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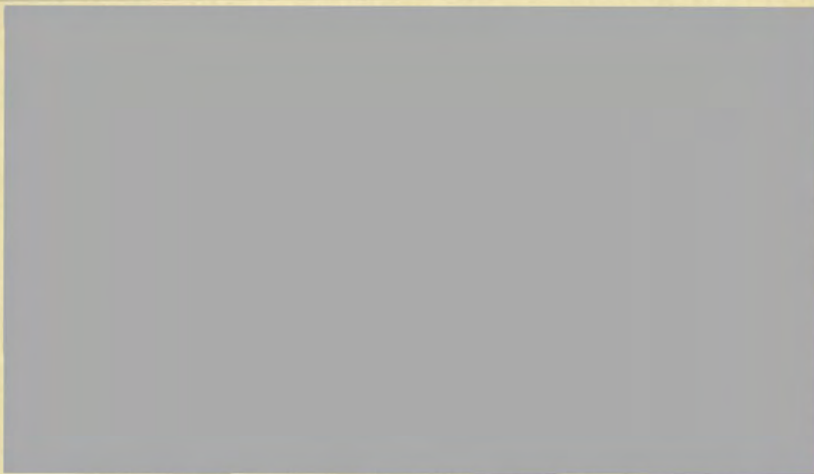
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Hollis B. Cheney papers - McNamara Discussions 1973 (May-June)



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Hollis B. Cheney Papers - McNamara discussions / notebooks / memoranda - 1973 (Ma  
- June)

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: June 29, 1973

FROM: Hollis B. Chenery and Warren C. Baum

SUBJECT: Dr. Berelson's Resignation from the Population Council

Reference your memorandum of June 22, we would welcome using Dr. Berelson for occasional Bank assignments. He would be of great value in areas where broad planning judgments are involved and also in situations where his professional stature will enhance the acceptability of the Bank's proposals.

KKanagaratnam:bli



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

442

To Messrs: Brown  
Chenery  
Kannanathan

If Barber would be free  
for occasional Bank  
commitments in 6 to 7 months,  
could we not make good use  
of him?

If your behavior is, I will  
indicate this to him in my  
reply. D.M.W.

THE POPULATION COUNCIL

245 PARK AVENUE  
NEW YORK, N.Y. 10017

TELEPHONE (212) 687-8330  
CABLE: POPCOUNCIL, NEW YORK

June 8, 1973

Mr. Robert McNamara  
President  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Bob:

I just wanted you to hear directly from me that at the annual meeting of the Board the day before yesterday, I submitted my resignation from the presidency of the Council, but with the understanding that I shall continue to work in the field and with the Council on matters of special interest, in a capacity still to be determined.

My resignation is subject to the pleasure of the Board but will take effect not later than June 1974. The Board has appointed a search committee and I expect to be doing business at this same stand for the next six to twelve months. After that I shall be free to turn my hand to any matters where I might be able to be of some use.

I know this is good for me personally and I am convinced that it is good for the Council as well. In any case, I expect to be around for a while yet.

I should add that the Chairman and the Board fully concur in this decision and we all look forward to a more successful administration under my successor.

I just wanted you to know.

Sincerely,



Bernard Berelson  
President

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: June 26, 1973

FROM: Hollis B. Chenery *HBC*SUBJECT: IDA Program for FY1974

1. The Policy Planning and Program Review Department has carried out an analysis of IDA lending during FY1972-74, focusing on the decisions which have to be considered during FY74. The attached paper responds to your request that the Department provide you with periodic reviews of the lending program.

2. The main conclusions from this analysis are:

- (a) IDA lending programs for FY74 presently add up to \$1,442 million compared to foreseeable resources of \$1,070 million. This degree of overprogramming is justified to demonstrate that we have enough projects available for a higher level of IDA replenishment and to maintain project preparation. However, some adjustment in IDA allocations will be necessary in the next few months for internal management purposes.
- (b) On the extreme assumption that the Big Four receive their usual share over FY72-74, there would be an excess programming of about 70% (\$200-250 million) in FY74 for other IDA recipients. It is feasible to reduce allocations for the non-Big Four countries by \$100 million or more: some criteria for reduction and possible candidates are given on pp. 10-11.

3. If and when it becomes necessary to reduce the amount of overprogramming for FY74, I think we should undertake a more systematic review of performance and other factors affecting the allocations on a comparative basis.

4. I plan to discuss these conclusions and the need for further analysis with Messrs. Knapp and Adler and would like to review them with you at your convenience.

Attachment - kept by RMMW (HBC's copy attached hereto)

cc: Messrs. Knapp, Adler, Stern.

HBC Chenery:tk

Xerox to Macero Stern & Hag 7/2

6/30 To Dr. Chenery

I have read the attachment which

was clearly presented and probably makes a meeting unnecessary. Banker has a proposal.

RMMW

3044

4/27



## THE IDA PROGRAM FY72-74

### Introduction

1. As the current cycle of CPP reviews comes to an end it seems desirable to examine the total program for the Third Replenishment period FY72-74 which has emerged from individual country reviews. The focus is on the FY74 program as the only remaining year in the replenishment period. An examination of the question of whether the program has emerged in line with our usual IDA allocation criteria will provide some guidance for future years' decisions and more immediately, provide guidelines for the allocation decisions which may be necessary in FY74 itself. Further steps in this analysis - not contemplated here - would of course have to be buttressed by a closer examination of the IDA-worthiness and programs of the major IDA recipients.

### Program Issues in FY74

2. IDA resources for FY73 and FY74 total \$2,420 million allowing for dollar devaluation gains. The current schedule for Board presentation through the end of FY73 suggests that commitments in FY73 will total about \$1,350 million, thus leaving \$1,070 million available for FY74. Within total commitments of \$1,350 million for FY73 the program for the Big Four amounts to \$767 million (57 percent). India's share in FY73 is 37 percent (\$494 million) rather below its 40 percent allocation of total FY72-74 lending.

IDA PROGRAM FY72-74

	FY72		FY73		FY74 <sup>a/</sup>		FY72-74		
	\$M	%	\$M	%	\$M	%	\$M	%	
India	412	41	494	37	462	( 488)	43	1,368	40
Indonesia	106	11	145	11	121	( 134)	11	372	11
Pakistan	50	5	63	5	58	( 61)	5	171	5
Bangladesh	-	-	65	5	88	( 80)	8	153	4
Total	568	57	767	57	729	( 763)	68	2,064	60
Others	432	43	587	43	341	( 627)	32	1,356	40
Total	1,000	100	1,354	100	1,070	(1,390)	100	3,420	100

a/ Figures in parentheses show the amounts currently in the lending program for FY74 before the FY73 outcome.

3. If the program for the Big Four in FY74 is set at a level to enable each country to approximate its allocation over FY72-74, the shortfall for India and, to some extent, Bangladesh would be made up. These countries would account in FY74 for some 68 percent of IDA lending. This share is rather large for any one year, and raises a question whether the FY74 program for them should not be reduced (possibly to be made up over FY75-77).

4. For countries other than the Big Four, lending in FY73 of \$587 million has been exceptionally high. For FY74 resources available to them would total only \$340 million if the Big Four receive a 68 percent share of total resources of \$1,070 million.

5. Against this picture of resources available in FY74 there appears to be substantial overprogramming. At one point the weakness of the India program (of which only lending for \$339 million is firm) suggested that the degree of overprogramming would not be too large. While there is still some uncertainty about the India program it now appears likely that the program for India will come to the full allocation (\$462 million). Two



operations (irrigation) have been brought forward from FY75 and the operations program now totals \$674 million (17 operations). In fact, if the two irrigation projects materialize (for \$80 million) and the industrial imports credit is raised from \$75 million to \$100 million as in FY73, it would only take one other project (such as the agriculture credit now planned for FY74) to firm up for the India program to reach the full allocation level.

IDA: INDIA PROGRAM FY70-74

	FY70		FY71		FY72		FY73		FY74	
	No.	\$M	No.	\$M	No.	\$M	No.	\$M	No.	\$M
Operations										
Beginning of year	9	255.0	12	251.0	19	542.5	16	528.3	17 <sup>a/</sup>	674.0 <sup>a/</sup>
Actual	5	227.5	6	243.4	11	412.5	10	494.0	-	462.0 <sup>b/</sup>

<sup>a/</sup> Per end May timetables, 15 operations for \$504 million.

<sup>b/</sup> Allocation for lending over FY72-74 to equal 40 percent of total IDA lending.

6. If the India program does firm up in this way, the lending program of \$679 million for countries other than the Big Four will be twice the level of resources available to them of \$340 million. This is the result of the build-up of the operations program which has occurred in the countries other than the Big Four in order to take account of assumed greater chances of slippage in them, as well as shortfalls in lending to the Big Four. The table below shows the substantial increase in the operations program and how the size of the margin over resources expected to be available has increased over FY72-74.

IDA PROGRAM MARGINS FOR COUNTRIES OTHER THAN THE BIG FOUR  
(Beginning of year)

	<u>FY70</u>	<u>FY71</u>	<u>FY72</u>	<u>FY73</u>	<u>FY74</u>
Operations Program	298.8	319.1	450.1	760.5	831.5 <sup>a/</sup>
Lending Program	n.a. <u>b/</u>	n.a. <u>b/</u>	437 <u>c/</u>	547 <u>d/</u>	679 <u>e/</u>
Resources Expected to be Available at Begin- ning of Year	210	210	380	395	340
Actual Lending in Year	267	222	432	587	

a/ Per end May timetables. Excludes slippage from FY73 (\$51.5 million).

b/ Distinction between operations and lending program was introduced during course of FY71.

c/ Per Table IV of 5/5/71; no allowance for slippage from FY71.

d/ Per Table IV of 8/10/72.

e/ Per Table IV of 5/14/73; with allowance for slippage from FY73.

7. The table also shows that actual lending to these other countries in the last two fiscal years FY72 and FY73 has been in line with the originally planned lending program without any slippage in the amount of lending. If there were similarly no slippage in FY74, IDA would be overprogrammed to the full extent of \$340 million. However, a summary review of projects in the 3 to 5 probability categories for FY74 for these countries shows a total of about \$575 million (including slippage from FY73), so that slippage of about \$100 million can be expected in relation to the lending program of \$679 million. Thus, the extent of overprogramming for FY74 appears to lie between \$200-250 million.

8. In an important sense the overprogramming which has occurred for FY74 places IDA in a desirable strategic position if IDA IV materializes on time at the level expected, since it increases pressure on creditors to ratify IDA IV on time and the spill over into FY75 will ease the transition in the level of IDA operations from the \$1,140 million per annum level over FY72-74 to the \$1,650 million per annum level possible for FY75-77.



9. In the meantime, there is a question of how to deal with the over-programming in FY74. One possibility would be to reduce the FY74 allocation of India to say \$380 million and that of Indonesia to \$100 million so that the Big Four would together not account for more than 60 percent of IDA resources in FY74 itself. The India allocation would then be more in line with present firm lending prospects. Such reductions might also have an appeal to certain creditor countries and, moreover, of course it is not desirable for India or Indonesia to come to regard a given allocation out of IDA resources as an acquired right. The other possibility, which is explored later in this paper, is for cuts to be made in the program for countries other than the Big Four. If future reviews of the operations program suggest that overprogramming is within the range indicated in paragraph 7 above, both measures may need to be taken.

10. The reduction in the lending program which may be necessary for these countries is one of timing rather than substance - if it merely means the postponement of loan approvals from the last quarter of FY74 to the first of FY75. It would of course be somewhat different if IDA IV does not materialize on time. But it is in any case desirable that any reductions which have to be made be in line with defensible IDA criteria.

11. Against this background, we have reviewed the lending program decisions for the Third Replenishment period and particularly those for FY74 which have emerged from the recent cycle of individual CPP reviews, to attempt to identify cases where the IDA program for FY74 might be adjusted downwards without infringing traditional IDA distribution criteria. We have also taken a preliminary look at the longer run lending program objectives for FY75-77, although a more detailed review will be necessary when prospects for IDA IV emerge more clearly.



CPP Review Decisions and IDA Allocation in the Third Replenishment  
Period FY72-74

12. In very broad terms, IDA distribution over FY72-74 continues the trend in IDA lending of an increasing proportion of IDA resources going to the poorest countries including those designated by the UN General Assembly as "least developed". The table below, which updates Table I of the IDA Lending Policies paper discussed by the Executive Directors in March 1973, shows that in FY72-74, if the lending program materializes as envisaged, almost four-fifths of resources will have been channelled to the poorest countries, including 15 percent to the least developed - which received 11 percent in the period FY69-71. Lending to countries over \$250 per capita will further decline to 5 percent of IDA lending.

IDA COMMITMENTS TO COUNTRIES CLASSIFIED BY PER CAPITA GNP  
(annual averages)

Classification of Recipients	FY61-68		FY69-71		FY72-74 <sup>/a</sup>		FY75-77 <sup>/a</sup>	
	\$M	(%)	\$M	(%)	\$M	(%)	\$M	(%)
The Poorest (Up to \$120)								
India	111	48	208	40	456	40	540	40
Bangladesh	20	9	23	4	51	4	100	8
Indonesia	-	-	75	14	125	11	150	11
U.N. 'Least Developed'	19	8	57	11	175	15	232	17
Other	5	2	15	3	51	5	66	5
<u>Total</u>	155	67	378	72	858	75	1,088	81
Intermediate (\$121-\$250) <sup>/b</sup>	47	21	109	21	220	19	210	15
Other (Above \$250)	27	12	38	7	62	5	52	4
<u>Total</u>	229	100	525	100	1,140	100	1,350	100

<sup>/a</sup> For FY74 and FY75-77 the Big Four have been assumed to receive their full allocation and the remaining IDA available has been prorated according to the lending programs in other countries.

<sup>/b</sup> Including Pakistan. This table updates a similar table in the paper on IDA lending policies discussed by the Board in March. One difference in the table above is that IDA lending to Pakistan has been divided between Pakistan and Bangladesh with Pakistan included in the middle group of countries.

13. In order to move beyond this level of aggregation to a country-by-country comparison of the appropriateness of IDA distribution, it is useful to compare the country lending program against the distribution of IDA resources which would have emerged if IDA distribution were decided only on the basis of a country's size and degree of poverty. Programs above the size/poverty norm should reflect other factors relevant to IDA distribution such as the lack of bilateral IDA, good performance, etc., while programs below the size/poverty norm would reflect the converse factor as well as limits on absorptive capacity. Annex I discusses the detailed results of this analysis and it is sufficient here only to bring out the main conclusion, namely that IDA distribution over FY72-74 and over FY75-77 appears to be in line with the usual IDA criteria. The exceptions include Ethiopia and Zaire, where the IDA program appears rather too large and Sri Lanka, where the program seems too low. These cases will be raised in forthcoming CPP reviews.

14. The table above also shows that the lending program for FY75-77 continues the same trend of an increasing proportion of IDA resources going to the poorest countries below \$120 per capita, including the "least developed".

15. Detailed analysis of the forward program in the least developed is being done in a separate paper. A detailed appraisal of the program as a whole is perhaps premature at this point in view of the uncertainties about the amount and timing of IDA IV. But if prospects do firm up for a timely replenishment at \$1,500 million a year or greater, a readjustment of the program currently based on a \$1,350 million a year resource level will be called for.

16. The table below shows the current status of the operations and lending program in relation to the \$1,350 million a year resource level. The operations program of \$6,585 million over the three-year period provides a 62 percent margin over resource availabilities at the \$1,350 million a year level.

IDA OPERATION MARGINS

	FY72-74				FY75-77 <sup>/c</sup>			
	Operations Program <sup>/a</sup>		Lending Program <sup>/b</sup>		Operations Program		Lending Program	
	No.	\$M	No.	\$M	No.	\$M	No.	\$M
<b>Big Four Projects Lending</b>								
India	40	1,014	31	1,143	58	2,070	52	1,320
Indonesia	33	478	21	372	32	724	18	450
Bangladesh	16	212	10	52	29	340	20	200
Pakistan	8	79	3	81	13	245	11	210
<u>Total</u>	<u>97</u>	<u>1,783</u>	<u>65</u>	<u>1,648</u>	<u>132</u>	<u>3,379</u>	<u>101</u>	<u>2,180</u>
Program Lending	2	125	7	415	6	400	6	400
<u>Total</u>	<u>99</u>	<u>1,908</u>	<u>72</u>	<u>2,063</u>	<u>138</u>	<u>3,779</u>	<u>107</u>	<u>2,580</u>
Least Developed	107	568	78	588	170	1,179	118	834
Others Below \$120 Per Capita	25	225	18	175	39	434	23	260
Intermediate (\$121-\$250)	97	596	78	632	108	918	78	712
Other (\$251-\$375)	50	349	28	285	34	275	24	229
Total Country Program	378	3,640	274	3,743	489	6,585	350	4,613
Total Resource Availabilities				3,420				4,050

<sup>/a</sup> As at beginning of period. From Programming & Budgeting Standard Table IVa dated June 16, 1971.

<sup>/b</sup> This shows the lending program as it now stands two-thirds completed, based on Table VII(d) dated May 14, 1973.

<sup>/c</sup> Based on Table VII(d) dated May 14, 1973 and Table IV(b) dated May 24, 1973.

17. The table shows that by comparison the FY72-74 operations program at the outset of the Third Replenishment period (\$3,640) was below the lending program as it now is materializing. As the table makes clear, there has been considerable slippage in the number of operations (from 378 to 274) while the amount to be lent has risen above the original operations level. In other words, meeting resource availabilities which have turned out to be higher than foreseen at the outset of the program,



because of dollar devaluations, has been achieved by increasing the size of loans and by additional program lending.

18. The discrepancy between the number of operations originally planned to support a given dollar amount of lending and the actual outcome, as it is now emerging two thirds of the way through the FY72-74 program, reflects in part the very tentative nature of lending amounts allocated to particular operations in the lending program prior to detailed project appraisal. In addition, inflation at a particularly high level, has also been a factor behind increasing loan size. Nevertheless it does raise a question about the programming of operations (and manpower) in relation to resource availabilities. For the future there must be a question whether increasing the average size of credits (to allow inter alia for inflation) would be the most appropriate way to meet additional resource availabilities if IDA IV comes through on time at the \$1,650 million a year level.

19. It may still be premature at this stage to examine the adequacy of the forward programming margins to meet a \$1,650 million a year replenishment level. But a revised lending program for FY75-77 by country with an assessment of operational implications should be prepared soon if prospects for a timely replenishment at the \$1,650 million a year level firm up. In what follows, the note examines the earlier problem discussed in paragraphs 2-8 above, of the rationing which may be necessary in FY74.

#### Candidates for Postponement in FY74

20. With reasonably firm lending prospects in FY74 of \$1,310 million, or \$240 million above resource availabilities, some reduction in the lending program is necessary. This can be achieved both at the expense of the Big Four (India and also Indonesia), and of the other countries. The analysis

which follows on the latter countries does not take into account performance and creditworthiness questions, which would have to be included in a more detailed review of country programs in order to determine where cuts or postponements are most appropriate.

21. For the countries other than the Big Four, it is premature at this point to plan for a postponement of any substantial amounts, pending further reviews of operations. It would therefore be undesirable at this point to remove pressure for the completion of the operations program for FY74 as it now stands. However, in order to give a starting point for considering where postponements can be made, a preliminary list totalling \$100 million for countries other than the Big Four is described below.

22. The starting point for countries which are candidates for postponement is provided by the poverty norm since it is fair to regard poverty as the main criterion for IDA distribution with other considerations carrying a lesser weight. To this extent countries where the lending program is noticeably above the poverty norm (in absolute amounts or relative to the total program for the country) are prima facie candidates where lending may be postponed in FY74. This, however, is only one consideration. It is easier to postpone projects in countries where the program is large such as Ethiopia and Zaire rather than dependent entirely on one or two projects going through. It is also easier to contemplate postponements in blend countries where possibly IBRD might substitute for IDA (Kenya, Tunisia).

23. The table below illustrates where postponements in the lending program totalling \$100 million might be made in FY74. With the exception of Senegal and Mali where no postponement is suggested,<sup>1/</sup> the countries

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<sup>1/</sup> Both these countries are affected by drought and a maximum program is desirable.



COUNTRIES WHERE IDA FINANCING OF PROJECTS MAY BE POSTPONED IN FY74

	Program FY72-74	Difference Between Norms and Lending FY72-74		Lending Program FY74		Possible Postponement \$M	Revised Program	
		\$M	(% )	\$M	No. of Ops.		FY74	FY72-74
Egypt	142	+66	+ 87	61	4	16	45	126
Ethiopia	157	+55	+ 54	65	5	20	45	137
Ghana	60	+47	+358	44	3	14	30	46
Sudan	90	+31	+ 53	30	3	10	20	80
Tunisia	34	+19	+131	19	3	5	14	29
Zaire	96	+19	+ 25	52	4	14	38	82
Cameroon	40	+18	+ 85	27	2	5	22	35
Congo	24	+16	+216	14	3	3	11	21
Madagascar	42	+12	+ 41	12	2	3	9	39
Tanzania	66	+11	+ 21	20	4	5	15	61
Kenya	51	+11	+ 29	23	2	5	18	46

listed above are those where (i) the program over FY72-74 exceeds the poverty norm by more than \$10 million; (ii) where the program over FY72-74 exceeds the poverty norm by at least 20 percent; (iii) where the country concerned has more than one IDA project in the program for FY74 so that postponement does not mean elimination of the IDA program in FY74 itself. To the extent that future reviews of operations show that the slippage already counted on to reduce the lending program towards resource availabilities would have taken place in these same countries, further reductions in their program, or in other countries, would have to be made commensurately. There are of course other countries which might be candidates for postponement or reduction but which do not meet the above criteria.

24. To achieve the cut of \$100 million for each of the countries listed the lending program has been reduced by a uniform 25-30 percent. This leaves the program for each of these countries remaining above the poverty norm, but for good reason in most cases, as indicated in the Annex.



Only in a few cases such as Ethiopia, Zaire and Syria does the program appear unduly large by normal IDA criteria; however, since this judgment affects their long-run program as much as the short-run, we feel that the appropriate place and time to raise the question of the size of the program for these countries is in the forthcoming CPP cycle.

25. It should be emphasized at this stage that the choice of postponements is only indicative of possible ways to meet a hypothetical situation. Moreover, we have not sought the concurrence of Regional Offices at this stage to possible cases of postponement which must await detailed discussions at a later stage. Finally, while Regional Offices should be concerned about postponement of financing in the individual countries for which they are responsible, postponements in lending should not be regarded as a reason to postpone operations since it is probably an advantage for IDA to be in a position at this juncture of having projects ready to finance in excess of available resources.

I. CPP REVIEW DECISIONS AND IDA ALLOCATION

1. For the purpose of inter-country comparison, it is useful to compare the program for each country emerging from CPP reviews against the distribution of IDA resources which would have emerged if IDA distribution were decided only on the basis of a country's size and degree of poverty. Programs above the size/poverty norm should reflect other factors relevant to IDA distribution such as the lack of bilateral ODA, good performance, to catch up with any hiatus in recent operations, over-indebtedness, etc. Programs below the size/poverty norm would reflect the converse factors as well as limits on absorptive capacity. Since the constraint is the availability of IDA funds, the discussion below is in terms of the absolute amount by which countries are above or below the norms rather than in relative percentage terms, the latter being the relevant measure from the point of view of the poverty, performance and lack of credit-worthiness of a country.

2. The table below shows that there are eight countries where the program for FY72-74 exceeds by \$20 million or more what these countries would have been allocated if distribution were based on the size/poverty criterion.

	FY72-74 Poverty Norm	FY72-74 Lending Program <sup>a/</sup>	Difference
	(.....)	(\$M.....)	(.....)
Egypt	76	142	66
Turkey	32	86	55
Ethiopia	102	157	55
Ghana	13	60	47
Sudan	59	90	31
Senegal	14	42	28
Syria	13	39	26
Jordan	11	32	21

a/ Actual for FY72-73; program for FY74.

3. In the case of Turkey, the IDA allocation, justified mainly on creditworthiness grounds, is now to be phased out owing to Turkey's greatly improved balance of payments prospects. In the case of Ghana, the debt situation, poor export and growth prospects are such that any program has to be on IDA terms even though with a per capita income of \$310, Ghana is near the limit of IDA eligibility. Ethiopia is one of the UN designated least developed countries and as such merits special consideration in the distribution of IDA funds, while a shortage of bilateral ODA and limited creditworthiness on both political and economic grounds are additional factors accounting for the size of the program. For four of the remaining countries, Jordan, Syria, Sudan and Egypt, a leading factor underlying the size of the program is a desire to take advantage of an improved climate for operations. In both Sudan and Jordan the excess of the program over the poverty norm is planned to diminish over FY75-77 illustrating the temporary nature of the "catch up". While Egypt's per capita income level of \$210 places it outside the poorest IDA countries, the debt situation is another consideration in the size of the program. In the case of Senegal the high IDA allocation to a large extent reflects the receptivity of the government to Bank Group assistance and success in preparing projects suitable for financing.

4. In addition to the eight countries mentioned above, there are a further twelve countries shown in Table 1 attached, where the program exceeds the norms by \$10 million or above. Of these, the excess of the program over the norm is expected to increase in FY75-77 to over \$20 million in the cases of Zaire, Tanzania, Kenya and Cameroon. Along with Ethiopia,



Egypt, Ghana and Syria these are the countries where the program will exceed the poverty guideline by the largest margin in absolute amounts over FY75-77.

DIFFERENCE BETWEEN LENDING PROGRAMS AND NORMS  
(\$ million)

	<u>FY72-74</u>	<u>FY75-77</u>
Zaire	+19	+65
Tanzania	+11	+35
Kenya	+11	+29
Cameroon	+18	+21

5. Of these countries the appropriateness of the size of the program for Ethiopia and Tanzania will be examined in a separate paper on the Bank Group program in the least developed. Other countries where the size of the IDA program appears large in relation to poverty and other IDA criteria, notably Syria, Zaire, Kenya and Cameroon, will be taken up in the next cycle of Country Program Papers. In addition, there are some cases with more modest excesses over the norms which we may also wish to question on the grounds of exceptionally weak performance, e.g., Uganda and Morocco.

6. By contrast there are seven countries where the program for FY72-74 is at least \$20 million less for each than it would have been if the countries concerned were to receive a total allocation for FY72-74 in line with the size/poverty norm. The countries are, Afghanistan, Burma, Nepal, the Philippines, Thailand, Sri Lanka and Uganda and the lending program for them is shown below. With the exception of Uganda, where the size of the program reflects interruptions to operations and a lending program in FY75-77 is tentatively planned more in line with the country's

poverty, the programs for the other countries continue at least \$20 million below the poverty norm through FY75-77.

	Size/Poverty Norm <u>FY72-74</u>	Lending Program <u>FY72-74</u>	Difference Between Norm and Program	
			<u>FY72-74</u>	<u>FY75-77</u>
Burma	113	53	-60	-87
Thailand	87	40	-47	-38
Philippines	83	43	-40	-49
Sri Lanka	50	11	-39	-49
Afghanistan	62	27	-35	-43
Uganda	38	12	-26	+ 9
Nepal	50	29	-21	-23

7. In the case of Thailand and the Philippines, this reflects the fact that the prospects for these countries are relatively favorable, but for the other countries the allocation appears low in relation to normal IDA criteria.

8. In the short run (FY74) possibilities for increasing the amount of lending are strictly limited by operational constraints. For the longer run FY75-77 and in the course of the upcoming CPP review cycles, consideration should however be given to larger IDA lending programs in Burma, Sri Lanka, Afghanistan and Nepal. The latter two countries are among the UN designated "least developed" and the size of the IDA program to them will be further considered in the paper being prepared on Bank Group lending to the least developed.

**Table 1: LENDING PROGRAM IN FY74 COMPARED WITH NORMS**

	Norms for FY72-74 <sup>1/</sup> ( \$M )	Lending Program FY72-73 FY74 ( \$M ) ( \$M )		Difference Between Norms and Lending ( \$M )
<u>Lending Program Exceeding Norms</u>				
(a) By over \$20 million				
Egypt	76.0	81.2	61.0	+ 66
Turkey	31.6	66.3	20.0	+ 55
Ethiopia	101.9	91.7	65.0	+ 55
Ghana	13.0	15.6	44.0	+ 47
Sudan	58.9	60.3	30.0	+ 31
Senegal	13.9	31.9	10.0	+ 28
Syria	12.9	28.8	10.0	+ 26
Jordan	10.5	24.3	8.0	+ 21
(b) By between \$10-20 million				
Zaire	76.9	44.0	52.0	+ 19
Tunisia	14.7	15.0	19.0	+ 19
Cameroon	21.5	12.7	27.0	+ 18
Congo	7.7	10.3	14.0	+ 16
Somalia	18.3	22.6	10.0	+ 15
Mali	27.0	31.6	10.0	+ 15
Madagascar	30.1	30.3	12.0	+ 12
Kenya	39.5	28.0	23.0	+ 11
Dominican Republic	7.6	13.0	6.0	+ 11
Tanzania	54.5	46.1	20.0	+ 11
Papua New Guinea	9.0	14.2	5.0	+ 10
Yemen, A.R.	29.1	18.6	20.0	+ 10
(c) By under \$10 million				
Morocco	34.8	18.5	25.0	+ 9
Liberia	9.5	11.0	6.0	+ 7
Mauritius	8.4	11.5	3.0	+ 7
Ivory Coast	10.4	7.5	6.0	+ 4
Yemen, P.D.R.	11.1	4.1	10.0	+ 3
Dhormey	17.1	17.9	2.0	+ 3
Malawi	24.1	17.1	8.0	+ 1
Mauritania	10.5	4.2	7.0	-
<u>Lending Program Under Norms</u>				
(a) By over \$20 million				
Burma	113.3	33.0	20.0	- 60
Thailand	87.0	25.0	15.0	- 47
Philippines	83.4	22.7	20.0	- 40
Sri Lanka	50.1	6.0	5.0	- 39
Afghanistan	62.1	13.5	13.0	- 35
Uganda	38.1	-	12.0	- 26
Nepal	49.6	15.7	13.0	- 21
(b) By between \$10-20 million				
Niger	21.9	-	3.0	- 19
Chad	21.0	2.2	2.0	- 17
Haiti	23.7	-	10.0	- 14
Upper Volta	29.2	12.4	4.0	- 13
Burundi	21.6	-	9.0	- 13
Rwanda	21.8	3.0	7.0	- 12
(c) By under \$10 million				
Togo	12.9	-	4.0	- 9
Honduras	9.8	-	3.0	- 7
Gambia	8.2	1.3	-	- 7
Eq. Guinea	7.6	2.0	-	- 6
Botswana	9.1	3.7	-	- 5
Sierra Leone	13.0	4.3	5.0	- 4
Bolivia	19.2	8.0	7.0	- 4
El Salvador	9.9	-	7.0	- 3
C.A.R.	11.7	3.9	5.0	- 3
Swaziland	8.0	-	7.0	- 1
Guyana	6.9	4.4	2.0	- 1
Lesotho	10.4	5.6	4.0	-
Paraguay	10.3	5.1	5.0	-

<sup>1/</sup> The table is based on Programming and Budgeting Standard Table VII(d) dated May 15, 1973 adjusted for the Board schedule through end FY73.



Table 2: LENDING PROGRAM FOR FY75-77 COMPARED WITH NORMS

	Norms for FY75-77 <sup>1/</sup> ( \$M )	Lending Program FY75-77 ( \$M )	Difference Between Norms and Lending ( \$M )
<u>Lending Program Exceeding Norms</u>			
(a) By over \$20 million			
Ethiopia	132	215	+ 83
Egypt	99	165	+ 66
Zaire	100	165	+ 65
Ghana	16	75	+ 59
Tanzania	70	105	+ 35
Syria	16	45	+ 29
Kenya	50	79	+ 29
Cameroon	27	48	+ 21
(b) By between \$10-20 million			
Morocco	45	60	+ 15
Sudan	76	90	+ 14
Bolivia	24	37	+ 13
Senegal	17	30	+ 13
Madagascar	38	50	+ 12
(c) By under \$10 million			
Uganda	49	58	+ 9
Papua New Guinea	10	18	+ 8
Jordan	12	20	+ 8
Ivory Coast	12	18	+ 6
Dominican Republic	9	15	+ 6
Congo	9	13	+ 4
Paraguay	12	16	+ 4
Yemen, A.R.	37	41	+ 4
Tunisia	18	21	+ 3
Mauritius	9	12	+ 3
Yemen, P.D.R.	13	15	+ 2
Somalia	22	24	+ 2
Malawi	30	31	+ 1
<u>Lending Program Under Norms</u>			
(a) By over \$20 million			
Burma	147	60	- 87
Philippines	109	60	- 49
Sri Lanka	64	15	- 49
Afghanistan	80	37	- 43
Thailand	113	75	- 38
Nepal	64	41	- 23
(b) By between \$10-20 million			
Chad	26	13	- 13
Niger	27	15	- 12
Mali	34	23	- 11
(c) By under \$10 million			
CAR	14	5	- 9
Upper Volta	37	30	- 7
El Salvador	12	5	- 7
Burundi	27	21	- 6
Haiti	30	25	- 5
Botswana	10	6	- 4
Gambia	9	5	- 4
Liberia	11	7	- 4
Sierra Leone	16	12	- 4
Dahomey	21	18	- 3
Swaziland	9	6	- 3
Honduras	11	8	- 3
Mauritania	12	10	- 2
Guyana	7	6	- 1
Lesotho	12	11	- 1
Rwanda	27	27	-
Togo	15	15	-

<sup>1/</sup> The size/poverty norm for FY75-77 has been adjusted to allow for a 30 percent slippage margin over and above what is available for countries other than the Big Four. The table is based on Programming and Budgeting Standard Table VII(d) dated May 15, 1973, assuming a Fourth Replenishment level of \$1350 million per annum over FY75-77.

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Hollis B. Chenery *HBC*

SUBJECT: Data Attachments to President's Reports

DATE: June 25, 1973

Proposal

You have suggested the inclusion of a greater part of the standard CPP attachments 3a (Socio-Economic Indicators), 3b (Economic Development Data Sheet) and 4 (Balance of Payments, External Assistance and Debt Projections) into President's Reports which accompany project proposals submitted to the Board. These would replace the present Country Data Sheets included as Annex II. A proposed revised format of attachment 4, with the deletions as compared to its CPP format indicated, is annexed. I would appreciate your comments and decision.

Comments

1. This proposal implies that the Board will in the future receive information which no longer is limited to past years, but will also include projections for the next five years. Some part of these projections, notably related to the Bank's lending programs and the development of creditworthiness indicators, are not suitable for presentation to the Board, and we suggest that they be deleted. For the remaining projections, it will be necessary to provide the Board with an explanation of their character, which generally reflects a choice by the staff out of a variety of options considered. They represent the most likely development, but do not necessarily reflect present plans of those countries' authorities. In a majority of cases, these projections have not been the subject of consultation with the countries concerned. This is an important point not only because of the possibility that Board members object to the projections presented for the countries they represent. The need to keep the President's Report brief implies that the text of that document cannot be used to furnish an adequate underpinning for the projections, in contrast to projections made in Economic Reports. I would suggest therefore that when we introduce these new attachments to the Board, we circulate a separate memorandum which explains the character of the data to be made available in general terms.

2. The number of countries for which CPP attachments in the new format are available at present is limited, although growing rapidly. In the course of FY74 it should be possible

6/30 To Dr. Chenery

I concur in  
your proposals.

*[Signature]*

cc: *[Signature]* } Sent July 2  
Dorsch informed July 10

3032

4/25



June 25, 1973

to provide such attachments for about 50 countries including all the major borrowers; some more may be added in the course of that year, depending on the CPP review program. The timing of the introduction of the new attachments to President's Reports would however need to provide some flexibility. A number of countries, especially in Africa, do not have the required data base. It will therefore take some years before the system can cover all the 95-100 current Bank/IDA borrowers.

3. A differentiation is needed in the data presentation between those countries for which the new attachments can be prepared and the ones for which, for the time being, this is not feasible. I propose the following pattern of attachments to President's Reports:

- a) Countries not yet covered by the CPP system: maintain the Country Data Sheet as presently used, excluding the top lines with socio-economic indicators; the latter to be replaced by the standard CPP attachment 3a. This adds considerably to the information supplied to the Board, both in terms of coverage and also with regard to comparative country data.
- b) Countries covered by the CPP system: replace the Country Data Sheet by:
  - i) CPP attachment 3a in full;
  - ii) CPP attachment 3b in full;
  - iii) Part of CPP attachment 4 (only historical data and the projected balance of payments through 1978, but excluding the projected commitment and debt information.

Attachment

cc: Messrs. Knapp, Adler.

HBChenery/WTims:tk



BALANCE OF PAYMENTS, EXTERNAL ASSISTANCE AND DEBT PROJECTIONS  
(amounts in millions of U.S. dollars at current prices)

	Actual				Estimated 1972	Projected					Prof. 1988	Avg. Annual Growth Rate	
	1968	1969	1970	1971		1973	1974	1975	1976	1977		1978	1973- 1978
<b>SUMMARY BALANCE OF PAYMENTS</b>													
Exports (incl. NFS)													
Imports (incl. NFS)													
Resource Balance (X-M)													
Interest (net)													
Direct Investment Income													
Workers' Remittance													
Current Transfers (net)													
<u>Balance on Current Accounts</u>													
Private Direct Investment													
Official Capital Grants													
Public M&LT Loans													
Disbursements													
- Repayments													
Net Disbursements													
Other M&LT Loans													
Disbursements													
- Repayments													
Net Disbursements													
Capital Transactions n.e.i.													
Change in Net Reserves													
<b>GRANT AND LOAN COMMITMENTS</b>													
Official Grants & Grant-like													
Public M&LT Loans													
IBRD													
IDA													
Other													
Other Multilateral													
Governments													
Suppliers													
Financial Institutions													
Bonds													
Public Loans n.e.i.													
Total Public M&LT Loans													
<b>DEBT AND DEBT SERVICE</b>													
Public Debt Out. & Disbursed													
Interest on Public Debt													
Repayments on Public Debt													
Total Public Debt Service													
Other Debt Service (net)													
Total Debt Service (net)													
Burden on Export Earnings (%)													
Public Debt Service													
Total Debt Service													
TDS+Direct Invest. Inc.													
Average Terms of Public Debt													
Int. as % Prior Year DO&D													
Amort. as % Prior Year DO&D													
IBRD Debt Out. & Disbursed													
" as % Public Debt O&D													
" as % Public Debt Service													
IDA Debt Out. & Disbursed													
" as % Public Debt O&D													
" as % Public Debt Service													
<b>ACTUAL AND PROJECTED EXTERNAL DEBT:</b>													
	<u>Actual Debt Outstanding on Dec. 31,</u>				<u>Projected Debt Outstanding on Dec. 31, 1978</u>				<u>1970-78 Growth Rate</u>				
	<u>Disb. Only</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Disb. Only</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Disb. Only</u>	<u>Total</u>			
World Bank													
IDA													
Other Multilateral													
Governments													
Suppliers													
Financial Institutions													
Bonds													
Public Debts n.e.i													
Total Public M&LT Debt													
Other M&LT Debts													
Short-term Debt (disb. only)													

. not applicable  
 .. not available  
 ... not available separately  
 but included in total

e staff estimate  
 - nil or negible  
 -- less than half the  
 smallest unit shown

TO BE DELETED



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President DATE: June 18, 1973

FROM: Hollis B. Chenery, VP, Development Policy

SUBJECT: Research Budget

1. In Mr. Adler's memorandum of April 11, 1973, on the FY1974 budget, Paragraph 17, Page 6, identified approximately \$685,000. You asked recently whether this amount should not also be controlled by the Research Committee.

2. The \$685,000 original budget request (since reduced by budget cuts and adjusted for FY1974 dollars) was broken down as follows:

	<u>DPS</u>	<u>CPS</u>	<u>Total</u>
Consultants	246,000	160,000	406,000
Travel	<u>182,000</u>	<u>97,000</u>	<u>279,000</u>
Total	428,000	257,000	685,000

3. About 50 percent of these requests were specifically earmarked for research project reconnaissance and development. The remainder was divided among policy paper development, small Directors' office contingencies, CPS evaluation of training programs, global framework data collection, analysis of data related to International Trade Policy and special expert assistance with cocoa and petroleum products. The items I have listed in this paragraph were included in the P & B Research category because the only other possible budget classification was "All Other". This nondescript category, with its slightly pejorative connotation, is generally avoided. A detailed breakdown of the DPS component is attached.

4. The expenditures of research reconnaissance and development in the DPS (\$200,000) are devoted to areas which have been identified as high priority by us, and the Research Committee. Over 60 percent of these funds are in urban problems and income distribution. In the past the Research Committee has urged that preparatory expenditures for research projects should be part of the regular Departmental budgets - a position with which I agree.



~~xxxx~~ given to Stern. *Rec'd*  
June 22 *6/22*  
4:45 pm

*Great To Do Meeting  
I'll look forward  
to reviewing this  
with you. Love*

Mr. McNamara

- 2 -

June 18, 1973

5. The Research Committee is composed of twelve\* Bank staff members from various Departments. Each new research proposal is reviewed first by a panel of experts, drawn from all parts of the Bank under the chairmanship of one member of the Research Committee. The report of the panel is the basis for the discussion in the full Committee. The time and talent devoted to the review of research projects helps to assure the professional quality and relevance to Bank activities.

6. The Committee reviewed over 80 projects in FY1973, monitored the quarterly progress of over 60 ongoing projects, reviewed sectoral research strategies and assessed in detail progress in several large projects. Expanding this workload by asking them to review modest expenditures for reconnaissance of research ideas would not, in my view, be a prudent use of their time. It seems to me entirely appropriate to allow Departments and Divisions to use some of their resources for the development of ideas. They should, of course, be held responsible for the effective utilization of these funds, as they are in other areas.

7. We asked Organization Planning Department some time ago to review the extent of departmentally financed research and to recommend to us the extent to which this research should be under the purview of the Research Committee. This work should be ready in the near future. Meanwhile, I recommend that the Departments remain as the units responsible for project development. After we receive the OPD recommendations, we will prepare guidelines for research project preparation in consultation with the CPS Departments concerned, P & B, and the Research Committee. I shall of course be glad to review them with you before they are issued. These guidelines would apply to the preparation of the FY1975 budget.

Attachment  
EStern/lm

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\* Research Committee Members: Messrs. H.B. Chenery-VP, DPS; E. Stern-VPD; H. Adler-EAN; D. Avramovic-LCN; B. Balassa-DRC; J. Baneth-ASN; R. Gulhati-ECD; A. Karaosmanoglu-EMN; P. Kuczynski-EPR; M. Qureshi-IFC; H. Schulmann-PAB; H. Van der Tak-VPS.



RESEARCH CLASSIFIED CONSULTANTS & TRAVEL MONEY

Department/Division	Research Project Development		Other	
	<u>Consultant</u>	<u>Travel</u>	<u>Consultant</u>	<u>Travel</u>
<u>I. DEVELOPMENT ECONOMICS DEPARTMENT</u>				
A. Office of the Director				
1. Contingency			5,000	
B. Economics of Industry	13,500	1,845		
C. Urban & Regional Economics	25,900	29,565		
D. Rural Development				
1. Policy Direction			10,000	5,000
2. Country & Sector Work			<u>9,000</u>	<u>6,000</u>
3. Liaison & Conferences				<u>14,000</u>
Total			19,000	25,000
E. Public Finance	<u>10,400</u>	<u>24,700</u>		
F. Population & Human Resources				
1. Res. Reconnaissance Dev.			15,000	12,000
2. Policy Issues Dev.			<u>25,400</u>	<u>10,000</u>
Total			<u>40,400</u>	<u>22,000</u>
Total DED	49,800	56,110	64,400	47,000
<u>II. ECONOMIC ANALYSIS &amp; PROJECTIONS DEPARTMENT</u>				
A. Office of the Director				
1. Contingency - (Int. Capital Flows)			10,000	
B. International Economy				
1. Data Collection			13,000	8,040
2. Conference				<u>680</u>
Total			13,000	8,720
C. Commodities & Export Projections				
1. Data Collection - Comm. Analysis			11,350	
2. Data Collection - Special Data			15,700	
3. Research & Data Collection			4,000	
4. Conference			<u>4,000</u>	
Total			<u>35,050</u>	
Total EPD			58,050	8,720
<u>III. DEVELOPMENT RESEARCH CENTER</u>				
A. Income Distribution	49,450	20,070		
B. Development Planning	6,600	6,000		
C. Special Topics	<u>4,400</u>	<u>7,990</u>		
Total DRC	60,450	34,060		
<u>IV. OFFICE OF THE VICE PRESIDENT</u>				
A. Contingency - Office of Editor			10,000	
B. Contingency - Office of Sc. Adviser			16,500	
C. Contingency - Office of VP			<u>24,750</u>	
Total VPD			<u>51,250</u>	<u>13,010</u>
TOTAL DEVELOPMENT POLICY STAFF	<u>110,250</u>	<u>90,170</u>	<u>173,700</u>	<u>68,730</u>

## OFFICE MEMORANDUM

3016

TO: Mr. Robert S. McNamara, President

FROM: Hollis B. Chenery, VP, Development Policy

SUBJECT: Information on Age-Specific Fertility Rates

DATE: June 15, 1973

8/15 To Dr. Chenery -  
1. Based on a quick  
review the format  
appears satisfactory  
except for the  
omission of  
"acceptor attention"  
data. Done

JUN 20 1973

1. You asked us to arrange for the Population and Human Resources Division to maintain files of statistical data related to specific fertility rates. The Population and Human Resources Division has in its current work program a project for maintaining fertility profiles of all countries for which reasonably reliable data are available. A sample of the types of profiles that the Division has under preparation is attached.

2. The profile consists of two parts: Part I gives fertility measures including specific fertility rates and related population data, and Part II deals with family planning programs and related manpower and financial statistics. The object of obtaining family planning service statistics along with fertility measures and related population data is to provide an appropriate interpretative form for the data, rather than simply piling up statistics.

3. Fertility profiles produced in this form will be used, as occasion arises, for country economic work and population sector work. From time to time the Division will produce papers analyzing fertility trends - national and global - and their relation to family planning efforts.

4. The Division intends to produce a paper by the end of July based on the current age-specific fertility rates and related population data available for most of the Bank member countries. It will include trend data for approximately 40 countries.

5. Material summarising family planning service statistics and target achievements requires a good deal more effort to obtain. Only about six countries have been covered so far. Since the Population Council also collects and publishes similar material, we are hoping that we might be able to make some collaborative arrangements with them which would speed this up.

6. I would welcome your reaction to the proposed format.

Attachments  
KZachariah/TKing:lm

Xerox (main copy) sent to Stan, Hankins, King,  
June 20



FERTILITY PROFILE <sup>a/</sup>

YEAR	1/ Mid-Year Population	3/ Growth Rate (in %)	5/ Density persons per km <sup>2</sup>	FEMALE POPULATION					Average Age at Marriage	7/ Crude Birth Rate	9/ AGE SPECIFIC FERTILITY RATE							Gross Repro. Rate
				15-44							15	20	25	30	35	40	45	
				6/ TOTAL	6/ Number	% of Total	Currently Number	Married Percent										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1965	12443	2.67	346	6049	2462	40.7	/10			32.1	36	261	326	195	100	41	6	2.341
1966	12811	2.54	356	6316	2611	41.3	1707	65		30.8	40	274	326	188	91	38	6	2.336
1967	13145	2.37	366	6455	2720	42.1				29.1	39	250	295	158	70	28	4	2.047
1968	13466	2.34	374	6538	2775	42.4				28.8	41	256	309	161	68	26	4	2.098
1969	13800	2.27	384							27.7								
1970	14035	/2	390							27.2								
1971	14800	/8								25.6/11								
1972		1.94/4																

(a) Note: Rates per thousand  
Numbers in thousands

Source: 1/ Demographic Year Book 1969 - Table 4  
2/ Demographic Year Book 1970 - Table 2 - page 109  
3/ Rate of natural increase  
4/ Provisional (Taiwan Field Office Report) - February 1973  
5/ Ratio of population over area - 35961 km<sup>2</sup>  
6/ Demographic Year Book 1970 - Table 6 - page 272

7/ Committee on Family Planning, Taiwan, November 1971  
8/ Report on Population - Population Council, September 1972  
9/ Economic Position and Prospects of the Republic of China,  
Volume III, IBRD, June 1971  
10/ Demographic Year Book 1970 - Table 10, page 540  
11/ Studies in Family Planning, July 1971, page 145

SAMPLE FERTILITY PROFILE

POPULATION (in thousands) per: 1/						FAMILY PLANNING PROGRAM						EXPENDITURE US \$			
YEAR	Hospita- tal Bed	Doctor	Midwife	Nurse	Type of Program	Year Started	Number of Acceptors					Total	3/		
							IUD	Pill	Condom	Steril. & Vasec.	Abortion		Others	Government	Other Including Inter- national
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1965					Private	1954									
1966					Gvt. support	1963									
1967					Gvt. program	1964/2	110000	28000/6	0.6/6		0 /6	560000	437000	123000	0.01
1968					Gvt. program	1968/2	101000	36000/6			0	648000	497000	151000	0.01
1969							95000	32000			0	689000	570000	119000	0.01
1970	1	4	7	9			98000	55000			50000	1008000	650000	358000	0.01
1971							104000	79000			61000	890000	642000	248000	
1972							573000	80000 /5	150000/5		220000	1017000	800000	217000	

- Source: 1/ Reports on Population - Population Council - September 1972  
 2/ Reports on Population - Population Council - Table 6, page 35, September 1972  
 3/ Reports on Population - Population Council - Table 17, page 76, September 1972  
 4/ Budget in US \$ 000 in 1967 - 3581450, 1968 - 4210825, 1969 - 4775475, 1970 - 5444475  
 5/ Report on Population - Population Council - Table 16, page 73  
 6/ Report on Population - Population Council - Table 13, page 60



SAMPLE FERTILITY PROFILE

YEAR	FAMILY PLANNING PROGRAM	
	NATIONAL TARGETS IF ANY	
	TARGETS	ACHIEVEMENTS
1963	To reduce growth rate from 3% in 1963 to less than 2% by 1974. /1	1972 - 1.94
1965		
1966		
1967		
1968		
1969	To reduce CBR from 27.2 in 1970 to 24.4.	
1970		
1971		

Source: /1 Quarterly Report July-September 1969 - Taiwan Provincial Institute of Family Planning, October 1969

JUN 15 1973



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C. 20433, U.S.A.

OFFICE OF THE PRESIDENT

June 15, 1973

MEMORANDUM FOR MR. CHENERY

Please prepare in cooperation with CPS a paper for management review of the Bank's research program, which might later be modified to serve as a basis for Board discussion. The paper should include at least the following elements:

1. The objectives for the Bank Group's research and a description of the criteria to be used for selecting research projects;
2. The work program for research for the next 3-5 years;
3. Procedures for budgeting and for selection of research projects to ensure consistency with the objectives and the most efficient use of resources. In particular, the paper should show how research and policy planning will support existing and new lending activities over the period FY74-FY78;
4. A program for cooperation in research with outside institutions; and
5. A plan for application to Bank Group operations of the results of research performed in the Bank and elsewhere.

The Programming and Budgeting Department should assist you in ensuring that the work program fits within the framework of the Bank Group's planned operations for FY74-FY78. Please consult with the Organization Planning Department on the assessment of existing procedures and any suggested revisions.

Please submit, together with Mr. Baum an outline of the paper to be prepared, the proposed allocation of responsibilities and a schedule for its preparation.

*RS McN*  
Robert S. McNamara

- cc: Mr. Knapp  
Mr. Baum  
Mr. Adler  
Mr. Kearns

*Xerox to: Mr. Stern, for action.*  
*31*  
*4/12*  
*10/20/73*



Mr. Robert S. McNamara

June 15, 1973

Hollis B. Chenery Signed Hollis B. Chenery

Annual Meeting Speech

I attach a redraft of the poverty sections of the speech. As agreed at our last discussion, Section IV summarizes the relations between poverty and growth and the need to reorient development policy, which are spelled out more fully in my memorandum "A Conceptual Framework for the Analysis of Poverty". The distinction between relative and absolute poverty is not stressed because it does not affect the focus on small farmers that follows. Section V has been reworked by Stern and Haq and is endorsed by Yudelman.

Please let me know when you would like to have further discussion of this material.

Attachment

cc: Mr. Stern

Mr. Yudelman  
Mr. Haq  
Mr. Kuczynski

HBC:di

June 15, 1973

Through: Mr. Robert S. McIlamara  
Mr. Hollis B. Chenery  
Mahbub ul Haq

Draft Policy Paper on Retroactive Financing

1. I attach the above paper for your consideration and approval.
2. The paper is scheduled for discussion by the Board on July 10. It is to be circulated to the Executive Directors by June 29.
3. The paper was discussed in its initial stages of preparation with Messrs. Knapp and Baum and was also circulated to CPS, P & B and Controllers for comments. We received some extremely useful suggestions which have been incorporated in the attached draft.
4. A formal review of this paper by the Policy Review Committee does not appear to be necessary. I am, however, circulating copies to the members of the Committee for their information and comments.

Attachment

cc: Messrs. Knapp  
Baum

Milq/rso



ASSOCIATION | RECONSTRUCTION AND DEVELOPMENT | CORPORATION

# OFFICE MEMORANDUM

TO: Those Listed Below  
FROM: Hollis B. Chenery, <sup>HBC</sup>VP, Development Policy  
SUBJECT: Seminar for Senior Management

DATE: June 14, 1973

There will be a seminar for senior management on the subject of "Approaches to Poverty and Employment Planning" on Wednesday, June 20, at 11:00 a.m. in Room C-1006. The subject will be introduced by Mr. Richard Jolly, Director of the Institute of Development Studies (Sussex) and the discussion will be opened by Mr. M. S. Ahluwalia (DRC).

Mr. Jolly led the ILO employment mission to Kenya and is heavily engaged in problems of employment and income distribution. He is visiting Washington for a week as part of an IDS Bank'editorial group that is working on the final stages of a manuscript entitled "Planning for Employment and Income Distribution". The document will be discussed at a final meeting planned for September (in Sussex) to which planners from a number of countries have been invited. We hope that its publication will make a significant contribution to the understanding of how income distribution objectives can be incorporated into national planning.

Distribution:

✓ President

Members of President's Council  
Regional Department Directors  
Regional Chief Economists  
DPS Directors  
Mr. Van der Tak  
CPS Directors

JUL 13 1973  
12:40P

To: HBC  
From: Mr. Stern's office

Returning this since I  
understand the issue is still not  
resolved

WJ 7/13

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

Handwritten notes on the left margin:  
Stern  
to Mr  
Stern  
8/13

Davis

I gather this was never  
sent? In any case, it is now out of  
date.

Return to I.D.A.

Mr HAQ



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Hollis B. Chenery *HBC*

SUBJECT: Review of Lending Program

DATE: June 13, 1973

1. In your memorandum of May 3, you asked that the Policy Planning and Program Review Department maintain a continuing review of the Bank Group's lending program. Specifically, you expressed concern about the weakness of the FY74 program for India and questioned whether the FY74 IBRD lending program took sufficiently into account price increases and exchange rate changes that have occurred since the preparation of the paper on "The Scale of IBRD Operations, FY74-78".

2. Since these questions involve some areas which mainly concern P & B, Mr. Haq and Mr. Adler have discussed the present arrangements for review of the Bank Group's lending program and possible changes in them. The following proposals are based on these discussions though they are not necessarily endorsed by Mr. Adler.

3. A fairly comprehensive reporting system has already been developed for the lending program by P & B. The five-year country operations and lending programs are fully reflected in the IV series of the Standard Tables which is periodically updated by P & B. Table IV shows the five-year lending program (Tables VIId, e and f provide further detail on the IDA program); Table IVa shows the five-year operations program project-by-project and country-by-country; Table IVb shows the operations program for the current and the two following years; Tables IVp and q provide details on the programs in the poorest and least developed countries. A detailed analysis of the current progress of operations is given to you by Mr. Aldewereld, with staff support from P & B, following his review meetings with the Regional Vice Presidents.

4. It is desirable, however, to supplement this reporting system by systematic analysis of certain policy issues of concern to the management. I propose the following set of periodic reviews to be conducted by the Policy Planning and Program Review Department, starting September 1973:

- (a) Periodic reports on the annual progress of operations in major functional areas. Among the subjects which might be covered in the first review are the sectoral and regional composition of the total program, the lending program for the least developed and the poorest countries and consistent application of allocation criteria. The list of policy "cuts" can gradually be expanded, as more experience is gained in this type of analysis. The analysis will be based primarily on the Standard Tables and other P & B reports, and will, in some instances, be carried out jointly with that department.

- (b) Reviews of the content and coverage of Regional country and sector economic work with a view to ensuring that this work is relevant to operational concerns. We have started preparing reviews on treatment of export problems (arising out of the Primary Exporters' Study), and of rural development in Bank's economic work. These two reviews should be completed before the end of the summer. If they are found to be useful, we could then extend the list of functional subjects to be covered.

There is also a need for further analysis of the operational realism of the lending programs. This should be done by P & B as part of its work on Regional five year work programs. A central question to be studied in this connection is the appropriate relationship between the operations program and the lending program.

5. As to the specific questions you raised in your memo, the present position is as follows:

- (a) India. As Mr. Aldewereld's memorandum of May 1 pointed out, reasonably firm projects in India in FY74 (including a program loan of \$75 million) currently total \$319 million compared with a tentative IDA allocation of \$488 million. Any eventual shortfall, however, will depend on the outcome of the ICB issue, the size of the program loan and the availability of more projects during the year since Indian programs have often looked weak at the beginning of the fiscal year. The Policy Planning and Program Review Department is carrying out an analysis of the total IDA program for FY74, focussing particularly on India. I shall be discussing this analysis with the Regions before submitting it to you by the end of this month.
- (b) The total volume of IBRD lending in the next five-year period was established in "The Scale of IBRD Operations, FY74-78", which was approved for internal planning purposes by the Board in February 1972. A further Board review of the FY74-78 program is scheduled for the first quarter of calendar '74. We propose that a draft be prepared jointly by DPS and P & B. The Development Policy Staff is developing an overall framework within which the IBRD lending program can be updated; P & B can revise the program of lending and related operations. In addition, we need to prepare a comprehensive five-year plan (with regional, sectoral and policy guidelines) which can be updated annually. The Policy Planning and Program Review Department can coordinate this exercise. I shall be submitting a separate memo on this to you.
- (c) Inflation. In connection with its framework for projections of lending operations for FY74-78, the Economic Analysis and Projections Department will revise our previous assumptions about the rate of inflation for Bank Group financed projects (2.5% p.a.) in the light of current trends and also make



adjustments for the currency realignments of the last two years. Since the revised global framework is likely to be completed in the fall, EAP and P & B have developed some preliminary estimates which you have already received.

cc: Messrs. Adler, Stern, Tims

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara  
Through: Mr. Hollis B. Chenery *HBC*  
FROM: Mahbub ul Haq *MH*  
DATE: June 11, 1973  
SUBJECT: Draft Policy Paper on Bank Lending to Higher Income Countries

1. I attach the above paper for your consideration. The paper is not at present intended for the Board. It was discussed with Mr. Knapp and subsequently reviewed by a Staff Committee of the Policy Review Committee on May 21, 1973 (minutes attached); the comments of the Staff Committee have been incorporated in the attached draft. However, it is unlikely that there would be general agreement in the operating departments of the Bank on the major conclusions of the paper, summarized on pages 26-27. Despite the possible controversial nature of these recommendations, I believe that we should submit them to you now, since the paper has already received a fairly wide review within the Bank.

2. If you agree, we would like to distribute the paper to the Policy Review Committee and arrange a discussion on it at your convenience.

Attachments - *see Policy Paper file*

PPKuczynski/MHaq:pa

cc: Mr. Knapp



2999

# OFFICE MEMORANDUM

CC: SF am  
M mitch  
Each sent copy  
of  
6/12

TO: Mr. Robert S. McNamara, President

DATE: June 8, 1973

FROM: Hollis B. Chenery *HBC* VP-Development Policy

SUBJECT: Management Seminar on Income Distribution Policies

As you know, we and the Institute of Development Studies in Sussex have been working on a manuscript on policy approaches to income distribution. We hope that the publication will make a significant contribution to the understanding of the methodological problems of how income distribution can be taken into account better in national planning and what the relationship of various policy tools is to income distribution. We had a meeting in Bellagio in April, which was highly productive, and as a result we now have most chapters in advanced draft form. A final meeting is planned for September in Sussex.

2. During the week of June 18, Richard Jolly, the Director of International Development Studies, will be visiting Washington to continue our discussions. He was also the leader of the ILO mission to Kenya and has been heavily engaged in problems of employment and income distribution for some time. While he is here, we plan to hold two seminars to discuss our approach to the problem. One will focus on the policy interests of senior management. I hope you will be interested in participating, since we will take up several of the topics to be treated in your next Address to the Governors. If so, I would like to know what time might be convenient to you so that you can join for part of the discussion. I understand from Anders that Wednesday, June 20, at 4:30 might be suitable; if not, would you indicate an alternative date.

JUN 12 1973  
4:30 PM  
is OK  
Renew

EStern:HBC Chenery:di





JUN 7 1973  
3:20p



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C. 20433, U.S.A.

OFFICE OF THE PRESIDENT

June 7, 1973

MEMORANDUM FOR MR. CHENERY

I frequently notice apparent errors in the Country Data annexes to the "President's Reports." For example, the report on the Iraq grain storage project to be considered by the Board this morning shows in Annex 1 an infant mortality per thousand live births of 16.2. Is not this figure incorrect?

In any event, please arrange for one of your divisions to monitor the data presented in the "Country Data" annexes to ensure that they are accurate.

  
Robert S. McNamara

Xerox to: Mr. Tims      *"To handle"*  
          Mr. McPheeters      *" "*

McM. R. Miller

Mr. Robert S. McNamara

June 7, 1973

Hollis B. Chenery

Forthcoming article in "Foreign Affairs"

Bill Bundy asked me to pass on to you the galley proofs of an article by Escott Reid that will appear in the next issue of Foreign Affairs. It seems to be mainly a collection of the recommendations in his longer study that we have seen in earlier drafts.

HBChenery:tk



INTERNATIONAL BANK FOR  
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INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

(copied from handwritten note)

6/6

To: Dr. Chenery,

Please ask the Program Review Division to review the Bank Group's 74-78 Lending Program for the Least Developed Countries in relation to: UN Resolutions; the development needs of the countries; the actions of other "donors"; past levels of Bank Group assistance. Based on such an analysis, may I have your opinion of whether our 74-78 program, both in terms of numbers of projects and in terms of financial commitments, is adequate.

R.McN.

cc: Messrs. Stern, Haq.

JUN 6 1973  
1:05 p

INTERNATIONAL BANK FOR  
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INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

cc = 50

OFFICE OF THE PRESIDENT

6/6

To Dr. Chenery

Please ask the Program  
Review Division to review the  
Bank Groups 74-78 lending  
Program for the least developed  
countries in relation to: 40% reduction  
the development needs of the  
countries; the actions of other donors;  
past levels of IBRD assistance.  
Based on such an analysis  
may I have your opinion of  
whether over 74-78 program, both  
in terms of numbers of projects  
& in terms of financial commitments,  
is adequate. R. Brown



File

## OFFICE MEMORANDUM

TO: Mr. A. Stevenson, Director, DED                      DATE: June 4, 1973

FROM: Hollis B. Chenery, VP-DP

SUBJECT: Policy Paper on Health

Will you please take responsibility for this topic and have a memorandum prepared that we can discuss with Baum. Please let him and me know who will be responsible for the preparatory work.

cc: Messrs. Stern, Baum, Ljungh.

HBChenery:tk

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

JUN 4 1973  
12:40 p.

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

MEMORANDUM FOR MR. CHENERY

SUBJECT: Policy Paper on Health

At a meeting in the President's Office on May 31, it was agreed that a policy paper should be prepared on the subject of the Bank's activities in the field of health. Mr. McNamara would appreciate a note proposing the terms of reference, allocation of responsibility and timing for such a paper.

(Similar memo sent to Mr. Baum.)



Anders Ljungh  
June 1, 1973

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OFFICE OF THE PRESIDENT

6/7

To Messrs Chenery ✓  
Stern

Please let me have your thoughts  
on this suggestion (orally) sometime  
in the next week or two.

SM ✓

Please make an appointment  
with McNamara for Stern & me  
— anytime.

HBC  
June 4





# BOSTON UNIVERSITY

CENTER FOR LATIN AMERICAN DEVELOPMENT STUDIES

745 Commonwealth Avenue, Boston, Massachusetts 02215

Tel. (617) 353-4030

Cable Address: CLADS

May 29, 1973

Mr. Robert McNamara  
President, IBRD  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Mr. McNamara:

I am very grateful to have had the opportunity of talking to you last Tuesday and want to spell out my suggestion to create a revised "built in" organ to discuss the overall policy of the Bank. There is a danger that current operations might overshadow the need to consider overall development policy. Such a discussion would be the continuation of the Pearson Report and thereby of the "foreign policy" of the Bank which is, in my opinion, badly needed.

This could be implemented in two different ways:

1. By reactivating the International Advisory Council which is in the Statutes of the Bank and which was discontinued in 1950-51. It could meet four times a year for three days. The discussions with outstanding people might also stimulate the staff of the Bank to produce sound policy ideas.
2. Should the revival of the International Advisory Council create some problems, the same objective might be arrived at by inviting these people four times a year to a Round Table as OECD did during the last years on ad hoc occasions.

The suitable names are:

Latin America

Roberto Campos  
Raul Saez

Asia

Jagdish Bhagwati (from India, at present a  
Professor at M.I.T.)  
Saburo Okita (Japan)

Bhagwati is brilliant, would represent new blood  
and is deeply versed in all aid policy problems.

Alternatives from India: I.G. Patel, B.K. Nehru  
or K.N. Raj

Africa

Dr. Bax D. Nomvete (formerly Director of  
Industries, UN Economic  
Commission for Africa)

He is very incisive and impressive.

My knowledge of Africa, however, is limited.  
There may be others.

Europe

Dr. I.M.D. Little (Nuffield College, Oxford)

Albert Kervyn de Lettenhove (Louvain, Brussels)

Dr. V. A. Marsan (Director of IRI - Rome)

I propose the above rather than old hands  
like Tinbergen, Cairncross, Marjolin, etc.  
in order to provide new blood.

U.S.

Still Ed Mason who is an incarnation of common  
sense or Carl Kaysen.

Kindest regards,

Yours ever,



P. N. Rosenstein-Rodan

PNRR:mob





## OFFICE MEMORANDUM

TO: Files

FROM: Martijn J. Paijmans S

SUBJECT: Memorandum for the Record

DATE: October 17, 1972

On October 13, there was a meeting with Messrs. McNamara, Shoaib, Chenery, Stern, Kearns and myself to discuss staffing of D.P.S. Another meeting took place on October 16 with the same attendance, including Messrs. Chadenet and Ljungh but excluding Mr. Chenery. The following are important points which emerged during the discussions and which merit recording:

1. Points of General Policy Applicable Bank Groupwide

Mr. McNamara stated that:

- (a) He understood that Bank staff, once they had decided to leave the institution, should be granted a period of several months during which time they could continue their current duties while also devoting time and energy to finding a suitable position outside the Bank. In cases where senior officials of the Bank are involved, he felt, however, that if their forthcoming departures were to become known prematurely, it might create serious difficulties in the institution, also as the staff might interpret their departures as connected with serious disagreements at the top level. Therefore, while senior staff members should also be given ample opportunity to relocate themselves, it was Mr. McNamara's opinion that pending departures in these cases should be handled very discreetly and should not become common knowledge. In cases where senior staff members make it widely known in the Bank that, for reasons of work environment, they intended to leave the institution, these senior officials should not count on staying with the institution for a period of months, as this would create an intolerable situation. - Insofar as the situation presently created by the departure of several senior officials in the D.P.S. is concerned, Mr. McNamara mentioned that the desirable policy as stated before had ostensibly been taken over by events and that it should not be enforced in these cases. - The Personnel Department should find ways and means of enforcing this policy.
- (b) He should never be presented with a situation in which there were no options open to him, but to give his formal approval to a proposal. Therefore, in matters of staffing, promotions and transfers, in discussions with staff members, no definite commitments should be made. This refers, in particular, to senior and other appointments where normally the President's approval is sought. The Personnel Department was instructed to make sure that this rule is fully respected.

5/46 To Dr. Chaudhry  
Holler is this the post  
you were considering for Helen  
Highley.  
Snow

- (c) When promotions are involved, the interests of the individual staff member will prevail, where lateral transfers are involved, the Bank's interests will prevail.
- (d) (During a separate discussion I had with Mr. McNamara on the telephone on October 16, the latter stated that:) with respect to the staffing of Front Offices of Directors, Projects Departments in Regional Offices, high-level assistants to the Director would be allowed, but that requests for further high-level assistants, e.g. advisors, could not be considered at this stage - only one staff member would for the moment assist the Director.
- (e) Offices abroad should be staffed with the very best staff members, in the past Mr. McNamara had noted that assignments overseas were sometimes used to accommodate staff members who could not be considered to belong to the best performers, such assignments should not be made.

2. With respect to D.P.S.

- (a) Mr. McNamara mentioned that he could not say that the position of Division Chief of the important Policy Planning Division would be of a higher level than the position of a Front Office Senior Economist in a Regional Office. He was willing to state that the former position was one of greater complexity and broader exposure. Mr. McNamara is aware that in spring 1973, a re-grading exercise of all professional positions throughout the Bank's structure will take place.
- (b) On October 16, Mr. McNamara decided that Mr. Gulhati would be the Deputy Director of the Development Economics Department. Since Mr. Stevenson will occupy the post of Director for a limited period only and as Mr. Gulhati will at that time be considered for Director of the Department, the Deputy Director post might become vacant in the course of CY73. If this were to occur, the Deputy Director position would lapse.
- (c) On October 16, Mr. McNamara decided that in the Policy Planning and Program Review Department, Mr. ul Haq - the Department Director - would also be acting Division Chief of the Policy Planning Division. The Program Review Division Chief would have to be appointed at a later stage and Personnel would follow-up with Mr. Kuczynski on the latter's return to Washington scheduled for October 20.

3. With regard to C.P.S.

After it was explained to the President that the Vice President, Projects Staff intended creating the specific post of Economic Advisor in his Front Office in view of the fact that the Director of the Policy Advisory Staff is fully occupied with other substantive and managerial work, Mr. McNamara decided that at this point in time no such position should be specifically established and staffed.

This decision took into consideration the fact that there is an overall shortage of senior economists throughout the Bank Group, as well as the point made by Mr. Chenery that policy-oriented work should not be too widely dispersed throughout the Bank.

4. With regard to the Development Research Center, Mr. McNamara decided that after Mr. Goreux' departure, now scheduled for approximately June or July next year, the Deputy Director position for that Department would lapse.

Regarding the total number of positions, a request was to be forwarded to Mr. McNamara to increase these to 150. The latter indicated that this would not be possible and that he has not increased even by one the number of positions of the present budget. D.P.S. total number of positions will therefore stand at 147.

c.c. Messrs. Shoaib  
Chadenet  
Clarke  
Denton  
Dyck

MJP/ldb



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION  
OFFICE OF THE PRESIDENT

INTERNATIONAL FINANCE  
CORPORATION

TO: Stem

Please edit & return  
to Damry to be issued.  
Should we mention that  
the offer is open to ~~the~~  
other institutions (except  
from Belgrade)?

WZ

5/31 TO Mr. Danning  
Please distribute  
to members of the  
Board.

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President

DATE: May 29, 1973

FROM: Hollis B. Chenery, VP, Development Policy

SUBJECT: Relation with Research Institutes

Board.  
Loral, Lm and  
0/31

To the Board such necessary

1. I thought you might like to know that our program for the exchange of documents with research institutions is doing well. ~~You will recall that~~ We offered to establish an exchange program with research institutions which were represented at the OECD-Bank sponsored conference in Belgrade in August, 1972. We now exchange research documents with forty institutes in LDCs and industrialized countries.

throughout the world, initiated by Dr. Chenery and the Development Policy Dept.

2. The incoming documents are being catalogued by the Bank's Research Files and Library Services Division. They will announce new acquisitions in their bi-weekly bulletin. The first such listing is shown on pp. 5-6 of their April 11 issue (attached). In return, the participating institutes receive automatically copies of our Bank Staff Working Papers. ~~This arrangement is~~

3. The exchange program is an inexpensive but useful effort to provide better information to researchers about the work of others, particularly work which may not be published in more formal publications.

~~cc: Mr. W. Clark~~  
~~Attachment~~  
~~ESTern/lm~~

From west to receive copies of the bi-weekly Bulletin announcing new acquisitions, please notify the Secretary.

Robert S. McNamara

30

IBRD/IDA/IFC

RESEARCH FILES AND LIBRARY SERVICES SECTION  
RECORDS AND COMMUNICATIONS DIVISION

**DOCUMENTS AVAILABLE ON LOAN**

Room G 1070

Vol. XV, No. 9

April 11, 1973

For documents on areas and countries listed below, please call:

EASTERN AFRICA .....	X-2026	LATIN AMERICA and CARIBBEAN .....	X-2026
WESTERN AFRICA .....	X-2026	NON-REGIONAL (World) and INTERNATIONAL ORGANIZATIONS ...	X-2025
ASIA .....	X-2026	POPULATION and FAMILY PLANNING .....	X-2027
EUROPE, MIDDLE EAST and NORTH AFRICA .....	X-2027	IMF/DM PAPERS and ABSTRACTS .....	X-2225

NON-REGIONAL (World)

Commonwealth Foundation. (Occasional Paper No. XV).  
Adult education and national development. 1973.  
116 p. (World-142.6).

Council of the Corporation of Foreign Bondholders.  
99th annual report for the year ended 31st December  
1972. 1973. 155 p. (World-432).

FAO.  
Yearbook of forest products, 1970. 1972. 228 p.  
(World-228).

FAO. (Nutrition Studies #27).  
Milk and milk products in human nutrition. 1972.  
80 p. (World-224.1).

FAO. (Public Health Papers #19).  
Interrelationships between health programmes and  
socio-economic development. 1973. 54 p. (World-143)

GATT. (COM/TD/179).  
Background note for discussion on matters of interest  
to developing countries in the preparatory work for  
the trade negotiations. 1973. 12 p. and addenda.  
(World-412).

GATT. (COM/TD/A/182).  
Non-tariff measures affecting trade of developing  
countries. 1973. 11 p. (World-412).

Hsieh, C.  
Measuring the effects of trade expansion on employ-  
ment: a review of some research. 1973. 29 p.  
Reprinted from International Labour Review, vol.  
107, no. 1. (World-212).

ICC. (#272).  
Guidelines for international investment. 1972.  
16 p. (World-434.2).

International Institute for Environmental Affairs.  
World energy, the environment and political action.  
1973. 53 p.  
Based on a workshop co-sponsored with the Aspen  
Institute for Humanistic Studies. (World-251).

International Union of Producers and Distributors of  
Electrical Energy.  
Statistics, year 1970. 1972. 121 p. (World-251).

Kiel Institute of World Economics. (Kiel Discussion  
Papers #28).  
Methodological notes on analyzing the manufactured  
export performance in less developed countries; by  
W.G. Tyler. 1973. 38 p. (World-410).

OECD.  
Methods of project appraisal in developing countries;  
by Andre Bussery. 1973. 68 p. (World-155).

OECD. (DAC(73)8).  
Direct foreign investment and least-developed  
countries. 1973. 11 p. (World-432.3).

OECD. (DAC(73)12).  
Recent developments in the field of investment  
guarantees. 1973. 8 p. (World-432.3).

OECD. (DAC(73)17).  
Stock of private investment by DAC countries in  
developing countries - end 1971. 1973. 6 p.  
(World-432.3).

OECD. (DAC(73)18).  
Main conclusions of the DAC Ad Hoc Meeting on  
Public Development Finance Corporations, 26th-27th  
February, 1973. 1973. 10 p. (World-432.3).

OECD. (DAC(73)19).  
Comments on the ICC Guidelines for International  
Investment. 1973. 5 p. (World-432.3).

OECD. (DAC/BA(73)3).  
A comparison of the concepts of net transfer and  
grant equivalent. 1973. 9 p. (World-432.3).

OECD. (DAC/FA(73)1).  
Potential debt problems of developing countries.  
1973. 86 p. (World-432.3).

OECD. (DB-312).  
Technical cooperation personnel policy. 1973. 13 p.  
and addendum. (World-432.3).



## EASTERN AFRICA

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## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Hollis B. Chenery

SUBJECT: MEXICO CPP - Outstanding Policy Issues

DATE: May 24, 1973

1. The main issues which arise out of this excellent CPP are the extent to which the Mexican Government is committed to basic reforms which will improve the lot of the poor and the increasing urgency of buttressing public finances, especially of the two main state enterprises.

2. Reform and the Bank Program. The CPP points to a number of encouraging reform measures taken in 1972 and 1973 (establishment of the housing fund for workers, the rural works and employment program, the lowering of the size of permitted holdings in new irrigation districts) but at the same time emphasizes that there are strong obstacles to change and that gradualism is likely to prevail. In tax policy in particular, the measures of recent years have generally been regressive; public expenditures on social services - generally a more effective redistributive tool than taxation - are very low for a country of Mexico's income level (see attached table) and are held back by the unwillingness of the Mexicans to introduce really significant revenue-raising measures. As is clear from the recent draft basic economic report, it will be virtually impossible for the public sector to do much about poverty as long as the tax ratio remains at only 9 per cent of GNP.

3. The CPP shows evidence of a concerted effort by the Region to come up with a more balanced program than in the past. In order to arrive at a judgment on the program, the following points might be discussed:

- a. How much of the program for low income groups represents "tokenism"? When the average income of the lowest 40 per cent is about \$125, is the criterion in para. 27 for defining projects which help the low income groups - defined as those whose income is below the national average - really adequate?
- b. The CPP recognizes (p. 19) the uncertainties surrounding the new projects, particularly in the social sectors. What can we do in order to reduce the "softness" of the new elements in the program?



4. Public savings and external debt management. We are proposing an increase in the lending program from \$200 million annually approved two years ago to \$265 million, or an increase in real terms of about 20 per cent. In the meantime, however, nothing has been done to raise electric power rates and petroleum prices, two implicit assumptions of the program approved in March 1971. Although Federal Government savings have improved somewhat in the last five years, the sharp deterioration in the financial position of PEMEX and the railways together with the stagnation of CFE savings in nominal terms brought public enterprise savings down to nil in 1971. The insufficiency of CFE and PEMEX savings is a major factor in Mexico's external public debt. If there is no prompt action in raising the prices of electricity and petroleum, the easy access of the two agencies to medium-term eurodollar finance is likely to increase debt service beyond the already high level projected in Attachment 4. Possible questions are:

- a. the assessment of the Region on the likelihood of rate and price action; and
- b. whether we should put Mexico on notice of our concern by sharply cutting down our lending program for power.

cc: Messrs. Knapp  
Aldewereld  
Baum  
Alter  
Adler  
Gutierrez  
Haq  
Avramovic  
Kuczynski  
Edelman

PPKuczynski:tk

Table 1: GOVERNMENT OR PUBLIC SECTOR EXPENDITURE ON SOCIAL SERVICES

(as percentage of GNP/GDP)

	GNP per capita - 1970 (in US dollars)	Total	Education	Health	Housing	Others
1. Guyana	(370)	16.4	4.8	3.3	0.1	8.2
2. Tunisia	(250)	15.1	8.5	3.0	0.1	3.5
3. Ireland	(1,360)	14.3	4.5	7.3	2.0	0.5
4. Iceland	(2,170)	11.5	3.4	5.7	n.a.	2.4
5. Algeria	(300)	11.4	6.9	1.5	3	
6. Singapore	(920)	11.2	3.2	1.5	5.0	1.3
7. Jamaica	(670)	10.6	3.0	4.1	0.6	2.9
8. Israel	(1,960)	10.3	3.2	3.5	3.6	-
9. Zambia	(400)	9.6	6.4	3.0	n.a.	0.2
10. Trinidad & Tobago	(860)	8.2	2.8	2.3	0.1	3.0
11. Kenya	(150)	7.8	4.9	1.8	n.a.	1.1
12. Sri Lanka	(110)	7.6	4.4	2.3	0.4	0.5
13. Costa Rica	(560)	7.6	4.7	2.6	0.2	0.1
14. Hongkong	(970)	6.8	2.3	1.5	2.0	-
15. Syrian Arab. Rep.	(290)	6.8	3.9	2.9		
16. Zaire	(90)	6.5	5.1	0.9	n.a.	0.5
17. The Gambia	(120)	6.3	3.3	2.5	0.5	
18. Egypt	(210)	6.3	4.1	2.2		
19. Panama	(730)	6.2	4.0	2.2	n.a.	n.a.
Ecuador	(290)	6.2	5.1	0.9	0.2	
21. Morocco	(230)	6.1	4.4	1.4	0.2	0.1
22. Mexico	(670)	6.0	2.0	1.1	2.0	
23. Korea, So.	(250)	5.9	3.1	0.2	0.1	2.5
24. Ghana	(310)	5.3	3.7	1.2	-	0.4
25. Burma	(80)	4.8	2.8	1.1	n.a.	0.9
26. Ethiopia	(80)	3.7	2.1	1.0	n.a.	0.7
27. Philippines	(210)	3.5	2.8	0.6	-	0.1
28. Iran	(380)	3.5	2.7	0.8	n.a.	n.a.
29. Guatemala	(360)	3.4	1.7	1.6	0.1	

Source: IBRD Public Finance Division - Development Economics Department

PPPRD  
May 23, 1973

5/18 To Mr. Brown

ROUTING SLIP

Date

NAME

ROOM NO.

~~Mr. [unclear]~~ MAY 18 1973

Mr. Vandenberg

Dr. Kanogian

Mr. Hawkins

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

W. E. Brown

MORANDUM

DATE: May 18, 1973

Projects Staff and  
Development Policy  
Project

is of May 3, concerning the Iranian  
disappointment about the absence of  
it and queried whether we should not  
evaluation of the effectiveness of  
acts.

evaluation of all population  
the Bank. As the attached note indi-  
cates, there is no exception in this respect.  
Evaluation studies or units should neces-  
sarily be population project, since evaluation  
and the depth and sophistication of  
tailored to the circumstances of each  
never, that an adequate basis for  
not already exist.

I accept your  
position  
as we will be  
will not provide  
financial support  
which  
does not  
have over  
not an  
the  
process  
developing  
an acceptable  
"evaluation" unit  
Brown

W. E. Brown, Director, Population & Nutrition  
Projects Department

Mr. E. K. Hawkins, Senior Adviser, Development Economics  
Department

cc: Mr. H. M. Jones, Population Specialist, Population &  
Nutrition Projects Department



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: May 18, 1973

FROM: Warren C. Baum, Vice President, Projects Staff and  
Hollis B. Chenery, Vice President, Development PolicySUBJECT: Evaluation and the Iran Population Project

We refer to your note to us of May 3, concerning the Iranian population project. You expressed disappointment about the absence of evaluation provisions in this project and queried whether we should not insist on extensive analysis and evaluation of the effectiveness of programs in all our population projects.

We agree with the need for evaluation of all population programs financially supported by the Bank. As the attached note indicates in more detail, the Iranian project is no exception in this respect. However, this does not mean that evaluation studies or units should necessarily be a component of every Bank population project, since evaluation may be supported by other agencies, and the depth and sophistication of analysis and evaluation need to be attuned to the circumstances of each case. We should always ensure, however, that an adequate basis for evaluation is established if it does not already exist.

Attachment

HGvanderTak:lfb

Cleared with and cc: Dr. K. Kanagaratnam, Director, Population & Nutrition  
Projects Department  
Mr. E. K. Hawkins, Senior Adviser, Development Economics  
Department

cc: Mr. H. M. Jones, Population Specialist, Population &  
Nutrition Projects Department

## IRAN: A Note on Program Evaluation and the Population Project

1. The Iranian Project is designed as a response to the needs of the Iranian Population and Family Planning Program at this point in time. Weakness in evaluation is recognized in the Green Cover appraisal report (85-IRN), as only one among several weaknesses in the program generally (paras. 3.26 - 3.28). The main thrust of the project is to ensure that the management and organizational structure of the program are adequate for its development and that the essential infrastructure is provided for delivery of family planning services.
2. As set out in the Green Cover appraisal report, the project originally contained a study with the objective of obtaining better knowledge of fertility levels and contraceptive continuation rates than is presently available. This would, in turn, set demographic goals for the national program. The study was included in order to establish base data against which program performance could be measured and its demographic impact estimated. At the time of the appraisal mission's visit to Iran in September 1972, the existing central evaluation unit had been without a director since the previous May. Because this unit was expected to carry out the proposed study, and in recognition of the importance of evaluation to the successful management of the national program, the proposed conditions of loan effectiveness included an assurance which would have required the Government to appoint a director of the central evaluation unit, after views on the qualifications and experience of the candidate had been exchanged with the Bank.
3. During negotiations, however, the Government asked for this study to be withdrawn from the project. It announced that the director of the evaluation unit had been appointed and that it had already initiated research along the lines proposed in the study with assistance from the Population Council. It had also asked the UN Fund for Population Activities (UNFPA) to recruit an evaluation adviser for the unit. The leader of the Iranian negotiating team, who was the Deputy Minister for Population and Family Planning, suggested that the management study, a proposed project component which contained essential references to the development of an evaluation capability, should be completed first.
4. The Bank agreed with the position but insisted that reference to the importance of evaluation should be made in an Agreed Minute. This read  
  
"...that the Evaluation Unit of the Research, Planning and Evaluation Division under the Deputy Minister for Population and Family Planning has an important role to play in the implementation of the national population and family planning program, and, in particular, in providing data based on analyses of fertility levels and trends and contraceptive continuation rates for the formulation of demographic goals for the program. The proposed Management Study will consider, inter alia, the organization and functions of the Evaluation Unit;." The Bank agreed to the Government's proposal because



it felt that the terms of reference of the management study would provide sufficient leverage to ensure the improvement of evaluation work in the Iranian National Program. The terms of reference for the management study provide, inter alia, for:

a) descriptive critical review of present management practices, and the organizational framework within which they operate, covering, inter alia, the achievement of performance indicators including both physical units of activity, and expenditure measures;

b) proposals for a new management evaluation system which would, inter alia, identify "the organization of a system involving the efficient collection of service statistics and demographic data for analysis in order to provide:

(a) an effective continuing measurement of the progress of the family planning program for both internal management and external audiences; and

(b) continuing evaluation of the impact of the program on fertility levels";

c) implementation of the accepted proposals including the establishment of procedures and the preparation of operational memoranda relating, inter alia, to service statistics/evaluation system/reporting systems. This phase of the study will also identify any technical assistance that might be required.

5. The Iran project illustrates how the Bank's role in a family planning program is affected by the existence of agreements between the country and other external donors. Such agreements may well restrict the Bank's freedom of action to incorporate specific activities as part of a Bank project. In such cases it is possible to pursue certain objectives (e.g. upgrading evaluation work) indirectly, through the continuing influence exerted by supervision missions, through the use of external reviews, and general improvement of management. In the Iran case, the Bank proposes to use the first and last of these indirect methods to improve evaluation activities, whilst the management study carries through a more comprehensive restructuring of components in the national program, including a detailed assessment of evaluation.

The management study should provide a basis for specific measures to further improve the evaluation program, in the context of a possible second more comprehensive project.

6. From the above account, it is clear that evaluation and program analysis were an important concern during the preparation and appraisal in this, as in every other population project. There is little point in Bank assistance to programs which have no ability to measure and evaluate their own success. For this purpose it is not essential that the Bank finance such components, which may well be covered by other donors. What is essential



if that a sound framework for evaluation either exists, or will be established, and that the Bank has access to the findings and results of such evaluation. This is not simply a question which can be limited to the supervision of each project, but relates also to the need for information which will enable us to monitor what is happening to family planning across a broad spectrum of countries. The information which would come from a well designed evaluation system is a crucial input into any periodic review of what is happening in family planning in particular, and to fertility movements in general, insofar as they can be affected by family planning activities.

7. The Bank is therefore making efforts in its population project work to:

- (i) impress on program managers the importance of evaluation;
- (ii) incorporate reviews of program performance including, where possible, an agreed understanding on the scope of evaluation work to be carried out (whether we finance it or not); and
- (iii) maintain systematic pressure, as appropriate, to further progress in evaluation and program analysis -- by supervision, external review, developing or upgrading national capability, improving management, and supportive studies.

However, our efforts are constrained by the difficulties of developing an association with weak entities, in countries that have limited skills and data, and in a highly sensitive field. This calls for fine judgment, which must vary by country, concerning the depth of analysis and sophistication of measurement the Bank should insist on. As a minimum, however, we should require evaluation system with a potentiality for future development.

HMJones/KKanagaratnam/EKHawkins/HGvanderTak:lfb

May 18, 1973

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President

DATE: May 17, 1973

FROM: Hollis B. Chenery, VP-DP

SUBJECT: Annual Speech

As requested, I have checked on the status of preparation of speech material. With the exception of a three-page piece for the first part (which he will receive today), Maddux had all background material early this week. He expects to provide you a draft Saturday morning, as promised.

*HBC rec'd  
from PDK  
May 17  
4 pm.*

2. I think we should do some more work on the "Conceptual Framework", but will wait to see which aspects you want to include.

HBC:di

Dictated but not read

*President returned on May 18 - no comment*

MAY 4 1973




OFFICE OF THE PRESIDENT

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C. 20433, U. S. A.

May 3, 1973

MEMORANDUM FOR MR. CHENERY ✓  
MR. STERN (get copy)

Please insure that the Policy Planning and Program Review Department maintains a continuing review of the Bank Group's lending program, and informs you, Burke, and me whenever weaknesses develop in it. For example, I believe the Indian program for FY74 is much too small and that the total I.B.R.D. lending program for 1974, first set two or three years ago, fails to take account of price increases higher than originally anticipated and fails to make proper adjustment for parity changes. I would like to have received a note on each of these points from the Department.

  
Robert S. McNamara

Xerox to: Mr. Haq  
Mr. Kuczynski  
Mr. Edelman



INTERNATIONAL DEVELOPMENT  
ASSOCIATIONINTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

*Handwritten:*  
I have been*Handwritten:*  
I have been to prepare  
a report to the Board  
as originally requested -  
with or without  
Manufacturers.

Hollis

May 8, 1973

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

MAY 7 1973

FINANCE

REGISTRATION

ROUTING SLIP

Date

May 7, 1973

NAME

ROOM NO.

Mr. Hawkins

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

As I said to Mr. Stern on Friday, evaluation should be provided for in projects and the P. & H. R. Division should perform a role similar to what Urban and Regional Economics is doing in the Dakar sites and services project. Perhaps this is the time to make this point yet again and to try to get it accepted once and for all.

From

*Alexander Stern*

## OFFICE MEMORANDUM

TO: Mr. Hollis B. Chenery, (through Mr. Stevenson)

DATE: May 7, 1973

FROM: E.K. Hawkins

SUBJECT: Mr. McNamara's Query on the Iran Population Project

You ask me to consult with Dr. Kanagaratnam on Mr. McNamara's comments concerning the above project, and prepare a joint response. I have talked briefly with Dr. Kanagaratnam (who was not aware that a joint response was required). I gather that he is putting forward a reply based on operational considerations.

It seems to me that the note raises several issues. One is clearly the narrower operational question which comes up in the design of all projects, as to whether there should be an evaluation component and, secondly, whether the Bank should finance such a component. I cannot speak on that point with respect to Iran because I am not familiar with the reasons for the shape of the Iran project, nor am I familiar in any systematic way with what lies behind the design of any of our population projects.

The broader question concerns the ability of each and every program that we assist to measure effectiveness. That ability is very varied at the moment and even where evaluation facilities exist, the findings are not always available to us in the Bank. I feel that we should be in a position to know as much as possible about the effectiveness of the family planning programs of Bank member countries. In principle, we should be able to do this best for the programs that we are assisting.

Many institutions and agencies are interested in this kind of evaluation work, and it may not always be necessary for the Bank to either sponsor it or finance it. We should insist, however, that an adequate evaluation mechanism be established in cases where we assist a particular program. Secondly, we should insist upon access to the information available from such evaluations.

Having got the information a further issue is that of our capability to appraise it and assess its implications. This assessment and subsequent inter-country comparisons, etc. would seem to be a proper function for the Population and Human Resources Division of this department, and we should try and work towards a recognition of this function in the forthcoming discussions on a revised work program. Such information is going to be a crucial input into any periodic review paper we put together to inform Mr. McNamara of the state of knowledge of fertility and population growth in Bank member countries.

EKHawkins:gah

cc: Messrs. Gulhati  
Turnham  
Zachariah



**ROUTING SLIP**

Date

May 4, 1973

**NAME**

**ROOM NO.**

Mr. E.K. Hawkins

D-526

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

**REMARKS**

Mr. McNamara's query on Iranian  
population project dated  
May 3, 1973

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Please consult with KK and  
prepare a joint response to this  
question.

cc: Mr. Stern

From

HBC

Sent  
each  
a  
copy  
5/3

5 Tem  
Hawkins

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

5/3

To Messrs Brown  
Cheney ✓

I was disappointed to learn  
that the Iranian population project  
(which as I recall included a \$16<sup>+</sup>-million  
Bank loan contributing to the financing  
of a \$33<sup>+</sup>-million program) did not  
provide for evaluation units &  
procedures of the kind included in  
the Lebanon and Idem projects.

~~Should we not insist that every  
population project financed by the  
Bank provide for extensive analysis  
and evaluation of the effectiveness of  
the family planning & other population  
control programs?~~  
Rosen

*Mr Cheney*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

5/3/73

TRANSLATION

I was disappointed to learn that the Iranian population project (which as I recall included a \$16 (plus or minus) million Bank loan contributing to the financing of a \$33 (plus or minus) million program) did not provide for evaluation units and procedures of the kind included in the Indonesian and Indian projects.

Should we not insist that every population project financed by the Bank provide for extensive analysis and evaluation of the effectiveness of the family planning and their population control programs?

RMcN



FRI, MAY 11, 10 AM

5/7 To Dr. Chenery MAY 7 1973 4 p.m.

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

2947

# OFFICE MEMORANDUM

Please discuss with Burke, Shaw, & Danny & let me have your joint recommendations  
Rm

TO: Mr. Robert S. McNamara

DATE: May 2, 1973

FROM: Hollis B. Chenery *HBC*

SUBJECT: Scheduling of Board Seminars Beyond FY73

1. I should like your opinion as to whether we should continue the Board Seminars on selected basic economic reports. The issue arises because Policy Planning has been asked by the Secretary's Department to prepare a schedule of Board Seminars for the next six months. There will be enough basic economic reports on important countries to make up an interesting schedule.<sup>1/</sup> On the other hand, recent experience has led me to reconsider the usefulness of continuing the seminars in their present form:

- (a) Attendance of seminars has consisted mainly of Alternate Executive Directors or temporary alternates; only four or five Executive Directors typically attend.
- (b) With some exceptions, the persons who do attend have not contributed much to the discussion.
- (c) Under these circumstances, the seminars apparently are not serving the purpose originally intended in spite of the generally high level of staff presentations and the inherent interest of reports selected.

2. The options before us are to change the format or to scrap the program altogether. I would suggest that we reconsider having a closer relationship to Bank policy, which would now be less controversial than it was when we started. Before proceeding further, you may wish to raise the subject at some future Board meeting, in order to elicit the views of Executive Directors.

<sup>1/</sup> The countries which could come up in the first eight months of FY74 are, in chronological order: Liberia, Tunisia, Romania, Venezuela, Kenya, Botswana, Panama, Bangladesh, Turkey and Brazil.

GBeier/PPKuczynski/HBChenery:csm

cc: Mr. J.B. Knapp  
Mr. E. Stern  
Mr. M. Haq

## OFFICE MEMORANDUM

TO: F I L E S

DATE: May 1, 1973

FROM: Hollis B. Chenery *HBC*SUBJECT: Completion of my Book

I asked McNamara yesterday to allow me to devote sufficient time during the remainder of the year to finish work on my book, "The Developing Economy". We agreed that following my vacation in August (and the Sussex Conference on Income Distribution), I would devote something like 60% of my time to research and writing through the end of December. I will not attend the Annual Meeting in Nairobi.

To permit me to do this, Stern will take over most of the day-to-day direction of the Development Policy Staff. I will continue to act as the Economic Adviser to McNamara and maintain an involvement in policy and research.

cc: Mr. E. Stern

HBChenery:csm