note for your meeting with
Ambassador Eliassen of Norway on
April 4, 1988 at 12:00 noon.

FROM:

V. Rajagopalan

ROOM NO.:

S-5055

EXTENSION:

33419

Collaboration Between World Bank and Norway on Environment:
Briefing Note for Mr. Conable

The World Bank has been collaborating closely with the Norwegian government on various topics that are of particular relevance for the environment. The general conclusions reached by our Development Committee paper "Environment, Growth and Development" and the Brundtland Commission report "Our Common Future" are broadly similar, and they suggest general directions in which environmental work should proceed throughout the development community. Together, they have stimulated a growing awareness of the connections between poverty alleviation and environmental and economic growth, stressing that prudent resource management should be an integral part of economic policy if sustainable economic development with equity is to be achieved. We share the view that environmental and economic considerations are typically mutually reinforcing.

Norwegian authorities have been highly supportive of recent changes in the Bank's environmental policies. Support has taken several forms, i.e.:

- (i) Secondment of professional staff. One professional staff member, specializing in desertification issues has recently been seconded to the Environment Department.
- (ii) A grant of \$800,000 has been earmarked for "Integrated Resource Management" in Sub-Saharan Africa. It will cover regional studies and country assessments.
- (iii) A Consultancy Trust Fund totalling \$2.2 m over two years has been established. The fund can be used for consultants from developing countries. While available for a variety of Bank activities, we have been especially encouraged to draw upon the fund for environmental work, and we are currently doing so.
- (iv) Discussions with the Norwegian government are underway regarding co-financing of the Bank's overall environmental work program. Bank staff will visit Oslo in late April to finalize arrangements.
- (v) Project co-financing. Overall, the Norwegian government provides co-financing for World Bank projects totalling about \$25 million annually. Funds are not specifically earmarked for environment, but the Norwegian government is keen that some of its co-financing should be used for environmental projects.

The Norwegian Ambassador will invite you to the meeting on environment to be held in Oslo in July (Mr. Camdessus has accepted). The Ambassador may raise an issue which will doubtless be high on Mrs. Brundtland's agenda, namely the proposal that a special international banking facility for conservation should be created. The Brundtland Commission report suggested that such a facility might be linked to the World Bank. It is therefore expected that the Bank will be asked at the meeting to take a position on the merits of such a facility, and the prospects for Bank financing and leadership.

X

September 11, 1987

Dear Mr. Secretary:

It is indeed good to know that you have been appointed Alternate Governor for Norway on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington at the time of the Annual Meetings.

Sincerely,

(Signed) Barber B. Conable

Barber B. Conable

Mr. Arne Arnesen
State Secretary
Ministry of Development Cooperation
P. O. Box 8142 Oslo Dep.
Victoria Terrasse 7
0033 Oslo 1
Norway

cc: Mr. Haxthausen
Mr. Lari
Mr. Gustafson

ETSanidad/dah



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Sep 8, 1987	Document Type Memorandum			
Correspondents / Participants To : Mr. Timothy T. Thahane, SEC From : Veikko Kantola, EDS				
Subject / Title Appointment of Alternate Governor - Norway				
Exception No(s). <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal				
Additional Comments Declassification review of this record can 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.		
		<table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date May 5, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			

JU

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDANCE DATE : 87/04/28 DUE DATE : 00/00/00
LOG NUMBER : 870428005 FROM : A. Shakow (thru JB)
SUBJECT : Brief for: Mtg. with Prime Minister Brundtland of Norway,
on Wednesday, April 29 at 8:00 am, Willam Hotel.
OFFICE ASSIGNED TO FOR ACTION : Mr. Barber Conable E1227

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
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COMMENTS : Copy of memo and report given to Judy.

OFFICE MEMORANDUM

DATE April 28, 1987

TO Mr. Barber B. Conable

FROM Alexander Shakow, Acting Director, IRD

EXTENSION Jose Botafogo Goncalves, Vice President, EXT

SUBJECT **Your breakfast meeting with Prime Minister Brundtland
Wednesday, April 29, 8:00 a.m., Willard Hotel**

1. You and Shahid Husain will have breakfast tomorrow with Mrs. Gro Harlem Brundtland, Prime Minister of Norway and Chairman of the World Commission on Environment and Development. The Brundtland Commission report is to be launched in the United States this afternoon. Mrs. Brundtland will also meet with President Reagan tomorrow.
2. The World Commission on Environment and Development was established by the U.N. General Assembly in 1983. Its members are prestigious individuals from 21 nations, including Minister Bernard Chidzero, Chairman of the Development Committee. The Development Committee Communique indicates that the Brundtland Commission report may be discussed at a future meeting. We suggest you tell Mrs. Brundtland that you would also like the Bank's Board of Executive Directors to discuss the Commission's recommendations to the World Bank.
3. The Brundtland Commission report advocates a wide-ranging package of initiatives to foster a new era of economic growth, progress against poverty, and environmental sustainability. Measures to protect natural resources must be an integral part of global planning and cooperation, together with improved management of the global economy, more just patterns of development, and reduced military expenditures. The report recommends urgent action, but is basically hopeful.
4. The Commission advocates a strengthening of environmental ministries and, at the global level, of the U.N. Environment Program. But they are more concerned that the main economic ministries of governments and, at the global level, institutions like the World Bank, pay attention to the environmental implications of what we do. The Commission urges a shift in environmentalist strategy -- from a preoccupation with the negative environmental effects of economic development to action on the policy sources of environmental problems. In this connection, you and Mr. Husain may want to explain what the Bank is doing to integrate natural resource concerns into its overall policy dialogue with governments.
5. The report includes chapters on population, food security, species diversity, energy, industry, and urbanization. It also

includes a discussion of international debt and other global economic issues. The Commission's views are generally consonant with the World Bank's, but, not surprisingly, the Commission puts more emphasis on the environmental aspects of development issues.

6. The Commission calls for a substantial increase in funding for the World Bank and IDA and recommends the establishment of a special conservation program or facility linked to the World Bank. It commends the Bank for paying increased attention to environment and for considering institutional changes to further strengthen its environmental work. It recommends that the Bank:

- .. take sustainability considerations into account in adjustment lending;
- .. help to integrate environmental concerns into the practices of international trade by expanded work on model contracts and guidelines;
- .. pay more attention to the issue of species diversity;
- .. expand its lending for urban development and, especially, for the urban informal sector; and
- .. rely more on NGOs and give financial assistance to developing-country NGOs.

7. You may want to assure the Prime Minister that:

- .. the Bank welcomes the Commission's Report and is grateful for their support;
- .. you are reorganizing the Bank in such a way that the environment will be given increased priority;
- .. you will be announcing a program of action in a speech to the environmental community on May 5; and
- .. you understand that the Report's recommendations are very close to our own thinking, and that we will certainly examine the proposals very carefully and take appropriate action.

cc: Messrs. Husain and Shakow; Ms. Maguire

I. BORROWINGS

Only the Euro-Norwegian Kroner (Nkr) market may be tapped as the domestic market remains closed to all foreign borrowers including the World Bank. Since FY82, the Bank has launched three borrowings in Nkr in the Euro-Nkr market, totalling Nkr 500 million equivalent or approximately US\$66 million equivalent. All of this is currently outstanding.

FY86 - New Issue Well Received

In FY86 the Bank reentered the Euro-Nkr market with a new transaction of Nkr 250 million, the present ceiling for Nkr transaction amounts. The lead-manager on that occasion was Bergen Bank, Norway's third largest banking institution. This issue was very well received in the market.

FY87 - Swaps Contemplated

The Bank's first Euro-Nkr transaction for Nkr 100 million will mature on October 30, 1986. Current plans include a refinancing of this transaction in a principal amount of up to Nkr 250 million, provided cost reducing swaps are achievable. Swaps are currently not allowed and therefore the Bank has been in contact with the authorities (MOF and Norges Bank) to get their permission. Also, the Bank may include a tranche of Nkr 100 million in its next multi-currency transaction with European savings banks. The MOF has already given their general agreement to this.

<u>Official Borrowings</u>	<u>Millions of US\$ Equivalent</u> ^{1/}
Outstanding as of 9/18/86	= 164.2
FY86 Borrowings	= 108.6
FY86 Maturities	= 38.4
FY87 Maturities	= 70.6
Foreign Exchange Reserves (bil. US\$) ^{2/}	= 11.3
Ratio of Outstanding to FER (%)	= 1.6

^{1/} July 21, 1986.

^{2/} As of May 1986.

Note: Due to confidentiality, CBS statistics are not included.

Norges Bank, Norway's central bank has been subscribing to our 2-Year US\$ Issues in an undisrupted manner since 1956, accumulating a total of US\$391.8 million of which US\$50 million is outstanding. With the increase in their foreign exchange reserves until the end of 1985, they have increased the subscription amounts and also made important subscriptions to our 2-Year SwF Issues. Since 1982, they have invested a total of SwF 198.4 million of which SwF 92.5 million is outstanding.

In FY86 the Bank carried out its first private placement with Norges Bank in the amount of ECU 60 million (for a 5-year maturity). However, with recent developments in the oil market this may be the only private placement from this source for some time.

II. COFINANCING

General Overview

Recently our cofinancing relationship with Norway has improved significantly. We have completed negotiations for a Cofinancing Framework Agreement which the Norwegian Government wishes to sign during the Annual Meetings.

Official

From FY84 through FY86, Norway cofinanced five operations committing US\$36 million on average per annum. Norway has focussed its projects in the energy sector and in the Eastern and Southern Africa region.

Export Credits

There is no record of cofinancing with Norwegian export credits.

Private

Since the program's initiation in FY84, three Norwegian banks have participated in the Bank's B-loan program providing US\$22.0 million to three B-loans.

III. Political, Economic and Aid Situation

Kaare Willoch's fragile right of center minority coalition was unable to survive vocal industrial unrest and parliamentary opposition to its modest austerity package and was defeated by a vote in the Storting on April 29. Despite her initial reluctance to form an alternative coalition, former Prime Minister Mrs. Gro Harlem Brundtland finally agreed to form a left of centre minority government which, like Mr. Willoch's coalition, must rely on abstentions or the support of one of the minor parties to pass any legislation. The next Storting elections are not due until 1989 so a period of political uncertainty lies ahead with the possibility of another change in government well before the elections. Under the Norwegian Constitution, elections can only be called every four years, so any new government would have to be formed from members of the present parliament. Mrs. Brundtland, head of the World Commission on Environment and Development, fulfilled her pledge of sexual equality by including eight women in her Cabinet of 17.

The new government's first move was to devalue the Norwegian Krone by 12% and to approve in June a new austerity package which is likely to be backed up by further measures in the fall. GDP growth was 4.2% in 1985 and is expected to decline only modestly in 1986 to about 3%, slowing to about 1.5-2.0% in 1987. The larger than expected fall in oil prices has contributed to a worsening balance of payments picture and recent wage increases will lead to a further weakening of the competitive edge of Norwegian industrial enterprises. Unemployment has continued to decline and now stands at about 2% of the work force, but consumer prices are rising by about 6% due to buoyant demand and rising wages.

The Development Cooperation Minister in the previous government had pledged to maintain the aid budget at 1.18% of GNP and there are no indications that this decision will be reversed by Mrs. Brundtland's government. Currently about 43% of ODA is allocated to multilateral assistance, a decline from the former 50/50 share. In 1985, 59% of the multilateral allocation went to the United Nations system, a slight decline from the average of about 65% in the preceding four years. Some 22% of the 1985 multilateral budget was allocated to the World Bank Group. Norway has recently joined the Inter American Development Bank as a result of the recommendation of a 1984 White Paper which, as well as recommending the shift towards bilateral aid, also stressed the importance of aid evaluation to ensure its effectiveness. Norway has taken a leadership role at the IDA8 negotiations in urging a replenishment in excess of \$12 billion and in opposing too strong a hardening of IDA's terms. Norway provided \$28.9 million to the Special Facility for Africa and has expressed support for a general capital increase.

COUNTRY REPORT

<u>IBRD</u>		<u>IDA</u>	
1. <u>Capital Subscriptions</u>		1. <u>Share</u> in IDA7: 1.27%	
Percent of total in FY86: 0.81		Rank: 13	
Rank: 24		2. Chairman's Request	
Allocated Shares:		for IDA8: 1.42	
	<u>No.</u>	<u>Value (\$m)</u>	3. <u>Total Contribution</u> to IDA7
			(as of 7/31/86)
Subscribed:	5,352	646	National Currency: 845.4m NKr.
Unsubscribed:	250	30	US\$112.7m
Paid-in portion:		55	
2. <u>IBRD Procurement FY86</u>		4. Contribution to Special	
Volume: US\$13.8m		Facility for Africa (7/31/86)	
Share: 0.3%		Nat'l Currency: 265m NKr.	
3. <u>Present Voting Power:</u> 0.81%		US\$: 36m	
4. <u>Borrowings</u>		5. <u>IDA Procurement FY86</u>	
NKr. borrowing as % of total in		Volume: US\$12.6 million	
FY86: 0.3		Share: 0.6%	
Official Borrowing Outstanding:		<u>Cofinancing</u>	
US\$179.2 million		Framework Agreement? To be	
New Borrowing: Swaps contemplated.		signed at Annual Meeting.	
5. <u>Investments</u>		Official Operations FY84-86:	
Portfolio Volume		Rank as Source: Moderate	
(7/31/86): \$126.4 million		Amount: US\$108m	
(0.63%)		Private Cofinancing FY84-86:	
6. <u>Share of Staff</u>		Rank as Source: Minor	
Managers: 0.4%		Amount: US\$22m	
Professionals: 0.5%			

NORWAY

Biographical Information

Knut FRYDENLUND
Minister of Foreign Affairs

Experience

- Since 1985 - Present position.
- 1973-81 - Minister of Foreign Affairs.
- 1970-73 - Member of Delegation to Consultative Assembly, Council of Europe.
- 1969-85 - Member of Parliament for Oslo.
- 1971-73 - Chairman, Interim Committee.
- 1968-74 - Member of Labor Party, Oslo Executive Council.
- 1967-69 - Consultant, Labor Party Research Office.
- 1966-69 - Head of Section, Ministry of Foreign Affairs.
- 1963-65 - Permanent Representative to Council of Europe.
- 1962-63 - Press Counsellor, Norwegian Embassy, Brussels.
- 1953-62 - Various positions within Foreign Service.

Education

B.A., LL.D., Oslo University.

Personal

Born March 31, 1927 in Drammen
Married with 3 sons.

July 10, 1985

Dear Ms. Brusletten:

We deeply appreciate your Government's notification of participation in the Facility for Sub-Saharan Africa. Your contribution has been particularly important in that it has helped the Facility to reach the trigger amount required to commence operation.

Norway's support for the Facility has been most generous, and we wish to express our sincere thanks to you and your Government.

Sincerely,

A. W. Clausen

Ms. Reidun Brusletten
Minister of Development
Cooperation
The Royal Norwegian Ministry
of Development Cooperation
P. O. Box 8142 Oslo Dep.
0033 Oslo 1, Norway

bcc: Mr. Pekka Korpinen
Executive Director

bcc: Messrs. Stern, Mistry, de la Renaudiere,
Bock, Gillette and Hoopengardner
Mrs. Smith

DKotegawa:shp

(Log #831)



DET KONGELIGE DEPARTEMENT FOR UTVIKLINGSBJELP

THE ROYAL NORWEGIAN MINISTRY OF DEVELOPMENT COOPERATION

Mr. A.W.Clausen,
President,
World Bank,
Washington D.C.20433
U.S.A.

Vår ref.
Our ref.

Deres ref.
Your ref. 85/5953-1/KHH/ms

Dato
Date 24. June 1985

Dear Mr. Clausen,

Notification of Norway's contribution to the Special Facility
for Sub-Saharan Africa.

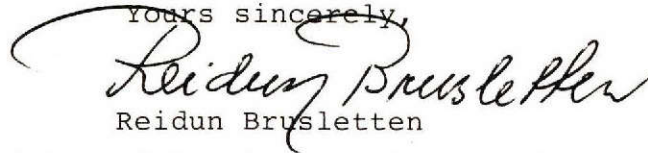
According to paragraph 2(a)(i) of the Resolution on the
"Establishment of a Special Facility for Sub-Saharan Africa",
please find enclosed:

- a) notification for approximately 2/3 of Norway's
contribution, and
- b) statement of intent for the remaining 1/3 of Norway's
contribution.

It should be noted that a special arrangement has been made,
whereby approximately half of the notified amount of 177 mill.
Norwegian kroner already has been deposited with IBRD and is
accruing interest. By 24. June 1985 this amount was
approx. 89 mill. NOK (including interest), and the actual
contribution to the Special Facility will be adjusted at the
date of payment.

Hence, the total Norwegian contribution to the Special Facility, as indicated in Annex A to the Resolution, will be adjusted upwards when the payment according to the enclosed notification is made.

Yours sincerely,

A handwritten signature in cursive script, reading "Reidun Brusletten". The signature is written in dark ink and is positioned above the printed name.

Reidun Brusletten

Minister of Development Cooperation

INTERNATIONAL DEVELOPMENT ASSOCIATION

Notification of Contribution to the African Facility

Reference is made to Resolution No. IDA 85-1 of the Executive Directors of the International Development Association (the Association) entitled "Establishment of a Special Facility for Sub-Saharan Africa", which was adopted on [May 21, 1985].

The Government of NORWAY hereby gives notification pursuant to paragraph 8 of said Resolution that it will make a Contribution under paragraph [2 (a) (i)] ~~[2-(a)-(ii)]~~ thereof* in the amount of 177 mill.NOK to the African Facility in accordance with the terms of the said Resolution.**

24.June 1985

(Date)



(Name and Office)

Ms. Reidun Brusletten,
Minister of Development
Cooperation

(This notification should be signed on behalf of the Government by a duly authorized official or representative thereof.)

- * Indicate whether Contribution is listed in Annex A to the Resolution (paragraph 2 (a) (i)) or is an additional Contribution (paragraph 2 (a) (ii)).
- ** Indicate amount in terms of the currency of the Contributor.

INTERNATIONAL DEVELOPMENT ASSOCIATION

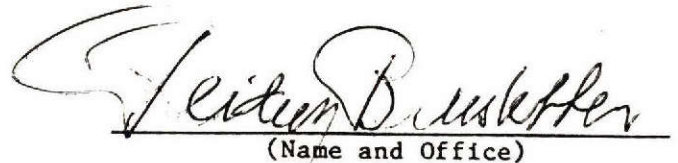
Statement of Intent to Contribute to the African Facility

Reference is made to Resolution No. IDA 85-1 of the Executive Directors of the International Development Association (the Association) entitled "Establishment of a Special Facility for Sub-Saharan Africa", which was adopted on [May 21, 1985].

The Government of NORWAY hereby informs the Association that it intends to make a Contribution in the amount of 88 mill. NOK to the African Facility in accordance with the terms of the said Resolution.*

24 June 1985

(Date)


(Name and Office)

Ms. Reidun Brusletten
Minister of Development
Cooperation

(This notification should be signed on behalf of
the Government by a duly authorized official of
representative thereof.)

* Indicate amount in terms of the currency of the Contributor.

A. W. CLAUSEN
President

July 11, 1985

Dear Minister Brusletten:

Thank you for recommending Mrs. Karin Stoltenberg for the position of Advisor on Women in Development. All Bank staff members with whom Mrs. Stoltenberg met recently were impressed by her intelligence, professional stature and presence. She was a most attractive candidate. Regretfully, however, we have concluded that her experience in developing countries, and particularly with issues of women in development, is somewhat limited. We have therefore selected an internal candidate who more closely meets the requirements of the position and shall let Mrs. Stoltenberg know our decision shortly.

May I take this opportunity, once again, to thank you for recommending Mrs. Stoltenberg and for your continued support of The World Bank and its objectives.

Sincerely,

(Signed) A. W. Clausen

Her Excellency Reidun Brusletten
Minister of Development Cooperation
Ministry of Development Cooperation
P. O. Box 8142 Oslo Dep.
0033 Oslo 1, Norway

BC: F. Stone

ROUTING SLIP		DATE: July 17, 1985
NAME		ROOM NO.
Mr. Roy Southworth		E-1227
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:		
<p>Attached, for your information, is the letter recently sent out to Mrs. Stoltenberg.</p> <p><i>OK lets file to Akk's</i></p>		
FROM:	ROOM NO.:	EXTENSION:
Rosemary Catalana	S-6043	33444

letter to the minister

July 9, 1985

Mrs. Karin Stoltenberg
Deputy Director General
Department of Family and Women's Affairs
Ministry of Consumer Affairs and
Government Administration
Oslo-dep
Oslo, Norway

Dear Mrs. Stoltenberg:

It was a pleasure to meet with you last week. My colleagues and I were impressed by your knowledge of the field of women in development, your intelligence and presence.

As you know, we have been considering internal and external candidates for the Advisor on Women in Development position. Fortunately, we have identified and selected an internal candidate for the aforementioned position who has extensive, recent experience with developing countries. Unfortunately, of course, this means that, at this time, we cannot pursue your candidacy. However, we certainly appreciate the time you took from your busy schedule to meet with us in Washington.

Considering the amount of time and effort you and other women in the development field have contributed, I hope the Nairobi Conference is successful and productive.

Sincerely yours,

Rosemary Catalana
Staffing Specialist
Personnel Management Department

Typewritten
Character
Must Fall
Completely in
Box!

PAGE
1 OF 1

OFFICIAL DEPT/DIV
ABBREVIATION
820-11

MESSAGE NUMBER

TEST NUMBER
(FOR CASHIER'S USE ONLY)

1
2
START
HERE

ATTN: HIS EXCELLENCY REIDUN BRUSLETEN, MINISTER OF
 DEVELOPMENT COOPERATION, MINISTRY OF DEVELOPMENT COOPERATION,
 OSLO, NORWAY

DEAR MR. MINISTER:

THANK YOU FOR YOUR TELEX OF MAY 6TH REGARDING THE CANDIDACY OF
 MRS. KARIN STOLTENBERG FOR THE POSITION OF ADVISOR ON WOMEN
 IN DEVELOPMENT IN THE WORLD BANK. WE CERTAINLY AGREE THAT
 THIS IS A VERY IMPORTANT POSITION AND WISH TO THANK YOU FOR
 ALERTING US TO MRS. STOLTENBERG'S CANDIDACY. WE ALSO NOTE THE
 NORDIC COUNTRIES ENDORSEMENT OF HER SUITABILITY FOR THE
 POSITION. ALTHOUGH THE SELECTION PROCESS IS NOW WELL UNDERWAY,
 THIS WILL NOT PREVENT OUR HONORING YOUR REQUEST THAT WE CONSIDER
 MRS. STOLTENBERG. WE HAVE NOW RECEIVED A CURRICULUM VITAE FOR
 MRS. STOLTENBERG AND PLEASE BE ASSURED THAT WE WILL GIVE IT OUR
 FULL AND SERIOUS CONSIDERATION. SINCERELY, A.W. CLAUSEN

21
22
END
OF
TEXT

PINK AREA TO BE LEFT BLANK AT ALL TIMES

INFORMATION BELOW NOT TO BE TRANSMITTED

CLASS OF SERVICE: TELEX		TELEX NO.:	DATE: 05/09/85
SUBJECT: ADVISOR ON WOMEN IN DEV.		DRAFTED BY: J. WATERSTON/C. HUNTER	EXTENSION: 33269
CLEARANCES AND COPY DISTRIBUTION: CLEARED WITH AND CC: A.P. WILLIAMS, PMD CC: MR. THAHANE, SEC CC: MR. KORPINEN, EDS		AUTHORIZED BY (Name and Signature): 	
		DEPARTMENT:	
SECTION BELOW FOR USE OF CABLE SECTION			
CHECKED FOR DISPATCH			

ROUTING SLIP

DATE:

May 9, 1985

OFFICE OF THE VICE PRESIDENT
PERSONNEL AND ADMINISTRATION

Mr. A.W. Clausen

E-1227

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:

Attached for your signature is a cable to the Minister of Development Cooperation in Norway in response to his telex regarding the candidacy of Mrs. Karin Stoltenberg for the position of Advisor on Women in Development in the Bank.

FROM: Martijn Paijmans

ROOM NO.:
A-1236

EXTENSION:
76428

ZCZC DIST9629 IWB0574
EXC VPAVP E1101
REF : TCF D.S.

72021 - In
7865 - Out.

IWB574
QN INSWBK
.FTCCMAC 06-00391.01
085 RUNDS N BROADCAST FROM NORWAY MOM

TO: WORLD BANK, WASHINGTON D.C.
FROM: MINISTRY OF DEVELOPMENT COOPERATION, OSLO

OSLO 6.5.85 TLX/EJ

U R G E N T U R G E N T

ATT.: PRESIDENT A.W. CLAUSEN AND MR. PAIJMAN

COPY: NORDIC OFFICE

DEAR MR. CLAUSEN,
RE.: SPECIAL ADVISOR ON WOMEN IN DEVELOPMENT

AS YOU ARE WELL AWARE, MY MINISTRY IS ACTIVELY PUSUING A
POLICY EMPHASIZING THE IMPORTANCE OF IMPROVING THE SOCIAL
AND ECONOMICAL CONDITIONS OF WOMEN IN THE THIRD WORLD. PERSONALLY,
I THINK THE WORLD BANK HAS AN IMPORTAND ROLE TO PLAY IN
THIS FIELD.

WE ALSO THINK THAT THE FOCAL POINT FOR WOMEN'S AFFAIRS IN THE
WORLD BANK IS A VERY IMPORTANT FUNCTION. WE HAVE BEEN INFORMED
THAT A CHANGE IN THIS POSITION IS NOW BEING CONSIDERED. IN
THIS CONNECTION WE HAVE FOUND IT APPROPRIATE TO TRY TO FIND
A GOOD CANDIDATE FOR THE POSITION AMONG NORWEGIAN WOMENT.
AND WE THINK WE HAVE SUCCEEDED. WE HAVE ENCOURAGED MRS. KARIN
STOLTENBERG, DIRECTOR GENERAL IN THE MINISTRY OF CONSUMER
AFFAIRS AND GOVERNMENT ADMINISTRATION TO APPLY FOR THE POSITION,
WHICH I UNDERSTAND SHE HAS ALREADY DONE.

I THEREFORE TAKE THS OPPORTUNITY, MR. PRESIDENT, TO EXPRESS
MY HOPE THAT MRS. STOLTENBERG WILL BE GIVEN CAREFUL CONSIDERATION
AS A WELL QUALIFIED CANDIDATE.

I AM ALSO PLEASED TO INFORM YOU THAT ALL NORDIC COUNTRIES FULLY
SUPPOT MRS. STOLTENBERG'S CANDIDATURE.

I WOULD ALSO LIKE TO ASSURE YOU, MR. PRESIDENT, THAT SHE HAS
MY FULL CONFIDENCE AS A PERSON WHO WOULD DO AN OUTSTANDING JOB
IN THE ROLE OF ADVISER ON WOMEN'S AFFAIRS IN THE WORLD BANK,
SENDING YOU MY BEST PERSONAL REGARDS, I AM,

YOURS SINCERELY,

~~REIDUN BRUSLETEN~~
MINISTER OF DEVELOPMENT COOPERATION

KOFI AV TELEX TIL:
DEN NORSKE AMBASSADEN, WASHINGTON D.C.
FN-DELEGASJONEN, NEW YORK
NOR-SOER ENHETEN, UD

++++0

=05061106

ALT RTD FROM:VPVM

NNNN

OFFICE MEMORANDUM

DATE May 9, 1985

TO Mr. A.W. Clausen, President

FROM Per Taxell, EDS

EXTENSION 75731

SUBJECT Special Adviser for Women in Development - Curriculum Vitae for Mrs. Karin Stoltenberg

In reference to telex of May 6, 1985, from the Norwegian Minister of Development Cooperation, Mrs. Reidun Brusletten, to you regarding the subject of "Special Adviser on Women in Development", please find attached the Curriculum Vitae for the Nordic candidate, Mrs. Karin Stoltenberg.

Attachment

SAA:gmr

5/10
Mr. Pajmans has also received this & has acknowledged his candidacy by way of a telex signed by AWC on 5/19/85.

OFFICE OF THE DIRECTOR

1985 MAY -9 AM 11: 17

RECEIVED



Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence	Barcode No. 1779828
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Document Date May 9, 1985	Document Type CV / Resumé
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Correspondents / Participants

Subject / Title
Curriculum Vitae - Karin Stoltenberg

Exception No(s).

1 2 3 4 5 6 7 8 9 10 A-C 10 D Prerogative to Restrict

Reason for Removal
Personal Information

Additional Comments

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 Chandra Kumar	Date May 5, 2014
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Record Removal Notice

File Title Norway - President Barber Conable Country Files - Correspondence		Barcode No. 1779828		
Document Date Nov 19, 1984	Document Type CV / Resumé			
Correspondents / Participants				
Subject / Title Curriculum Vitae - Tormod Petter Svennevig				
Exception No(s). <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal Personal Information				
Additional Comments		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.		
		<table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date May 5, 2014</td></tr></table>	Withdrawn by Chandra Kumar	Date May 5, 2014
Withdrawn by Chandra Kumar	Date May 5, 2014			

KEY POINTS

Norwegian Contribution to the Joint Action Program for Sub-Saharan Africa

Mr. Svennevig, the Director-General of the Ministry for Development Cooperation, is meeting with you to discuss the contribution of Norwegian Kroner 85 million (US\$9.8 million) to the Joint Action Program. The contribution is additional to Norway's IDA7 share, which in any case was increased from 1.20% in IDA6 to 1.27% in IDA7. The Norwegians have indicated that they will make their contribution unconditionally; in other words, in the absence of a Special Facility, Norway would like to see its contribution used as official cofinancing for Africa. You thus should applaud Norway's leadership position on IDA and take special note of the open support that Norway has given to a Special Assistance Facility.

Mr. Svennevig will undoubtedly ask you about the modalities of such a fund. Our position is that we will be guided in large measure by the wishes of participating countries. You should confirm management's view that any Facility would be outside of normal IDA burden-sharing arrangements and that we hope it can be put together quickly. In this context, we could envision a donors' meeting in late January or early February.

You may be asked to describe the focus of the Special Assistance Facility. Management's position so far has been that we see the Facility as a one-time effort by the donor community to make available an additional \$1 billion over the 1985-87 period in support of major policy reforms in selected African countries. While the specific design of the facility will depend on the preferences of participating countries, management's preliminary view is that the facility should be catalytic with respect to other sources of finance and that it should focus primarily on those countries which have shown a willingness to undertake difficult adjustment measures. (Further details are given in Attachment 1).

In response to questions about the Facility's prospects, you should indicate to Mr. Svennevig that our preliminary consultations with other donors have proven to be quite positive. Mr. Qureshi found support for a Special Assistance Facility in his talks in Paris and Rome, which were undertaken following initial consultations with Nordic donors in Copenhagen. (Mr. Svennevig participated in the Copenhagen discussions). He is currently sounding out the Canadians, British, Dutch, and Germans about their willingness to participate. While it is too early to judge the outcome, we are encouraged by our initial contacts with concerned donors and will be making a decision in early December whether or not to convene a donor meeting.

KEY POINTS

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NORWAY

BRIEFING PAPER

- I. (a) Policy Brief: Special Assistance Facility for Sub-Saharan Africa
- I. (b) Questions and Answers: Special Assistance Facility
- II. Aid Situation
- III. Biographical Information

Policy Brief

Special Assistance Facility for Sub-Saharan Africa

1. Overall Objectives: The Special Assistance Facility is aimed at mobilizing additional resources for the region. Its major goal is the financing outside of normal IDA channels of a one-time program of support for economic adjustment. The evidence is clear from the recent Report on Sub-Saharan Africa that the economic crisis in the continent is deepening and that neither short-term stabilization by itself nor long-term investments by themselves can reverse the alarming trends. For these reasons, the Bank proposes a special fund to underpin medium-term adjustment programs and to serve as the vehicle to catalyze bilateral funds from donors and export credit agencies and to complement stabilization and refinancing activities.

2. Specific Objectives: Discussions with individual donors are underway on an informal basis to explore the possibility of securing additional IDA contributions specifically for Africa. It is clear that these requests should be seen as falling outside the normal IDA burden-sharing arrangements. These funds--perhaps \$1 billion over a three year period--would be used in those IDA countries of Africa which have demonstrated their willingness to undertake significant, and in the short-term costly, economic reforms. Funds would be fast disbursing and the Association would through monitoring efforts and tranching disbursements seek to assure their sound use.

3. Arguments in Support of a Special Fund:

- (i) the situation in Sub-Saharan Africa is desperate--real per capita growth has been consistently negative over the past four years, existing infrastructure is deteriorating, good project investments are turning sour, agriculture is regressing and no relief is in sight;
- (ii) existing resource flows are inadequate and the IDA7 program does not have sufficient strength to finance the core development needs of its African and other borrowers as well finance a special action program for the region, an effort which the Bank is uniquely positioned to undertake;
- (iii) additional, well-designed, and monitored multilateral assistance can play a catalytic role in mobilizing other bilateral flows, perhaps improving the terms of debt rescheduling offered by official and private lenders, and providing the vehicle for conducting the much needed policy discussions with African governments; and
- (iv) there is a need for a visible demonstration of support by the donor community for existing efforts by African governments to undertake difficult policy reforms and for a clear inducement to do so by those governments that have yet to make that policy commitment.

4. Specific Proposals: The Bank would use Special Facility resources to assist IDA borrowers which have made a serious political commitment to economic reforms and are willing to work with the Bank in designing a medium-term policy framework. The objective would be to use Special Facility resources as the catalyst for additional support for African nations, working through invigorated consultative groups, the Paris Club and bilaterally. This approach will not be and should not be seen as being a "soft option" to the IMF. The Bank's criteria for country selection will include the borrower's willingness to pursue vigorously (i) incentive and market-clearing prices, (ii) balanced economic activity between the public and private sectors, (iii) stringent and focussed public expenditure policies; (iv) export orientation, and (v) institutional reforms.

5. Complementary Bank Actions: Management has proposed an expansion in the number of resident missions and a doubling in the secondment of headquarters staff, strengthening of the regional staffs and creation of a special office for Africa (headed by Mr. de la Renaudiere); moreover, it has proposed an expansion in agricultural research on Africa and the establishment of a special project preparation facility. A major goal of Bank management is an expansion in the number of effective Consultative Groups in Africa; however, this type of leadership requires resources, especially if its aim is to coax additional funds from other sources.

6. Realistic Constraints: Bank management is fully cognizant of the difficulties involved in exploring the availability of additional contribution from donors.

(i) There will be scepticism as to its effective use. To this, management can only respond that it is painfully aware of the need to demonstrate that these funds are promoting effective medium-term adjustment and that taking a higher profile position is not without institutional risk. Still, IDA is compelled to take a leadership position on sectoral and macroeconomic issues, not only to protect the integrity of its project work, but also because it is uniquely suited to provide a framework to obtain additional resources and to act as the point of contact for resource providers.

(ii) There will be questions about trying to solicit funds outside of the traditional IDA framework. Management's view on this issue is that the Joint Action Program for Africa is a separate effort undertaken in light of the desperate situation in the continent by like-minded donors. We would aim at broad participation in a Special Facility, but neither universal participation nor IDA burden-sharing is envisioned. IDA7's Mid-Term Review process should, in management's view, proceed on a separate track.

(iii) It is legitimate for questions to be raised as to whether all other existing remedies (i.e., sources of Bank financing) have been exhausted vis-a-vis the Sub-Sahara. It should be noted that virtually no IDA countries in Africa are creditworthy for IBRD lending and indeed a number of blend countries have regressed to "IDA-only" status. In addition, although Africa's share of IDA7 is expected to slightly exceed

one-third, the institution does have to protect its project pipeline with other borrowers, especially India (where IDA allocations are being significantly reduced) and China (where a very modest IDA program is underway). Moreover, while IDA has made major efforts to quicken disbursements in Africa (e.g., by shifting resources to export-based and rehabilitation and maintenance projects), such a shift is neither cost-free, nor is it not possible on the scale needed to reverse current economic difficulties.

7. Next Steps: Consultations are planned with the Nordic Group, followed by the French, Italian, and British to explore the feasibility of mobilizing a Special Assistance Facility. Only if sufficient support is forthcoming will the exploratory talks be broadened to include other European countries and Japan. If donors want the Bank to organize a donors' meeting on Africa early 1985, the Bank will do so. It is the Bank's judgment that if action is to occur, it must be swift. It would be unfortunate if the unique problems of Sub-Saharan Africa were to be caught up in the broad discussions on debt which will be at the center of the April Interim and Development Committee meetings. Similarly, management believes that the majority of IDA donors would prefer that the Mid-Term Review of IDA7, tentatively scheduled for the summer of 1985, not be limited to the economic problems of one region. Finally, in addition to the aforementioned factors, we believe that African governments are awaiting a concrete response from the donor community to the Africa Report in political as well as economic terms.

DMLeipziger/cce
11/21/84
FPAFS

Questions and Answers

Special Assistance Facility for Sub-Saharan Africa

1. Why can't additional resources for Sub-Saharan Africa be provided by reallocating IDA7 resources?

- The IDA7 negotiations produced a disappointingly low level of resources. Moreover, while it was agreed that Africa was IDA's major priority, it was also agreed that changes in IDA allocations should be gradual. India, IDA's largest traditional borrower, is already receiving reduced IDA allocations, from roughly \$3 billion in the IDA6 period to less than \$2 billion in IDA7, a 34% reduction in nominal terms and 48% in real terms; on an annual per capita basis it would receive a mere \$0.85 during IDA7. China, IDA's newest and largest member, is slated to receive perhaps \$0.37 per person over the FY85-87 period on a commitments basis. [By comparison, Africa would receive about \$4.30 annually per capita in IDA7 funds].
- In addition, IDA would not be able to use its normal funds as selectively as it could use Special Facility resources, which would be used in support of only those borrowers taking immediate policy action. Normal IDA credits serve a number of purposes, including institution-building, long-term infrastructure and human capital development and the like and are thus not as well suited to special ad hoc policy efforts involving coordination with other donors, the IMF and with the Paris Club. IDA cannot shift its project pipeline abruptly, nor would it want to abandon its legitimate core development lending activities.

2. Is there not more scope for IBRD lending to African countries, perhaps combined with either guarantees or subsidies?

- Management's objective is to be in a position to act quickly and to command the broadest basis of support. Clearly, there is virtually no room for expanded IBRD lending to Sub-Saharan Africa on normal terms. The design of a concessional IBRD window, apart from possibly alarming Bank bondholders and causing potential portfolio difficulties, is cumbersome. For the amounts envisaged, and in light of the economic and political visibility desired, a Special Facility should be based on grant funds.

3. Why hasn't IDA increased its lending in Africa at a pace commensurate with the crisis?

- IDA commitments have indeed increased markedly since the late 1970s, from \$2.2 billion during IDA5 to close to \$3.0 billion in IDA6. IDA disbursements in Africa doubled between FY80 and FY83 and are expected to average around \$900 million in FY85-87. (For details, see briefs on "IDA in Sub-Saharan Africa" and "Bank

Group Disbursements Flows to Sub-Saharan Africa"). Net disbursements by IDA do not on average exceed 10 percent of total ODA to the region, however, so that IDA's effectiveness is in large measure based on the quality of its assistance.

4. How can IDA expect to be an effective force for reform if its existing resource leverage is small and the Special Assistance Facility of \$1 billion doesn't materially alter that reality?

— The basis on which IDA would seek to be the vehicle for policy reform is the quality of its assistance, i.e., its ability to conduct a non-partisan dialogue with borrowers, to coordinate resource flows, and monitor progress. It can achieve what individual donors cannot because of its multilateral character, experience, and credibility among donors.

5. How would the Facility relate to IMF stabilization programs and Paris Club reschedulings?

— The IMF has repeatedly argued that its resources are overused, especially by the poorest countries in which stabilization efforts relying primarily on demand management are unsuccessful in restoring and maintaining external equilibrium. The Facility would welcome the establishment of viable medium-term policy frameworks and the financing of medium-term resource gaps by donors.

— The Paris Club has increasingly been forced to reschedule the debts of the same countries and might also be amenable to medium-term solutions, provided proper coordination between the IMF and IDA were maintained and active monitoring by IDA were included in reform packages.

6. Which countries would be eligible for new lending?

— Without prejudging the issue, the criteria to be used would be (i) the seriousness of the economic situation, (ii) the scope for mobilizing outside sources of financing in addition to IDA funds, and (iii) the willingness of the borrower to enter into a meaningful policy discussion aimed at a serious and monitorable medium-term program of policy reform, key elements of which would be proper incentive and market-clearing prices, balanced private and public sector activities, public expenditure planning and institutional reform.

7. How would the Facility activities differ from SALs?

— The major distinction is that Special Facility operations would have as their primary objective the mobilization and coordination of other assistance flows. There are similarities, however, with respect to the tranching of drawdowns, coordination with the IMF as required, and the emphasis on public investment programs, export incentives, and economic adjustment.

8. How would the Facility's programs relate to normal IDA lending, specifically would cross-conditionality be maintained?

-- It is premature to speculate on these questions, but undoubtedly country program managers would decide on a case-by-case basis whether the project pipeline would be held hostage to a national reform package. It should be noted, however, that project conditionality differs markedly from sectoral or macro-economic conditionality and that threats of this kind would probably not add significant leverage to the Bank's policy discussions.

9. What assurances would donors receive that the hypothetically possible substitution of Special Facility lending for normal IDA lending would not leave African borrowers with a static level of IDA resources?

-- Any such substitution would defeat the purpose of the Joint Action Program. The only area in which duplication may be avoided is in SALS, and SALS are very small portion of planned IDA7 lending.

10. Should the terms of Special Facility lending be standard IDA terms?

-- Management is at the moment exploring the availability of resources and has no prejudgment in the exact modalities of that lending. If donors agreed to make resources available to the Association for special operations under terms and conditions different than traditional IDA credits, then management would, if the terms were sufficiently concessional, be bound by donors' desires.

11. Would contributions to the Special Assistance Facility be subject to IDA procurement limitations?

-- Once again, modalities will need to be worked out among contributors, but the Facility would be separate from the IDA replenishment process and no votes would be accorded, so that if a majority of donors desired such a restriction, management would be responsive to the wishes of donors.

12. Has any concrete support for the Special Facility materialized so far?

-- The exploratory process is just beginning. Reaction to the Africa Report has been very favorable and management hopes that donors will see the merits of a Special Facility approach; however, in light of the IDA7 experience Bank management will act as facilitator and lead-agent but will be guided by the wishes of donors.

DMLeipziger/cce
11/21/84
FPAFSD

NORWAY

Aid Situation

1. Norway's development assistance programme remains outstanding with respect to both volume and quality. Net disbursements of ODA have exceeded the 0.7 percent target each year since 1976. They increased by 21 percent in real terms in 1982 to 0.99 percent of GNP and further in 1983 to a new record level of \$584 million, equivalent to 1.06 percent of GNP, the second highest percentage (next to Netherland's 1.08 percent in 1982) reached by any DAC country over the last 20 years.

2. The performance in 1982 and 1983, coming after two years of slight declines in the ODA/GNP ratio, would appear to be the result of a reduction of funds in the pipeline, reflecting the growing importance of more rapidly disbursing funds in the bilateral programme and closer correspondence between planned and actual appropriations for ODA as a result of more accurate estimates of the growth of GNP.

3. The growth of ODA in the 1980s has been balanced. Unlike that of many other DAC countries, it has not been affected by the bunching of contributions to international financial institutions. In real terms, bilateral ODA has been rising by an average of 25 percent, while multilateral contributions have been rising by 20 percent. During 1981-82, Norway's bilateral ODA to Sub-Saharan Africa accounted for about 48 percent of its total bilateral ODA.

4. The outlook for ODA volume continues to be highly favorable. In 1984, disbursements should further increase roughly in line with the growth of appropriations, which is reflective of the continuing strong support of parliament and of the public for development cooperation. Disbursements are expected to remain in the vicinity of at least 1 percent of GNP in the foreseeable future. The Norwegian administration is presently at work on a White Paper on development aid to be brought out in the Spring and discussed by parliament later in the year. The White Paper will examine Norway's present program countries, the possibility of a mixed credits scheme, and may recommend a change in the multilateral/bilateral composition of Norway's aid towards more bilateral aid than at present.

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(\$ million)

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Multilateral ODA	201.6	206.7	233.0	252.3
Total ODA	486.0	467.4	559.4	583.5
Total ODA as % of GNP	0.85	0.82	0.99	1.06
Bilateral ODA to Sub-Saharan Africa as % of Bilateral ODA	45.8	48.2	48.5	n.a.
Bilateral ODA as a % of Total ODA	58.5	55.8	58.3	56.8
Multilateral ODA as a % of Total ODA	41.5	44.2	41.7	43.2

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GEOGRAPHICAL CONCENTRATION OF TOTAL ODA BY DONORS
ANNUAL AVERAGE 1981-1982

	Percent of Total ODA			
	Denmark	Finland	Norway	Sweden
Multilateral ODA	51.0	45.8	46.7	43.2
Angola	1.4			2.2
Bangladesh	5.8	1.0	5.0	2.8
Botswana			1.7	1.7
Burma	0.8	0.8		
Cameroon	0.9			
Cape Verde				0.9
China	1.1			
Egypt	2.3	3.9		
Ethiopia				2.3
Guinea-Bissau				1.4
India	5.0		4.4	6.2
Indonesia	0.8			
Kenya	4.8	3.7	4.7	1.8
Laos				1.2
Lebanon			0.7	
Mozambique	1.8	3.2	3.1	4.7
Nicaragua		1.0		0.8
Pakistan	1.0		2.8	1.2
Peru		1.7		
Philippines	1.3		0.8	
Portugal			1.7	
Senegal	0.9			
Somalia		1.4		
Sri Lanka		2.2	2.4	2.9
Sudan		1.2	2.4	
Tanzania	9.3	12.3	9.9	9.1
Uganda			0.9	
Viet Nam. Soc. Rep.		8.0		8.2
Zambia	0.8	6.0	2.4	3.4
Zimbabwe	1.4	1.0	1.7	1.3
Total above (%)	90.4	93.2	91.3	95.3
Total ODA \$million	392.0	125.0	466.0	830.0

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10/25/84

Biographical Information

Tormod SVENNEVIG

Director-General, Ministry of Development Cooperation

Experience

Mr. Svennevig has been in the Norwegian Foreign Service since 1954. He was assigned overseas at the Embassies in Copenhagen and Belgrade and at Moskva Norwegian UN Delegation in New York.

He was previously Ambassador in Teheran.

Personal

Born in 1929.

October 1984



Record Removal Notice

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Correspondents / Participants
 To : Mr. Pekka Korpinen, Executive Director
 From : A. W. Clausen, President

Subject / Title
 Norwegian Contribution to the World Bank Joint Action Program for Sub-Saharan Africa

Exception No(s).

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Reason for Removal

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Withdrawn by Chandra Kumar	Date May 5, 2014
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KEY POINTS

Norwegian Contribution to the Joint Action Program for Sub-Saharan Africa

Mr. Svennevig, the Director-General of the Ministry for Development Cooperation, is meeting with you to discuss the contribution of Norwegian Kroner 85 million (US\$9.8 million) to the Joint Action Program. The contribution is additional to Norway's IDA7 share, which in any case was increased from 1.20% in IDA6 to 1.27% in IDA7. The Norwegians have indicated that they will make their contribution unconditionally; in other words, in the absence of a Special Facility, Norway would like to see its contribution used as official cofinancing for Africa. You thus should applaud Norway's leadership position on IDA and take special note of the open support that Norway have given to a Special Assistance Facility.

Mr. Svennevig will undoubtedly ask you about the modalities of such a fund. Our position is that we will be guided in large measure by the wishes of participating countries. You should confirm management's view that any Facility would be outside of normal IDA burden-sharing arrangements and that we hope it can be put together quickly. In this context, we could envision a donors' meeting in late January or early February.

You may be asked to describe the focus of the Special Assistance Facility. Management's position so far has been that we see the Facility as a one-time effort by the donor community to make available an additional \$1 billion over the 1985-87 period in support of major policy reforms in selected African countries. While the specific design of the facility will depend on the preferences of participating countries, management's preliminary view is that the facility should be catalytic with respect to other sources of finance and that it should focus primarily on those countries which have shown a willingness to undertake difficult adjustment measures. (Further details are given in Attachment 1).

In response to questions about the Facility's prospects, you should indicate to Mr. Svennevig that our preliminary consultations with other donors have proven to be quite positive. Mr. Qureshi found support for a Special Assistance Facility in his talks in Paris and Rome, which were undertaken following initial consultations with Nordic donors in Copenhagen. (Mr. Svennevig participated in the Copenhagen discussions). He is currently sounding out the Canadians, British, Dutch, and Germans about their willingness to participate. While it is too early to judge the outcome, we are encouraged by our initial contacts with concerned donors and will be making a decision in early December whether or not to convene a donor meeting.

NORWAY

BRIEFING PAPER

- I. (a) Policy Brief: Special Assistance Facility for Sub-Saharan Africa
- (b) Questions and Answers: Special Assistance Facility
- II. Aid Situation
- III. Biographical Information

Policy Brief

Special Assistance Facility for Sub-Saharan Africa

1. Overall Objectives: The Special Assistance Facility is aimed at mobilizing additional resources for the region. Its major goal is the financing outside of normal IDA channels of a one-time program of support for economic adjustment. The evidence is clear from the recent Report on Sub-Saharan Africa that the economic crisis in the continent is deepening and that neither short-term stabilization by itself nor long-term investments by themselves can reverse the alarming trends. For these reasons, the Bank proposes a special fund to underpin medium-term adjustment programs and to serve as the vehicle to catalyze bilateral funds from donors and export credit agencies and to complement stabilization and refinancing activities.

2. Specific Objectives: Discussions with individual donors are underway on an informal basis to explore the possibility of securing additional IDA contributions specifically for Africa. It is clear that these requests should be seen as falling outside the normal IDA burden-sharing arrangements. These funds--perhaps \$1 billion over a three year period--would be used in those IDA countries of Africa which have demonstrated their willingness to undertake significant, and in the short-term costly, economic reforms. Funds would be fast disbursing and the Association would through monitoring efforts and tranced disbursements seek to assure their sound use.

3. Arguments in Support of a Special Fund:

- (i) the situation in Sub-Saharan Africa is desperate--real per capita growth has been consistently negative over the past four years, existing infrastructure is deteriorating, good project investments are turning sour, agriculture is regressing and no relief is in sight;
- (ii) existing resource flows are inadequate and the IDA7 program does not have sufficient strength to finance the core development needs of its African and other borrowers as well finance a special action program for the region, an effort which the Bank is uniquely positioned to undertake;
- (iii) additional, well-designed, and monitored multilateral assistance can play a catalytic role in mobilizing other bilateral flows, perhaps improving the terms of debt rescheduling offered by official and private lenders, and providing the vehicle for conducting the much needed policy discussions with African governments; and
- (iv) there is a need for a visible demonstration of support by the donor community for existing efforts by African governments to undertake difficult policy reforms and for a clear inducement to do so by those governments that have yet to make that policy commitment.

4. Specific Proposals: The Bank would use Special Facility resources to assist IDA borrowers which have made a serious political commitment to economic reforms and are willing to work with the Bank in designing a medium-term policy framework. The objective would be to use Special Facility resources as the catalyst for additional support for African nations, working through invigorated consultative groups, the Paris Club and bilaterally. This approach will not be and should not be seen as being a "soft option" to the IMF. The Bank's criteria for country selection will include the borrower's willingness to pursue vigorously (i) incentive and market-clearing prices, (ii) balanced economic activity between the public and private sectors, (iii) stringent and focussed public expenditure policies; (iv) export orientation, and (v) institutional reforms.

5. Complementary Bank Actions: Management has proposed an expansion in the number of resident missions and a doubling in the secondment of headquarters staff, strengthening of the regional staffs and creation of a special office for Africa (headed by Mr. de la Renaudiere); moreover, it has proposed an expansion in agricultural research on Africa and the establishment of a special project preparation facility. A major goal of Bank management is an expansion in the number of effective Consultative Groups in Africa; however, this type of leadership requires resources, especially if its aim is to coax additional funds from other sources.

6. Realistic Constraints: Bank management is fully cognizant of the difficulties involved in exploring the availability of additional contribution from donors.

(i) There will be scepticism as to its effective use. To this, management can only respond that it is painfully aware of the need to demonstrate that these funds are promoting effective medium-term adjustment and that taking a higher profile position is not without institutional risk. Still, IDA is compelled to take a leadership position on sectoral and macroeconomic issues, not only to protect the integrity of its project work, but also because it is uniquely suited to provide a framework to obtain additional resources and to act as the point of contact for resource providers.

(ii) There will be questions about trying to solicit funds outside of the traditional IDA framework. Management's view on this issue is that the Joint Action Program for Africa is a separate effort undertaken in light of the desperate situation in the continent by like-minded donors. We would aim at broad participation in a Special Facility, but neither universal participation nor IDA burden-sharing is envisioned. IDA7's Mid-Term Review process should, in management's view, proceed on a separate track.

(iii) It is legitimate for questions to be raised as to whether all other existing remedies (i.e., sources of Bank financing) have been exhausted vis-a-vis the Sub-Sahara. It should be noted that virtually no IDA countries in Africa are creditworthy for IBRD lending and indeed a number of blend countries have regressed to "IDA-only" status. In addition, although Africa's share of IDA7 is expected to slightly exceed

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with FUNDS OUTSIDE OF IDA?

one-third, the institution does have to protect its project pipeline with other borrowers, especially India (where IDA allocations are being significantly reduced) and China (where a very modest IDA program is underway). Moreover, while IDA has made major efforts to quicken disbursements in Africa (e.g., by shifting resources to export-based and rehabilitation and maintenance projects), such a shift is neither cost-free, nor is it not possible on the scale needed to reverse current economic difficulties.

7. Next Steps: Consultations are planned with the Nordic Group, followed by the French, Italian, and British to explore the feasibility of mobilizing a Special Assistance Facility. Only if sufficient support is forthcoming will the exploratory talks be broadened to include other European countries and Japan. If donors want the Bank to organize a donors' meeting on Africa early 1985, the Bank will do so. It is the Bank's judgment that if action is to occur, it must be swift. It would be unfortunate if the unique problems of Sub-Saharan Africa were to be caught up in the broad discussions on debt which will be at the center of the April Interim and Development Committee meetings. Similarly, management believes that the majority of IDA donors would prefer that the Mid-Term Review of IDA7, tentatively scheduled for the summer of 1985, not be limited to the economic problems of one region. Finally, in addition to the aforementioned factors, we believe that African governments are awaiting a concrete response from the donor community to the Africa Report in political as well as economic terms.

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11/21/84
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Questions and Answers

Special Assistance Facility for Sub-Saharan Africa

1. Why can't additional resources for Sub-Saharan Africa be provided by reallocating IDA7 resources?
 - The IDA7 negotiations produced a disappointingly low level of resources. Moreover, while it was agreed that Africa was IDA's major priority, it was also agreed that changes in IDA allocations should be gradual. India, IDA's largest traditional borrower, is already receiving reduced IDA allocations, from roughly \$3 billion in the IDA6 period to less than \$2 billion in IDA7, a 34% reduction in nominal terms and 48% in real terms; on an annual per capita basis it would receive a mere \$0.85 during IDA7. China, IDA's newest and largest member, is slated to receive perhaps \$0.37 per person over the FY85-87 period on a commitments basis. [By comparison, Africa would receive about \$4.30 annually per capita in IDA7 funds].
 - In addition, IDA would not be able to use its normal funds as selectively as it could use Special Facility resources, which would be used in support of only those borrowers taking immediate policy action. Normal IDA credits serve a number of purposes, including institution-building, long-term infrastructure and human capital development and the like and are thus not as well suited to special ad hoc policy efforts involving coordination with other donors, the IMF and with the Paris Club. IDA cannot shift its project pipeline abruptly, nor would it want to abandon its legitimate core development lending activities.
2. Is there not more scope for IBRD lending to African countries, perhaps combined with either guarantees or subsidies?
 - Management's objective is to be in a position to act quickly and to command the broadest basis of support. Clearly, there is virtually no room for expanded IBRD lending to Sub-Saharan Africa on normal terms. The design of a concessional IBRD window, apart from possibly alarming Bank bondholders and causing potential portfolio difficulties, is cumbersome. For the amounts envisaged, and in light of the economic and political visibility desired, a Special Facility should be based on grant funds.
3. Why hasn't IDA increased its lending in Africa at a pace commensurate with the crisis?
 - IDA commitments have indeed increased markedly since the late 1970s, from \$2.2 billion during IDA5 to close to \$3.0 billion in IDA6. IDA disbursements in Africa doubled between FY80 and FY83 and are expected to average around \$900 million in FY85-87. (For details, see briefs on "IDA in Sub-Saharan Africa" and "Bank

Group Disbursements Flows to Sub-Saharan Africa"). Net disbursements by IDA do not on average exceed 10 percent of total ODA to the region, however, so that IDA's effectiveness is in large measure based on the quality of its assistance.

4. How can IDA expect to be an effective force for reform if its existing resource leverage is small and the Special Assistance Facility of \$1 billion doesn't materially alter that reality?

-- The basis on which IDA would seek to be the vehicle for policy reform is the quality of its assistance, i.e., its ability to conduct a non-partisan dialogue with borrowers, to coordinate resource flows, and monitor progress. It can achieve what individual donors cannot because of its multilateral character, experience, and credibility among donors.

5. How would the Facility relate to IMF stabilization programs and Paris Club reschedulings?

-- The IMF has repeatedly argued that its resources are overused, especially by the poorest countries in which stabilization efforts relying primarily on demand management are unsuccessful in restoring and maintaining external equilibrium. The Facility would welcome the establishment of viable medium-term policy frameworks and the financing of medium-term resource gaps by donors.

-- The Paris Club has increasingly been forced to reschedule the debts of the same countries and might also be amenable to medium-term solutions, provided proper coordination between the IMF and IDA were maintained and active monitoring by IDA were included in reform packages.

6. Which countries would be eligible for new lending?

-- Without prejudging the issue, the criteria to be used would be (i) the seriousness of the economic situation, (ii) the scope for mobilizing outside sources of financing in addition to IDA funds, and (iii) the willingness of the borrower to enter into a meaningful policy discussion aimed at a serious and monitorable medium-term program of policy reform, key elements of which would be proper incentive and market-clearing prices, balanced private and public sector activities, public expenditure planning and institutional reform.

7. How would the Facility activities differ from SALs?

-- The major distinction is that Special Facility operations would have as their primary objective the mobilization and coordination of other assistance flows. There are similarities, however, with respect to the tranching of drawdowns, coordination with the IMF as required, and the emphasis on public investment programs, export incentives, and economic adjustment.

8. How would the Facility's programs relate to normal IDA lending, specifically would cross-conditionality be maintained?
- It is premature to speculate on these questions, but undoubtedly country program managers would decide on a case-by-case basis whether the project pipeline would be held hostage to a national reform package. It should be noted, however, that project conditionality differs markedly from sectoral or macro-economic conditionality and that threats of this kind would probably not add significant leverage to the Bank's policy discussions.
9. What assurances would donors receive that the hypothetically possible substitution of Special Facility lending for normal IDA lending would not leave African borrowers with a static level of IDA resources?
- Any such substitution would defeat the purpose of the Joint Action Program. The only area in which duplication may be avoided is in SALS, and SALS are very small portion of planned IDA7 lending.
10. Should the terms of Special Facility lending be standard IDA terms?
- Management is at the moment exploring the availability of resources and has no prejudgment in the exact modalities of that lending. If donors agreed to make resources available to the Association for special operations under terms and conditions different than traditional IDA credits, then management would, if the terms were sufficiently concessional, be bound by donors' desires.
11. Would contributions to the Special Assistance Facility be subject to IDA procurement limitations?
- Once again, modalities will need to be worked out among contributors, but the Facility would be separate from the IDA replenishment process and no votes would be accorded, so that if a majority of donors desired such a restriction, management would be responsive to the wishes of donors.
12. Has any concrete support for the Special Facility materialized so far?
- The exploratory process is just beginning. Reaction to the Africa Report has been very favorable and management hopes that donors will see the merits of a Special Facility approach; however, in light of the IDA7 experience Bank management will act as facilitator and lead-agent but will be guided by the wishes of donors.

NORWAY

Aid Situation

1. Norway's development assistance programme remains outstanding with respect to both volume and quality. Net disbursements of ODA have exceeded the 0.7 percent target each year since 1976. They increased by 21 percent in real terms in 1982 to 0.99 percent of GNP and further in 1983 to a new record level of \$584 million, equivalent to 1.06 percent of GNP, the second highest percentage (next to Netherland's 1.08 percent in 1982) reached by any DAC country over the last 20 years.

2. The performance in 1982 and 1983, coming after two years of slight declines in the ODA/GNP ratio, would appear to be the result of a reduction of funds in the pipeline, reflecting the growing importance of more rapidly disbursing funds in the bilateral programme and closer correspondence between planned and actual appropriations for ODA as a result of more accurate estimates of the growth of GNP.

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10/24/84

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Lebanon			0.7	
Mozambique	1.8	3.2	3.1	4.7
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Pakistan	1.0		2.8	1.2
Peru		1.7		
Philippines	1.3		0.8	
Portugal			1.7	
Senegal	0.9			
Somalia		1.4		
Sri Lanka		2.2	2.4	2.9
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NORWAY

Biographical Information

Tormod SVENNEVIG

Director-General, Ministry of Development Cooperation

Experience

Mr. Svennevig has been in the Norwegian Foreign Service since 1954. He was assigned overseas at the Embassies in Copenhagen and Belgrade and at Moskva Norwegian UN Delegation in New York.

He was previously Ambassador in Teheran.

Personal

Born in 1929.

October 1984

October 1, 1984

Dear Mr. Secretary:

Thank you very much for providing us Norway's formal notification of participation in IDA7. Your personal commitment in helping to make the replenishment effective as early as possible has been very helpful to us. On behalf of my colleagues in the Association and its recipient members, I should like to express my appreciation for your Government's prompt action in notifying us of its contribution.

I am very hopeful that Norway's example will encourage other donors to proceed as rapidly as possible with their legislative processes so that the IDA7 advance contribution scheme can be triggered in the very near future.

With warm regards,

Sincerely yours,


A. W. Clausen

Mr. Odd Jostein Saeter
State Secretary
Ministry of Development Cooperation
P.O. Box 8142, Oslo-Dep.
Oslo 1, Norway

bcc: Mr. Pekka Korpinen
Executive Director

Copies to: Mr. Qureshi
Messrs. Bock, Ikram, Mistry, van Puymbroeck, Southworth

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