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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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OMAN



The World Bank Group  
**Archives**  
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THE WORLD BANK  
Washington, D.C. 20433  
U.S.A.

BARBER B. CONABLE  
President

July 25, 1990


Dear Mr. Deputy Prime Minister:

I have learned of your reappointment to a third term as Governor for Oman 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 again 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 continue working with you to make the Bank Group even more effective during the coming years. Congratulations on your reappointment 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,



His Excellency  
Qais Bin Abdul-Munim Al-Zawawi  
Deputy Prime Minister for  
Financial and Economic Affairs  
P. O. Box 506  
Muscat  
Sultanate of Oman

*Mr. Conable*

# OFFICE MEMORANDUM

DATE: October 10, 1986  
TO: FILES  
FROM: Ghassan El-Rifai, Division Chief, EMIIC  
EXTENSION: 3-2480  
SUBJECT: OMAN - Meeting with Mr. Conable

Oman Delegation

H.E. Qais Abdul Munim Al-Zawawi,  
Deputy Prime Minister for  
Financial and Economic Affairs  
H.E. Dr. Sherif Lotfy, Secretary  
General, Development Council  
Mr. Ahmed Bin Nasser El-Rikaishy,  
Director General for Planning,  
Development Council  
Mr. Mohammed Nasser Al-Khasibi,  
Director, Office of Deputy Prime Minister  
for Financial and Economic Affairs

World Bank

Mr. Conable (President)  
Mr. Al-Sultan (ED)  
Mr. Stern (Sr. Vice President)  
Mr. Wapenhans (RVP)  
Mr. Stoutjesdijk (Director)  
Mr. El-Rifai (Division Chief)  
Mr. Sam (Special Asst. to  
President)

1. Mr. Conable welcomed Deputy Prime Minister Al-Zawawi and expressed his satisfaction with the productive and long-lasting relationship that exists between Oman and the Bank.
2. The Deputy Prime Minister congratulated Mr. Conable on his appointment as President of the World Bank and on the speech that he made to the Governors. Mr. Al-Zawawi remarked that he is on a special mission to present Oman's case to the President of the Bank regarding the issue of graduation. He confirmed that Oman has at no time accepted or even considered graduation. He said that they have always valued the Bank's assistance. He mentioned that in view of Oman's overall state of development, the dispersion of its population over a large area and the need to meet the basic needs of its population, he strongly feels access to Bank financial and technical resources is imperative.
3. Mr. Conable replied that the Bank understands the situation fully. He indicated, however, that this is a policy already put in place by the Bank's Board of Executive Directors, and the Bank's Management is only implementing it.
4. Mr. Al-Sultan explained that, in his opinion, this issue on graduation was never resolved. He remarked that the proper application of

the policy is the major issue at hand. He indicated that besides the two projects being processed, there are no other projects in the pipeline. Hence, the Bank has created a fait accompli situation where Oman cannot benefit from further Bank financial resources, once these two projects are processed.

5. Mr. Stern explained that the policy is quite clear and that there is no change in the basic thrust of the policy. He agreed, however, that in reviewing any graduation case, the Bank would not just look into the per capita income data but will examine the overall state of development, including the country's ability to tap other financial resources at reasonable terms. He confirmed that the Bank's Board had left it up to the Management to draw its own conclusions whether lending should continue in the countries in question. He also explained that this policy was not Management-sought but was introduced and sponsored by major shareholders of the Bank. He said that Oman is far above the cutoff point. Mr. Stern noted, however, that he fully appreciates that per capita income alone may not reflect accurately the state of development in Oman. He remarked that the best we can do is to take another look into the economy and to find out how flexibly the existing policy should be implemented.

6. Mr. Conable agreed with Mr. Stern's suggestion and indicated that the Bank would be willing to go the extra mile to look into the broader state of the economy and to flexibly interpret the policy. Mr. Conable said that the economic mission which is scheduled for January, 1987, would be the appropriate vehicle to re-examine the economic situation. He asked the Deputy Prime Minister whether such a mission was acceptable to him.

7. Mr. Al-Zawawi indicated that, in principle, the mission would be welcome and he would personally see to it that they would have a chance to visit the deprived areas. He added, however, that its terms-of-reference should be relevant to the issue at hand. He also stressed that the Bank should proceed quickly with the processing of the two projects, Health and Education. Mr. Conable agreed with that.

8. Mr. Conable again confirmed to the Deputy Prime Minister that the Bank will carefully examine the findings of the mission taking into consideration the overall state of the economy and not just the per capita income indicators. He said that while the Bank fully understands the Government's concern, we cannot guarantee in this meeting the outcome of the mission. Mr. Conable assured Deputy Prime Minister Al-Zawawi that if the Government and the Bank find a meeting of the minds on these issues, the Bank will be happy to assist in every way possible.

9. Mr. Al-Sultan thanked Mr. Conable for his understanding. He reiterated that focus should not be limited to the major urban centers but should review the economic and social situation in remote rural areas.

10. Mr. Wapenhans replied that the Bank's coverage in Oman has been quite substantial. The Bank has over the years covered various sectors and assisted in different projects, many of these were in rural areas. On that point Mr. Conable remarked that examining the quality of peoples' lives in these areas would definitely be an important dimension of the study.

11. Returning to the lending program, Deputy Prime Minister Al-Zawawi asked how the Bank can help during the period when processing of the two projects is completed and the time by which the mission would make its recommendations. Mr. Stern answered that there is really no reason for concern. By the time the two projects that are already in the pipeline are processed, the mission would have submitted its findings to the Management. He remarked that if the review supports a continued need for financial assistance from the Bank, we will quickly process one or two additional high priority projects. He added that under no circumstances should the Government expect that there could be a major extension of the period during which the Bank would continue lending to Oman.

12. In conclusion, Mr. Conable thanked Deputy Prime Minister Al-Zawawi for his visit and assured him that the Bank will continue to do its best to help Oman in its economic and social development.

Cl. with & cc: Mr. Stoutjesdijk  
cc: Messrs. Conable, Stern, Wapenhans, Rajagopalan, Sam

GE1-Rifai:cs/pf  
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-SUBJECT: OMAN - Reply to Mr. Al-Zawawi  
-DRAFTED BY: GE1-Rifai:cjd *1/E* EXT: 32480  
-AUTHORIZED BY: Barber B. Conable, President *Barber*  
-CC: Messrs. Stern, Wapenhans, Sam, Stoutjesdijk (o/r), El-Rifai,  
- Ms. Denton  
-1145S/67

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-H. E. QAIS ABDUL MUNIM AL-ZAWAWI  
-DEPUTY PRIME MINISTER FOR FINANCIAL  
-AND ECONOMIC AFFAIRS

-MUSCAT, OMAN

BT

WASHINGTON, D.C., JULY 29, 1986

H. E. QAIS ABDUL MUNIM AL-ZAWAWI, DEPUTY PRIME MINISTER FOR  
FINANCIAL AND ECONOMIC AFFAIRS, MUSCAT, OMAN.

MANY THANKS FOR YOUR KIND WISHES. WE IN THE BANK ALSO VALUE THE  
FRUITFUL AND CONSTRUCTIVE RELATIONSHIP THAT EXISTS BETWEEN OMAN  
AND THE WORLD BANK. I LOOK FORWARD TO MEETING WITH YOU DURING THE  
IMF-WORLD BANK ANNUAL MEETING. WE WILL TELEX YOU IN DUE TIME  
PROPOSING A TIMING FOR THE MEETING.

WARM REGARDS, BARBER B. CONABLE, PRESIDENT, THE WORLD BANK.

Mr. Stern 7/24

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MR. BARBER CONABLE  
PRESIDENT OF THE WORLD BANK  
THE WORLD BANK  
WASHINGTON D.C  
U.S.A.

I WAS VERY GLAD TO LEARN THAT YOU HAVE TAKEN OVER AS THE  
PRESIDENT OF THE WORLD BANK AND I AM TAKING THIS OPPORTUNITY  
TO CONGRATULATE YOU FOR THIS IMPORTANT POSITION STOP AS YOU ARE ALRE  
ALLREADY AWARE MR. PRESIDENT, THE WORLD BANK AND OMAN HAVE HAD SINCE OUR

COL P/2/52

ASSOCIATION

A VERY FRUITFUL AND CONSTRUCTIVE RELATIONSHIP AND I SINCERELY TRUST

THAT THE BANK AND OUR COUNTRY WILL CONTINUE TO MAINTAIN AND PROMOTE

T  
HIS RELATIONSHIP DURING YOUR TERM IN THE OFFICE STOP I WOULD, THEREF

D  
RE KINDLY, THEREFORE, KINDLY REQUEST AN APPOINTMENT WITH YOU.

COL P/3/49

DURING THE COMING IMF-WORLD BANK JOINT MEETINGS IN SEPTEMBER  
1986 TO DISCUSS SOME ISSUES THAT HAVE EMERGED TO BECOME OF GREAT  
CONCERN BETWEEN YOUR INSTITUTION AND OUR COUNTRY STOP HENCE, I  
WOULD APPRECIATE THAT YOU KINDLY INFORM ME BY TELEX AT YOUR  
EARLIEST CONVENIENCE THE TIME SUITABLE FOR YOU.

COL P/4/20

FOR SUCH AN APPOINTMENT STOP WITH BEST REGARDS.

GAIS ABDUL MUNIM AL-ZAWAWI

DEPUTY PRIME MINISTER FOR FINANCIAL AND ECONOMIC AFFAIRS

COL P/4/20



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ALT RTD FROM:EXCM

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OFFICE OF THE PRESIDENT

1986 JUL 15 AM 9:13

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June 4, 1985

Your Excellency:

Thank you for your letter of May 7, 1985 which we received recently. I would like first of all to thank you for the confidence you place in the World Bank as a trusted partner in the economic and social development of Oman. Regarding your statement on the question of graduation I wish to assure you that it is our hope and expectation that the World Bank will continue to play a productive role in the economic development of Oman. We plan to continue our consultations at a mutually convenient time to determine the nature and modalities of future cooperation between Oman and the Bank.

I wish, however, to note that, as was stated in the April 11, 1985 meeting of the Executive Directors, the Bank operates in accordance with the requirements of its Articles of Agreement particularly those of Article III, Section 4(ii). This section stipulates that the Bank may guarantee or make loans, on the condition that "the Bank is satisfied that in the prevailing market conditions the borrower would be unable otherwise to obtain the loan under conditions which in the opinion of the Bank are reasonable for the borrower". It gives me pleasure to recognize here that, due to the prudent economic management that your Government has pursued over the past years, Oman has established, in our opinion, reliable access on reasonable terms to the international capital market. Of course, we will keep this situation under continuous review and look forward to further consultation with you before completion of the lending program in FY 1986.

I agree that the relationship between the Government of Oman and the World Bank has been fruitful. We have already, in addition to lending, initiated technical cooperation in Oman which, so far, proved to be quite successful. I would like to assure Your Excellency, once again, that the Bank will continue to assist Oman in its economic and social development either through lending, or through technical cooperation, or a combination of both as may be consistent with our articles.

Sincerely,

(Signed) A. W. Clausen

A. W. Clausen

His Excellency  
Qais Abdul Munim Al-Zawawi  
Deputy Prime Minister for Financial and  
Economic Affairs  
P.O. Box 506  
Muscat, Sultanate of Oman

cc: Mr. Al-Sultan

Cleared with and cc: Messrs. Wapenhans, Stoutjesdijk

SOHassan/GEL-Rifai:ep

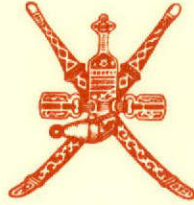
بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# Sultanate of Oman

Office of  
The Deputy Prime Minister

for Financial & Economic Affairs

Muscat



سلطنة عُمان

مكتب

نائب رئيس الوزراء

للشؤون المالية والاقتصادية

مسقط

No. FD/11/1/87-S/85

Date 7th. May, 1985.

الرقم :

التاريخ :

Mr. A. W. Clausen,  
President of the World Bank,  
The World Bank - 1818 H Street,  
N.W., Washington D.C. 20433  
U. S. A.

After compliments .

The World Bank and our country has had since our association a very fruitful and constructive relationship. I hope and trust that such a relationship will not only be maintained but strengthened during the coming years.

With such a past and future cooperation in mind, The Government of Oman has been gravely concerned with the reference made on graduation in your document of March 21, 1985 of the Second Telecommunications Project. Notwithstanding the fact that there has been discussions but not an agreement on the subject with the bank in the past and that management had made a proposal for the graduation of Oman on the basis of The Executive Board's decision of 1982, It is our precise understanding that January 10, 1984 proposal to graduate Oman along with other four small caribbean countries was postponed, and in fact, as a consequence of a unanimous approval by The Executive Board on September 11, 1984 of a statement of graduation, the management withdrew its proposal for the graduation of Oman and the four other countries. It is also our understanding that as a consequence of the unanimous adoption of the statement on graduation, graduation can now only take place with the agreement of the country concerned and that neither bank management nor bank board has the authority under the articles of agreement to exclude any member country against

(cont. page 2)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# Sultanate of Oman

Office of  
The Deputy Prime Minister

for Financial & Economic Affairs

Muscat



# سلطنة عُمان

مكتب

نائب رئيس الوزراء

للشؤون المالية والاقتصادية

مسقط

No. ....

Date .....

الرقم: .....

التاريخ: .....

(2)

its will from bank lending for having reached a certain level of income, and that the attainment of a certain per capita level of income does not automatically mean the graduation of any member country.

We wish to reiterate here our position on this issue which was presented to you during the board discussions of April 11, 1985 by Mr. Fawzi Al-Sultan. The Omani Government has not reached an agreement with the bank on graduation nor is the Government in agreement or aware of the fact that Oman's lending program will come to an end in fiscal year 1986. We strongly feel that the bank should continue to play an important role in Oman and we look forward to continued dialogue up to and beyond fiscal year 1986.

Best regards,

Qais Abdul Munim Al-Zawawi,  
Deputy Prime Minister for Financial  
and Economic Affairs.

RECEIVED

1985 MAY 16 AM 9:48

OFFICE OF THE PRESIDENT

Main body of the document containing several paragraphs of extremely faint, illegible text.

Faint lines of text, possibly a signature or reference number.

Ministry of Planning  
Jeddah  
Kingdom of Saudi Arabia



MINISTRY OF PLANNING

Ministry of Planning  
Jeddah  
Kingdom of Saudi Arabia

Faint handwritten notes or markings in the bottom left corner.