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Folder Title: Chronological files - (outgoing) - Chrons 39

Folder ID: 1771908

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4541S

Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: November 29, 2012

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THE WORLD BANK
Washington, D.C.

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PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1974 (Jan. - Febr.)
Vol. 39

The West Bank Group
Archives



1771908

A1995-252 Other #: 3

309648B

President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 39

DECLASSIFIED
WBG Archives

491/5/54

FEB 26 1974

His Excellency
Kurt Waldheim
Secretary-General
United Nations
New York, N.Y. 10017

Dear Secretary-General:

Thank you for your letter of February 4, 1974 transmitting copy of General Assembly resolution 3118 (XXVIII) concerning the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.

On the subject of assistance to refugees, I repeat that the Bank Group stands ready, in consultation with and at the request of member governments concerned, to assist in the preparation and in the financing of development projects which would particularly benefit refugees in their countries. Because Bank Group projects entail substantial financial commitments on the part of the borrowing government it is clear that the decision about the importance of the benefits to refugees as compared to the other benefits expected from Bank Group financing is for the government to make in the first instance.

As I have indicated in my earlier replies on the subject of the Bank's relationship with the Organization of African Unity, the Bank is convinced that contacts with the OAU can only lead to better understanding concerning the Bank's position in respect of General Assembly resolutions and of the Bank's particular efforts to develop, quantitatively and qualitatively, its technical and financial assistance to its African member countries. I believe that the contacts which took place in 1973 between the delegations of the OAU and of the Bank at the United Nations have produced such a clarifying effect. The Bank would welcome further meetings should the OAU feel they would be beneficial.

/2..

Secretary-General

-- 2 -

Finally, as indicated in my past communications on the subject matter, the Bank Group has made no loan, credit or investment to South Africa or Portugal since 1966 and it maintains no relations with the present regime in Southern Rhodesia. The resolutions of the General Assembly on decolonization that are relevant to the institutions of the Bank Group are brought to the attention of the Executive Directors as soon as received.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara (2)

Cleared with & cc: Mr. Hoffman

" " & cc: Mr. Sella

Central Files with incoming letter

LPChatenay:nmed
February 26, 1974

LABIDI
PRESIDENT
AFRICAN DEVELOPMENT BANK
TELEX 717
ABIDJAN

IVORY COAST

FEBRUARY 26, 1974

TELEX

I HAVE JUST RETURNED FROM OVERSEAS TRIP AND FOUND YOUR MESSAGES ABOUT YOUR VISIT MARCH 9-13 STOP I LOOK FORWARD VERY MUCH TO MEETING YOU AFTER MY RETURN TO OFFICE ON MARCH 12 STOP WITH REGARD TO YOUR PROPOSED MEETING WITH REGIONAL BANK PRESIDENTS ON THAT TUESDAY I REGRET THAT I MUST BE IN THE CHAIR AT MEETING OF BANK BOARD OF EXECUTIVE DIRECTORS THAT MORNING STOP I WOULD BE GLAD TO WELCOME YOU AND YOUR COLLEAGUES TO LUNCH HERE AND WE COULD CONTINUE DISCUSSIONS AFTERWARDS STOP IF THIS ACCEPTABLE TO YOU MY OFFICE WILL MAKE CONTACT WITH YOUR COLLEAGUES STOP REGARDS

ROBERT S. MCNAMARA

Mr. William Clark
External Relations

cc. and cleared :
Mr. A. Ljungh
Mr. P. Wright

WDCClark:sf

491/5/53

HIS EXCELLENCY
MANSOUR MOALLA
MINISTER OF PLANNING
MINISTRY OF PLANNING
TUNIS

February 26, 1974

FULL RATE

TUNISIA

THANK YOU FOR YOUR CABLE OF FEBRUARY 19 IN WHICH YOU INFORMED ME OF YOUR REACTION TO THE BANK'S DRAFT ECONOMIC REPORT AND YOUR INTENTION TO VISIT THE BANK STOP THE REPORT SENT TO TUNISIA IN JANUARY WAS A WORKING DRAFT NOT YET CLEARED BY MANAGEMENT STOP I HAVE ASKED THE BANK STAFF TO REVIEW THE SCOPE AND CONTENT OF THE REPORT IN THE LIGHT OF COMMENTS MADE BY GOVERNMENT TO OUR MISSION LAST WEEK STOP I CONSIDER OUR DISCUSSION MORE PRODUCTIVE AFTER THIS REVIEW AND THEREFORE SUGGEST THAT YOUR PROPOSED VISIT TAKE PLACE AROUND MID APRIL STOP MEANWHILE MR BENJENK IS PLANNING TO VISIT TUNIS AT THE BEGINNING OF APRIL AND YOU MAY WISH TO DISCUSS FURTHER WITH HIM THIS MATTER AND THE TIMETABLE FOR THE CONSULTATIVE GROUP MEETING STOP LET ME ASSURE YOU THAT IN THE MEANTIME THE REPORT WILL NOT BE DISTRIBUTED STOP SINCERELY YOURS

ROBERT S. MCNAMARA

Robert S. McNamara
President

cc: His Excellency Ali Hedda
Ambassador of Tunisia

cc: Messrs. Chenery, Benjenk,
Karnosmanoglu, Bart,
Siebeck

WESiebeck/MPBart:gn

February 26, 1974

491/5/52

Dear Mr. Marei:

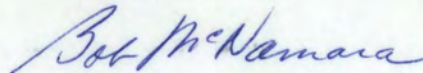
Thank you for your letter of February 15th, which was awaiting me on my return from a recent trip. I was very sorry that I was not in Washington when you visited the Bank earlier this month; I am most anxious for us to get together in the near future and I look forward eagerly to doing so.

I very much share your concern about the impact of the energy crisis, and of other developments, on the world food situation particularly as it affects the developing countries. The Bank is anxious to have the World Food Conference succeed in bringing forward concrete proposals for dealing with this problem, and you can count on our full support in this endeavor. The current world-wide shortage of fertilizers, together with the rapid escalation of fertilizer prices, is one of the major problems which the Conference should address, and I agree with you that the Bank should be in a position to help prepare the documentation on this subject.

Mr. Yudelman, the Director of our Agriculture and Rural Development Department, is currently in Rome to participate in the inter-agency meeting preparatory to the World Food Conference. When he returns, I will review with him how the Bank can participate most effectively in helping to ensure the success of the Conference.

With warm regards and best wishes,

Sincerely,



Robert S. McNamara

Mr. S. Marei
Secretary General
World Food Conference
United Nations
New York, N. Y. 10017

WCBaum:RMcN:mss

491/5/51

FEB 26 1974

Dear Roger:

Thank you very much for your letter of February 6 and your very interesting suggestions for the preparation of an economic development plan for the West Bank and the Gaza. Your letter arrived while I was away from Washington and hence the delayed reply.

I agree with you that such a development plan is needed and concrete work along the lines you suggest may catch the imagination of some of the Palestinian leaders. While no very clear lines are at present emerging for the future of the Palestinians in the Geneva discussions, there may well be a case for planning for the development of the region in advance with a view to defining various options.

Several of my staff in the Bank are thinking about contingency planning in a preliminary way. However, since at this stage the outcome of the political deliberations remains uncertain we have not yet made any determined efforts in this regard especially as considerable work is being expended on problems related to the prevailing energy situation. Nevertheless, there is a need for more concrete advance planning and it might be useful to have preliminary exchange of views. Mr. Wapenhans, Acting Vice President of the Europe, Middle East and North Africa Region, and his colleagues, would be happy to meet with you to discuss your views and impressions.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Roger Fisher
Harvard Law School
Cambridge, Mass. 02138

AKaraosmanoglu/WWapenhans/dm
February 26 1974

cc: Messrs Benjenk (o/r), Karaosmanoglu,
Wapenhans

491/5/50

DE LUSIGNAN

FEBRUARY 23, 1974

HOTELINTERCONTINENTAL

TELEX

TEHRAN

IRAN

PRIME MINISTER'S STATEMENT WAS NOT RECORDED SO PLEASE OBTAIN ENGLISH AND
PERSIAN VERSIONS AND CABLE ENGLISH VERSION AND MAIL BACK BOTH IN WRITING
STOP. LET ME KNOW RESULTS OF THIS AND RETRIEVAL OF PAINTING. REGARDS

LJUNGH

Anders Ljungh

Office of the President

491/5/48

FEB 13 1974

His Excellency
Major Abdel Salam Jalloud
Prime Minister of LAR
Council of Ministers
Tarrig Al-Fattah
Al Mujamaa Al Houkoni
Tripoli, Libya

Excellency:

My colleagues and I were most gratified to hear the account of the discussion the Chief of our Mission in Zaire, Mr. Serge Guetta, had with you in Tripoli when he accompanied Mr. Masmoudi and the representative of the Government of Zaire, Mr. Pembele. We understand from Mr. Guetta that Libya is interested in joining with the World Bank in financing the Gecamines expansion project and other projects as well in Zaire. We understand also that Libya would consider joining the World Bank in providing significant amounts of finance for other development projects in Zaire and also other African countries. We understand, furthermore, that Libya might consider acting in the framework of a broader Arab-African-World Bank context. I most heartily welcome these indications and hope that we can pursue further with you these possibilities.

As you are no doubt aware, I have been trying to find ways and means to improve the flow of economic resources to developing countries, particularly in Africa. Libya and other countries in the region will have the resources to be able to make a significant and far-reaching contribution to improving the opportunities for, and living conditions of, millions of people in Africa and developing countries elsewhere. We are prepared to put at your full disposal our knowledge of the development needs and opportunities of the economies and the investment plans and projects of the developing countries in Africa and elsewhere.

The Gecamines project, which would lead to the expansion of the copper producing facilities of Gecamines by 100,000 tons during 1974-78, was presented to the Bank for consideration late last year. According to present indications, its total cost would be close to \$300 million, with external financing requirements of more than \$150 million. In addition, if the establishment of additional copper refining facilities should be considered advantageous and timely, the cost and financing requirements could be double this amount. I believe, and I am sure the Government of Zaire feels, that the association of the World Bank Group and Libya in financing and implementing this project would be a significant and important contribution to Zaire's development. The project is sufficiently advanced that we expect to send a mission to Zaire in March to analyse fully the technical and economic aspects of the project, to refine the cost estimates and financing requirements and to discuss the matter in detail with the Gecamines and Zairian Government authorities. We would very much appreciate your sending your representatives to join our mission. Subsequently, on the basis of the work done by the mission, your officials, the representatives of Zaire and those of the Bank, could evolve a suitable formula for financing by Libya, the World Bank and possibly other lenders.

In addition to the Gecamines project, we have been working with the Government of Zaire to develop projects and programs in transport, agriculture, education and urban development. There are fairly advanced projects in these sectors with high economic returns and priority, and these would be suitable for financing by external agencies. I feel that our cooperation in these additional fields would be extremely fruitful.

As regards the general question of cooperation between Libya and the World Bank, I propose that further detailed discussions on the mode, the countries and projects take place between your representatives and those of the World Bank, at your convenience. For these discussions we would prepare a list of countries and projects where such financing would be particularly productive.

I am grateful for the invitation you have extended me through Mr. Guetta to visit Libya and would be delighted to take this opportunity as soon as a mutually convenient time can be arranged. I shall be communicating with you soon again on this subject.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara's office (2)
Messrs. Knapp, Shoaib, Bell, Benjenk, Husain, Fuchs

SSHusain/BRBell:pe

February 13, 1974

497/15/46

His Excellency
Ato Mammo Tadesse
Minister of Finance
Ministry of Finance
Addis Ababa, Ethiopia

FEB 5 1974

Excellency:

Thank you for your letter about the serious drought which struck Ethiopia, the relief measures which are already on the way and your request for our help in carrying out a program of rehabilitation in the stricken areas.

We have been deeply concerned about the hardship and suffering affecting the people living in the drought areas and I am very glad to receive confirmation from you that through Ethiopia's own efforts and help from abroad, a program to handle immediate problems of providing food, clothing and medicine to alleviate the suffering is underway.

Even before receiving your letter we had been considering how we could best help in the rehabilitation and development of the areas which have been so severely affected. We are prepared to support your efforts and to this end, as a first step, we are planning to send a mission which will arrive in Addis Ababa on February 10 with two purposes: first, to examine the short-term needs of the drought areas and, taking into account assistance from other donors, to identify the scope for additional assistance from the Bank Group to restore production and begin the most urgent tasks of rehabilitation in the affected areas and, second, to help to organize a study for the preparation of a program for the longer term rehabilitation and development of the drought stricken areas.

Based on the mission's findings on assistance needed over the short term to restore production and begin rehabilitation, we would aim to carry out the necessary preparation of a project in the field and to complete subsequent processing within the Bank as fast as possible. Regarding the longer term, we expect the study to be initiated by the mission to result in the preparation of a more comprehensive follow-up project which we hope would be ready for appraisal within the next nine to twelve months.

His Excellency
Ato Nanno Tadesse

- 2 -

In addition, the mission will review the state of preparation of the Northeast Rangelands Project which will assist in the rehabilitation and development of the region where nomadic tribesmen suffered so badly from the drought. Staff from our Regional Mission in Eastern Africa have already been working with the Livestock and Meat Board. The mission now coming will examine ways by which the preparation of this project could be accelerated for early appraisal and the project incorporated into our program of assistance.

The forthcoming mission has been instructed to design our assistance so as to permit the flow of resources to the stricken area to begin as soon as possible. They are, of course, fully familiar with the arrangements made for our program for helping the countries of the Sahelian area, but we shall have to await the completion of their work to see what arrangements will be most suitable to meet the situation in Ethiopia. We have done our best in the past to increase our financial support of Ethiopia's development. I can assure you that we intend to provide in the future as much support as we can within the means at our disposal.

I hope that the plan of action I have outlined above will give substantial and timely support to your program for rehabilitating the drought stricken areas, and that jointly our efforts will significantly improve the prospects of the people there.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with and cc: Mr. Krishna

Wilson
S. J. ...

MLLejeune/HETolley/dh

February 4, 1974

491/5/45

FEB 5 1974

Dear Ad:

I was sorry not to be able to reach you by telephone to explain personally the pressing reasons which have, much to my regret, led me to cancel my participation in the forthcoming FAO/IBRD Round Table Meeting in Rome later this month. As you know, the action of the U.S. House of Representatives in defeating the proposed U.S. contribution to the Fourth IDA replenishment has been a serious setback. I must now give my immediate attention to the best means of ensuring that the IDA replenishment goes forward, and this activity, together with the host of development assistance problems associated with the mounting energy crisis, will require that I be in Washington at the time that our meeting was scheduled.

There is no early date to which I could suggest that the proposed meeting be rescheduled, and I know that your calendar is equally crowded. I have therefore asked Mr. Baum and Mr. Yudelman to consider with your associates how best to proceed. I understand that a great deal of staff work has been done in Rome in anticipation of the meeting, and we have been active here in its preparation also. I hope therefore that the meeting can go forward without my participation.

I am very disappointed not to have this particular opportunity to join with you in our continuing efforts to promote a closer working relationship between our two agencies. Let me assure you that nothing less than the urgent matters to which I have referred would have forced me to change my plans at this late moment.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. A. H. Boerma
Director General
Food and Agriculture Organization
Via Delle Terme di Caracalla
Rome, Italy

WCBaum:rma
February 4, 1974

491/5/44

February 5, 1974

Mr. Emile Van Lennep
Secretary General
Organization for Economic
Cooperation and Development
2, rue Andre Pascal
75775 Paris
France

Dear Emile,

I am sorry I shall not be in Washington when you will be here for the February 11 conference. I would have looked forward to a discussion with you about the energy situation and the prospects you see for dealing with it. Unfortunately, I have a long standing commitment in Australia and New Zealand.

Since I will not see you, I am writing to stress the importance I attach to effective cooperation between the OECD and the World Bank on the issues relating to current energy problems. As you know, our two organizations collaborate on a number of matters relating to the developing countries; and we have relied on the OECD in the past for its projections of its member countries which, of course, are of great importance to the economic framework within which the developing countries operate. The petroleum supply and price developments of the last few months make close collaboration on this issue essential.

As you know, we put to our Board two papers on petroleum, one on December 20 and one on January 14. We envisage a further paper to the Board on or about March 12 which will explore the role the World Bank might play in helping the developing countries to cope with the immediate problems. In June we expect to be able to place both a more sophisticated analysis and specific proposals before our Board.

The studies on energy which are being undertaken in the different organizations necessarily cover similar ground in such issues as technology, price estimates, and projections of international trade. I think it therefore desirable that

Mr. Van Lennep

- 2 -

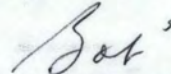
February 5, 1974

the principal international organizations working on this subject cooperate as closely as possible by exchanging information to avoid presenting the world with inadvertently different assessments. If our conclusions are different, we should know the causes and understand the reasons why we have to make different assumptions.

I have asked my Vice President for Development Policy to contact Mr. Eldin to discuss in which specific areas an informal exchange of views would be most productive.

With best personal regards,

Sincerely,



Robert S. McNamara

cc and cleared with: Ms. Boskey
cc: Messrs. Chenery (and cleared with)
Stern
Tims

EStern/lm
2/5/1974

491/5/43

HONORABLE FRANK CREAN
TREASURER
COMMONWEALTH OF AUSTRALIA
CANNBERRA

February 5, 1974

AUSTRALIA

IT WOULD BE OF INTEREST TO ME TO DISCUSS AUSTRALIA'S AID PROGRAM
IN GENERAL AND IN PARTICULAR PLANS REGARDING PAPUA NEW GUINEA AND THE
QUESTION OF POSSIBLE GUARANTEES BY AUSTRALIA OF BANK LOANS STOP I WOULD
ALSO LIKE TO REVIEW WITH YOU THE ENERGY SITUATION AS IT AFFECTS DEVELOPING
COUNTRIES STOP VERY MUCH LOOK FORWARD TO SEEING YOU STOP BEST REGARDS

BOB MC NAMARA

Anders Ljungh
Personal Asst. to the President

AL:mas

491/5/37

1. Following the defeat of the IDA bill in the House, McNamara met Friday, January 25 with the Directors of the Bank representing the Part I (donor) countries. They stated:

- a. Legislation authorizing participation of their governments in the 4th Replenishment at the level of \$1500 million per year is being presented to their parliaments.
- b. Their parliaments could not be expected to act favorably on the legislation unless the U. S. Administration:
 - (1) promptly issued a strong statement of its intention to continue to support the Nairobi Agreement (i.e., a replenishment level of \$1500 million per year).
 - (2) acted to reintroduce legislation in support of the \$1500 million program.
- c. Unless the legislation lying before their parliaments was passed, it would be impossible for them to make "advance contributions" to IDA July 1, 1974. Without such "advance contributions" IDA will be bankrupt on that date.
- d. It would be impossible today to renegotiate the 4th Replenishment Agreement on terms as favorable to the U. S. as those agreed upon at Nairobi. All of the nations believe that their economic and financial positions vis-a-vis the U. S. have worsened since last September.

2. Following the meeting with the Directors, McNamara met on the afternoon of January 25 with George Shultz. McNamara reported the views of the Directors as outlined above and it was agreed that:

- a. Secretary Shultz would arrange for the prompt issuance of a statement of the Administration's intent to strongly support the Nairobi Agreement.
- b. Legislation in support of the \$1500 million program would be introduced in the Senate and the Administration's forces would be mobilized to ensure its passage.
- c. It would be made clear the Administration was not considering renegotiation of the Nairobi Agreement.

3. As of today, no "statement of intent" has been issued and no action has been taken to place the legislation before the Senate. Further, within the past three days, one foreign embassy and one U.S. newsman have reported that they have been told by lower echelons of the Treasury that consideration is being given to reintroducing the bill in the House at the level of \$960 million or \$1152 million. Such action would of course require renegotiation of the international agreement.

4. If a total collapse of IDA operations July 1 is to be avoided, it is essential that:

- a. Secretary Shultz act promptly to release the statement of the U.S. Administration's intention to support the Nairobi Agreement.
- b. Secretary Kissinger work out with Senator Fulbright a time schedule on which the IDA legislation will be considered by the Senate Foreign Relations Committee and acted on by the Senate. Such a schedule should provide for Committee mark-up during February (hearings were held in November) and Senate action in March.

491/5/42

February 1, 1974

Dear Governor:

As you will recall, the Annual Meetings of the Boards of Governors of the Bank and its Affiliates and the Fund, held under your chairmanship in Nairobi last September, concluded on September 28 with the adoption of a Resolution of Appreciation to the President and Government and people of Kenya.

This Resolution on behalf of all the assembled Governors, Executive Directors, senior officers and staffs of the four organizations conveys their sincere thanks for the numerous courtesies, warm hospitality and continued cooperation extended by the Kenyan authorities and people throughout the business sessions, social events and other occasions.

We take great pleasure in enclosing the text of this Resolution as a lasting reminder of a very memorable occasion.

Sincerely yours,

(Signed) Robert S. McNamara
Robert S. McNamara
President

H. Johannes Witteveen
Managing Director
International Monetary Fund

International Bank for Reconstruction
and Development and Affiliates

Enclosure

The Honorable
G. M. Chambers
Minister of Finance and of Planning
and Development
Ministry of Finance
Trinidad House, St. Vincent Street
Port of Spain
Trinidad and Tobago

491/5/41

February 1, 1974

Dear Governor:

The Annual Meetings of the Boards of Governors of the Bank and its Affiliates and the Fund, held in Nairobi last September, were concluded on September 28 with the adoption of a Resolution of Appreciation to the President and Government and people of Kenya.

This Resolution on behalf of all the assembled Governors, Executive Directors, senior officers and staffs of the four organizations conveys their sincere thanks for the numerous courtesies, warm hospitality and continued cooperation extended by the Kenyan authorities and people throughout the business sessions, social events and other occasions.

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Sincerely yours,

(Signed) Robert S. McNamara

H. Johannes Witteveen
Managing Director
International Monetary Fund

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

Enclosure

Mr. Duncan Nderitu Ndegwa
Governor
Central Bank of Kenya
P.O. Box 30463
Nairobi, Kenya

491/5/40

February 1, 1974

Dear Governor:

The Annual Meetings of the Boards of Governors of the Bank and its Affiliates and the Fund, held in Nairobi last September, were concluded on September 28 with the adoption of a Resolution of Appreciation to the President and Government and people of Kenya.

This Resolution on behalf of all the assembled Governors, Executive Directors, senior officers and staffs of the four organizations conveys their sincere thanks for the numerous courtesies, warm hospitality and continued cooperation extended by the Kenyan authorities and people throughout the business sessions, social events and other occasions.

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Sincerely yours,

(Signed) Robert S. McNamara

H. Johannes Witteveen
Managing Director
International Monetary Fund

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

Enclosure

Mr. Philip Ndegwa
Permanent Secretary to the Treasury
The Treasury
P.O. Box 30007
Nairobi, Kenya

491/5/39

February 1, 1974

Dear Mr. Minister:

The Annual Meetings of the Boards of Governors of the Bank and its Affiliates and the Fund, held in Nairobi last September, were concluded on September 28 with the adoption of a Resolution of Appreciation to the President and Government and people of Kenya.

This Resolution on behalf of all the assembled Governors, Executive Directors, senior officers and staffs of the four organizations conveys their sincere thanks for the numerous courtesies, warm hospitality and continued cooperation extended by the Kenyan authorities and people throughout the business sessions, social events and other occasions.

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Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

H. Johannes Witteveen
Managing Director
International Monetary Fund

Enclosure

The Honorable
Mwai Kibaki
Minister of Finance
Ministry of Finance
P.O. Box 30007
Nairobi, Kenya

491/5/38

February 1, 1974

Your Excellency:

The Annual Meetings of the Boards of Governors of the Bank and its Affiliates and the Fund, held in Nairobi last September, were concluded on September 28 with the adoption of a Resolution of Appreciation to yourself and the Government and people of Kenya.

This Resolution on behalf of all the assembled Governors, Executive Directors, senior officers and staffs of the four organizations conveys their sincere thanks for the numerous courtesies, warm hospitality and continued cooperation extended by the Kenyan authorities and people throughout the business sessions, social events and other occasions.

We take great pleasure in enclosing the text of this Resolution as a lasting reminder of a very memorable occasion.

Sincerely yours,

(Signed) Robert S. McNamara

H. Johannes Witteveen
Managing Director
International Monetary Fund

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

Enclosure

His Excellency
Mzee Jomo Kenyatta, C.G.H., M.P.
The President of Kenya
Republic of Kenya
State House
Nairobi, Kenya

MPSHIVNAN/cb
January 31, 1974

491/5/36

FEB 1 1974

Dear Mr. Ahmad:

Many thanks for your very thoughtful note of January 23rd.

As I am sure you will know from comments I have made in the Board and elsewhere, I very much agree that we must constantly be on our guard to ensure both true objectivity and external credibility in our handling of compensation matters. I certainly intend to watch the situation very closely and will not hesitate to come back to the Executive Directors if at any time I feel we should go further than your Committee felt able to recommend.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. M. M. Ahmad
Chairman
Committee on Staff Compensation
World Bank Group
Washington, D.C.

RAClarke:ss
January 30, 1974

MEMORANDUM FOR THE RECORD

491/5/30

Conversation with Professor Goldberg of Harvard Business School, January 31, 1974

Professor Goldberg had called to invite Mr. McNamara to participate in a Harvard Business School seminar in London, March 17-20, 1974, and he wished to discuss with Mr. McNamara future Harvard cases on the Bank.

After discussing with Mr. Yudelman, I called Professor Goldberg again to say that, due to previous commitments, Mr. McNamara would not be able to participate in the March seminar but that he is interested that the Bank continue to be subject to HBS cases and that the Bank's management will participate to the extent possible. I recommended to Professor Goldberg to discuss future participation by Bank management with Mr. Yudelman.

AL
January 31, 1974

President has seen

491/5/27

JAN 28 1974

Dear Premier Gairy:

Thank you for your letter of December 31, 1973 (which I am afraid we did not receive until January 23) inviting representation of the Bank at the forthcoming Independence celebrations of your country and for the warm greetings which you extended.

I greatly appreciate your kindness in extending this invitation to the Bank and I much regret that due to prior staff commitments, we are unable to send a representative to be present at the celebrations. Nevertheless we look forward to early future contact between officials of your Government and appropriate Bank staff members.

Please accept the congratulations of myself and my colleagues on the attainment of this milestone in your country's history.

Sincerely,
(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
E.M. Gairy
Premier of Grenada
Office of the Premier
St. George's
Grenada, W.I.

cc: Mr. McNamara's office (2)
Mr. Wiese, Director, LACII
Mr. Jay, Technical Assistant, U.K. Executive Director's Office
Mr. Kapur, Division Chief, LACII (o/r)

ESirleaf-Johnson/AJClift:jmd
Typed: January 25, 1974

491/5/26

JAN 28 1974

Mr. Paul Gerin-Lajoie
President
Canadian International Development Agency
Jackson Building
122 Bank Street,
Ottawa, Ontario
Canada

Dear Paul:

The World Bank for some time has been interested in the question of appropriate civil construction technologies for developing countries. We have recently completed the first two phases of a study in which we have attempted to compare economic competitiveness of different construction technologies. The findings of the study to date are that labor-intensive construction techniques as presently practiced in many developing countries are not economically competitive with modern equipment technologies for most conceivable factor prices and environmental conditions. However, we do not believe that modern equipment technologies are optimum for many of the low wage economies. In the next phase of the study, which we have already commenced in India, we propose to focus on development, testing and demonstration of intermediate civil construction technologies which would more efficiently utilize the abundant surplus of labor in many developing countries. The plan and scope of this work is described in the attached study proposal.

This study has been successful in bringing to focus an important issue of concern in many developing countries. The future research strategy has been identified and I feel it will be useful at this stage to involve other interested parties in this work. We are, therefore, seeking collaboration with several bilateral aid agencies. The study cost is estimated to be about \$2.47 million over four years.

Mr. Paul Gerin-Lajoie

- 2 -

We have had preliminary discussions with Mr. Claude M. Isbister, Executive Director of the Bank, regarding the possibility of collaboration with CIDA. Our discussions with the U.S., Germany and Japan are fairly advanced and we expect some agreements to be reached in the near future. I am writing you to suggest that CIDA also consider the possibility of collaboration with the Bank in this important research. The attached study proposal describes in detail the plan and scope of the proposed work. After your staff have had an opportunity to review it, members of the Bank study team will be pleased to discuss any aspects of this work with them.

We look forward to continued cooperation between the Bank and CIDA in areas of mutual interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara
President

IKSud:ww

January 25, 1974

c.c. Mr. McNamara (2)

491/5/25

JAN 28 1974

Dear Julia:

I was glad to learn that the plans you talked to us about at Bellagio for expanding IPPF's work in distributing contraceptives through commercial channels are moving forward. The Bank is certainly interested in being associated with this new activity, which I regard as a very promising experiment in extending the means of fertility control into channels that are now grossly underutilized in most LDCs and which are probably a much cheaper and more effective means of distribution than the health facilities of official family planning programs.

Dr. Kanagaratnam is away from the Bank until 18th February. Either he or his Deputy, Mr. Baldwin, will attend the initial New York meeting on February 28/ March 1. I am confident you will find either of these individuals an appropriate liaison officer between the Bank and the IPPF for this program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Miss Julia Henderson
Secretary General
International Planned Parenthood Federation
18-20 Lower Regent Street
London SW1Y 4PW

- cc: Mr. Hoffman, Dir., IRD
- Dr. Kanagaratnam, Dir., PNP
- Mr. Zaidan, Div. Chief, PNP
- Mrs. Domingo, PNP
- ✓ Mr. McNamara's office (2)

GBBaldwin/jim

Typed January 25, 1974

491/5/23

JAN 28 1974

Dear Mr. Fischer:

Thank you for your letter of January 17, 1974 and for the information on your activities in preparation for the United Conference on the Law of the Sea in Caracas.

The issues, as you indicate, are of major significance. The Bank hopes governments will find a way to agree to a treaty allowing developing countries to share in the wealth of the Ocean.

I will be away from Washington in the next few weeks and have asked Mr. William Clark, Director of External Relations, to get in touch with you and to make arrangements for your visit to the Bank.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. William F. Fischer, Jr.
1700 Walnut Street, Room 728
Philadelphia, Pa. 19103

Cleared with and cc: Mr. William Clark

cc: for Mr. McNamara's Office (2)

LPChatenay:mmh
January 25, 1974

MEMORANDUM FOR THE RECORD

cc Knapp
Rickett

Meeting with Mr. Klackenberg, Friday, January 25, 1974

491/5/24

At his request, I met with Mr. Klackenberg, Mr. Kastoft, Mrs. Saarela and Mr. Rylander were also present. The discussion centered around the recent defeat of IDA in the House of Representatives and possible ways of amending the situation. Mr. Klackenberg made one point worth mentioning: Sweden would abstain rather than vote against operations in Chile coming up in the Bank's Board in the near future.

AL
January 28, 1974

491/5/22

JAN 25 1974

Dear Maury:

I have just learned of your election by acclamation as the Chairman of the Development Assistance Committee. As I need hardly remind you, the work of DAC is central to the interests of the World Bank Group. We follow it closely and devote considerable staff resources to contributing to DAC's work when requested.

I am delighted that you are taking over this key position in the development field. We have always had the best possible working relations with Ed Martin, and I feel sure that this will continue under your Chairmanship of the Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Maurice J. Williams
Deputy Administrator
Agency for International
Development, Room 5894
Department of State
Washington, D. C. 20523

MLHoffman/pnn
,

cc: Mr. McNamara's files (2)

491/5/21

INSTITUTE FOR THE STUDY OF INTERNATIONAL
PROBLEMS IN EDUCATION
UNIVERSITY OF STOCKHOLM
STOCKHOLM 50 SWEDEN

JANUARY 24, 1974

LT

FOR HULTIN BENGT SANDBERG WILL BE GLAD TO INFORM GROUP ON WORLD BANK ON
FEBRUARY EIGHT AT FOUR PM IN HIS OFFICE ASSUME YOU WILL TELL THEM WE WILL
ALSO LEAVE MESSAGE AT ~~MTX~~ HOTEL MADISON EYE WILL BE IN EAST ASIA WARM
REGARDS

LJUNGH
INTBAFRAD

Anders Ljungh
Office of the President
ALjungh:ml

cc: Mr. Sandberg

499/5/20

JAN 23 1974

Dear Mr. Chairman:

In my meeting with the African Caucus in Nairobi on September 26, 1973 I responded orally to the memorandum of the African Group dated September 26, 1973 which was delivered to me during the Annual Meeting. I believe that it would be useful to record in summary form my responses to the various points made in your memorandum. I am accordingly transmitting the attached memorandum of reply. I welcome your comments and suggestions and look forward to continuing to receive them. I can assure you that we shall give careful and continual attention to all of them.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

His Excellency
Sidi Ould Cheikh Abdallahi
Chairman of the African Group
Ministry of Planning and
Industrial Development
Nouakchott, Mauritania

KGVKrishna/BRBell:rb

BRB

cc: Mr. McNamara's office (2)

491/5/19

January 23, 1974

Dear General:

Thank you very much for your kind letter of December 31, 1973, informing me of your move from the position as Minister of Economy and Finance to that of Army Chief of Staff.

On the occasion of this change in your role in the leadership of your country, I wish to convey to you the deep feeling of appreciation for your work which is shared by all of us in the Bank who have had the opportunity to work with you. Your very able management of Peru's economic and financial affairs during a period of nearly five years has been a major reason for the economic and social progress which Peru has seen. Also, your personal contribution to the reactivation of close cooperation between the Bank and your country has been most helpful. We are happy to know that you intend to continue to take an active interest in international financial matters.

We wish you every success in your new position of responsibility, and hope that this new year will prove to be a prosperous one both for you and for your country.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

General Francisco Morales Bermudez
Jefe del Estado Mayor General del Ejercito
Ministerio de Guerra
Avenida Arequipa No. 291
Lima, Peru

cc: Messrs. Ugueto/Santistevan

Mr. Alter
Mr. Krieger
Mr. Nelson
Mr. Bargholtz

PBargholtz:ALjungh:ml

491/5/17
M
cc Mr Sandberg

GORDON M

JANUARY 23, 1974

INTBAPRAD

TELEX

DJAKARTA

INDONESIA

ONE THIRTYFOUR

WOULD IT BE POSSIBLE FOR YOU TO CONTACT FORMER INDONESIAN
AMBASSADOR TO THE US SOEDJATMOKO AND INVITE HIM AND HIS WIFE TO
DINE WITH MRS MCNAMARA AND ME IN OUR HOTEL THE EVENING WE ARRIVE
IN DJAKARTA SATURDAY FEBRUARY SIXTEEN AT SOME REASONABLE TIME CMA
FOR EXAMPLE NINETEEN HUNDRED

MCNAMARA

Robert S. McNamara

President

RMcN:bmm

491/5/15

JAN 18 1974

Dear Ambassador Corea:

In a few weeks, you will be taking up your new responsibilities at the head of UNCTAD. In conveying to you our best wishes, I would also like to express to you the pleasure which I share with your friends and professional colleagues in the Bank in the knowledge that all of us will greatly benefit from your association with the UN system.

Over the years we have developed extensive working relationships with UNCTAD and I wish to assure you of my desire that these should be continued and become more fruitful.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mr. Gamani Corea
Ambassador of Sri Lanka to Belgium
and the European Common Market
Embassy of Sri Lanka
21-22 Avenue des Arts
1050 Brussels, Belgium

EFranco/MLHoffman:tsb
January 17, 1974

cc: Office of the President (2) ✓

491/5/14

JAN 18 1974

Dear Dr. Stopper:

This is in response to your January 10 letter requesting our assistance in resolving a problem relating to interest and redemption payments on certain obligations of the Lima Light and Power Corporation. In accordance with the suggestion in your letter, we are now following up on this matter with the Peruvian authorities. On getting their response, we will then reply further to your letter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Stopper
President
Banque Nationale Suisse
8022 Zurich
Switzerland

Cleared with & cc: Mr. Broches, Legal
Mr. Rotberg, Treasurer's
Mr. Krieger, LAC I
Mr. Alter
Mr. Aldewereld (in substance)
cc: Messrs. Cancio, Legal
Uhrig, Treasurer's
cc: Mr. McNamara's Office (2)

RNelson/eg
January 16, 1974

491/5/13

JAN 17 1974

The Honorable
Gyanendra Bahadur Karki
Minister of Foreign Affairs and Finance
City Hall
Kathmandu, Nepal

Dear Mr. Minister:

I wish to thank you for receiving me in your office last November, and Mrs. McNamara and I would also like to express our sincere appreciation for the excellent dinner you gave us as we started our holiday in Nepal. Both occasions provided a fitting introduction to what proved to be a fine holiday in a magnificent country, a holiday that lived up to the high expectations I had for it.

During the meeting, the subject of the Karnali hydroelectric project was raised, as had also been the case during our meeting in Nairobi in September. On both occasions, I noted that Karnali is a very large project, particularly in relation to Nepal's resources. I therefore suggested that it would be wise to give thought to the economic and financial benefits which Nepal might obtain from the project before much more time and effort are devoted to additional engineering and feasibility studies. I might add that the evolving world energy situation changes the economic and financial outlook for the project, compared to what we visualized when we talked about it in September.

You will recall that I mentioned to you in Kathmandu, in response to a specific question, that the Bank could not contribute more than a small part of the total funds that might be required for Karnali, if it is decided to go ahead with it. At this moment, however, the more important matter is the analysis that is needed in anticipation of such a decision. In that analysis, I believe we can, and would like to, be of help to you.

In particular, we promised, during the meetings in Nairobi, to send to your government a note on the issues that must be examined in considering the Karnali project. Mr. William Diamond, Director of our South Asia Department, is now sending Mr. Pradhan a staff desk

study on this subject. In a sense, that study provides an agenda for review by your government. Having regard to the potential importance of the Karnali project to Nepal, we are prepared to make available a senior staff member of the Bank to assist the government in its analysis and consideration of the project. Mr. Diamond will be making a specific proposal in this regard to Mr. Pradhan.

Again, thank you for your courtesy in receiving me and for the hospitality you provided my group.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

cc: Mr. B.B. Pradhan
Secretary
Ministry of Finance
Kathmandu, Nepal

cc: Messrs. Diamond, Weiner, Shibusawa, Pilvin, Arnold, Ladonne,
Gilmartin, Kirk

WDiamond/TKOsgood:dp
January 15, 1974

491/5/12

JAN 16 1974

Dear Jim:

This is in reply to your letter of January 3 in which you make an official application for the International Bank for Reconstruction and Development share in the study of higher education in developing countries which was agreed by the recent Bellagio meeting. I am pleased to learn that the International Council for Educational Development has been asked to organize and conduct the study, from which we expect useful results.

As you may know, I was unable to attend the Bellagio meeting last November but I did write in advance to Champ Ward indicating the Bank's support in principle of the project and pledging a contribution of \$35,000 as the Bank's share of a total cost of \$350,000 estimated at that time.

I should like you to know that the Bank still supports this project and that its initial pledge of financial support is still valid. I look forward to your presenting a firm budget for the project and note that you expect one to be available following the meeting of the Task Force in February. I am not concerned about a moderate increase in the Bank's assessed share and while there are limits to the amount the Bank may feel justified in allocating to this project, I trust that at that time we would be able to agree upon a suitable contribution by the Bank.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. James A. Perkins
Chairman
International Council for Educational
Development
680 Fifth Avenue
New York, New York 10019

DSBallantine:jsc

cleared with and cc: Mr. Baum

491/5/10

HIS EXCELLENCY
MOHAMED ABALKHAIL
MINISTER OF STATE FOR FINANCIAL AND
ECONOMIC AFFAIRS
RIYADH
SAUDI ARABIA

JANUARY 12, 1974

FULL RATE

MR. McNAMARA TODAY CABLED MINISTER YAMANI AS FOLLOWS QUOTE HAVE
STUDIED WITH GREAT INTEREST RECENT STATEMENTS BY OPEC MINISTERS AND
YOURSELF REGARDING IMPACT OF WORLD ENERGY SITUATION ON DEVELOPING COUNTRIES
STOP WOULD LIKE TO CONVEY TO YOU SOME OF MY IDEAS CONCERNING THIS MATTER
AND POSSIBLE ACTIONS BY BANK IN COOPERATING WITH OPEC COUNTRIES STOP
PENDING A MEETING BETWEEN US AM ASKING OUR REGIONAL VICE PRESIDENT MR.
MUNIR BENJENK TO GO TO RIYADH AS SOON AS CONVENIENT TO YOU TO DISCUSS
ABOVE WITH YOU PERSONALLY AND THE MINISTER OF FINANCE STOP PLEASE LET ME
KNOW WHETHER SUCH A MEETING WOULD BE ACCEPTABLE TO YOU STOP MR. BENJENK
ALSO CONTACTING MINISTER ABALKHAIL STOP BEST REGARDS STOP UNQUOTE IF
THIS VISIT AGREEABLE WOULD VERY MUCH LIKE DISCUSS THESE AND OTHER MATTERS
WITH YOU AND ANY INTERESTED PARTIES YOU MAY SUGGEST STOP BEST REGARDS

BENJENK
INTBAFRAD

M. P. Benjenk
EMENA

M.P. Benjenk, Vice President:mss

491/5/9

HIS EXCELLENCY
ABDUL RAHMAN SALIM AL-ATEEQY
MINISTER OF FINANCE AND OIL
KUWAIT

JANUARY 12, 1974

FULL RATE

KUWAIT

HAVE STUDIED WITH GREAT INTEREST RECENT STATEMENTS BY OPEC MINISTERS
AND YOURSELF REGARDING IMPACT OF WORLD ENERGY SITUATION ON DEVELOPING
COUNTRIES STOP WOULD LIKE TO CONVEY TO YOU SOME OF MY IDEAS CONCERNING
THIS MATTER AND POSSIBLE ACTIONS BY BANK IN COOPERATING WITH OPEC COUNTRIES
STOP PENDING A MEETING BETWEEN US AM ASKING OUR REGIONAL VICE PRESIDENT
MR. MUNIR BENJENK TO GO TO KUWAIT AS SOON AS CONVENIENT TO YOU TO DISCUSS
ABOVE WITH YOU PERSONALLY STOP PLEASE LET ME KNOW WHETHER SUCH A MEETING
WOULD BE ACCEPTABLE TO YOU STOP BEST REGARDS

ROBERT S McNAMARA

Mr. McNamara/
Mr. Benjenk

MBenjenk:RMcN:mss

491/5/8

HIS EXCELLENCY
JAMSHID AMOUZEGAR
MINISTER OF FINANCE
TEHERAN

JANUARY 12, 1974

FULL RATE

IRAN

HAVE STUDIED WITH GREAT INTEREST RECENT STATEMENTS BY OPEC MINISTERS AND YOURSELF REGARDING IMPACT OF WORLD ENERGY SITUATION ON DEVELOPING COUNTRIES STOP WOULD LIKE TO CONVEY TO YOU SOME OF MY IDEAS CONCERNING THIS MATTER AND POSSIBLE ACTIONS BY BANK IN COOPERATING WITH OPEC COUNTRIES STOP PENDING A MEETING BETWEEN US AM ASKING OUR REGIONAL VICE PRESIDENT MR. MUNIR BENJENK TO GO TO TEHERAN AS SOON AS CONVENIENT TO YOU TO DISCUSS ABOVE WITH YOU STOP PLEASE LET ME KNOW WHETHER SUCH A MEETING WOULD BE ACCEPTABLE TO YOU STOP BEST REGARDS

ROBERT S. McNAMARA

Mr. McNamara/
Mr. Benjenk

MBenjenk:RMcN:mss

491/5/7

HIS EXCELLENCY
ABDERRAHMAN KHENE
SECRETARY GENERAL
ORGANIZATION OF PETROLEUM EXPORTING
COUNTRIES (OPEC)
VIENNA
AUSTRIA

JANUARY 12, 1974

FULL RATE

HAVE STUDIED WITH GREAT INTEREST RECENT STATEMENTS BY OPEC MINISTERS
AND YOURSELF REGARDING IMPACT OF WORLD ENERGY SITUATION ON DEVELOPING
COUNTRIES STOP WOULD LIKE TO CONVEY TO YOU SOME OF MY IDEAS CONCERNING
THIS MATTER AND POSSIBLE ACTIONS BY BANK IN COOPERATING WITH OPEC COUNTRIES
STOP PENDING A MEETING BETWEEN US AM ASKING OUR REGIONAL VICE PRESIDENT
MR. MUNIR BENJENK TO GO TO VIENNA AS SOON AS CONVENIENT TO YOU TO DISCUSS
ABOVE WITH YOU STOP PLEASE LET ME KNOW WHETHER SUCH A MEETING WOULD BE
ACCEPTABLE TO YOU STOP BEST REGARDS

ROBERT S. McNAMARA

Mr. McNamara/
Mr. Benjenk

MBenjenk:RMcN:mss

491/5/6

HIS EXCELLENCY
AHMED ZAKI YAMANI
MINISTER OF PETROLEUM AND MINERAL WEALTH
RIYADH

JANUARY 12, 1974

FULL RATE

SAUDI ARABIA

HAVE STUDIED WITH GREAT INTEREST RECENT STATEMENTS BY OPEC MINISTERS
AND YOURSELF REGARDING IMPACT OF WORLD ENERGY SITUATION ON DEVELOPING
COUNTRIES STOP WOULD LIKE TO CONVEY TO YOU SOME OF MY IDEAS CONCERNING
THIS MATTER AND POSSIBLE ACTIONS BY BANK IN COOPERATING WITH OPEC COUNTRIES
STOP PENDING A MEETING BETWEEN US AM ASKING OUR REGIONAL VICE PRESIDENT
MR. MUNIR BENJENK TO GO TO RIYADH AS SOON AS CONVENIENT TO YOU TO DISCUSS
ABOVE WITH YOU PERSONALLY AND THE MINISTER OF FINANCE STOP PLEASE LET ME
KNOW WHETHER SUCH A MEETING WOULD BE ACCEPTABLE TO YOU STOP MR. BENJENK
ALSO CONTACTING MINISTER ABALKHAIL STOP BEST REGARDS

ROBERT S McNAMARA

Mr. McNamara/
Mr. Benjenk

MBenjenk:RMcN:mss

499/5/5

HIS EXCELLENCY ABDUL RAHMAN AL-ATEEQI
MINISTER OF FINANCE AND OIL
KUWAIT

JANUARY 11, 1974

LTR

KUWAIT

WE HEARTILY WELCOME THE DECISIONS OF THE GOVERNMENT OF KUWAIT TO EXTEND AID TO A NUMBER OF THE DEVELOPING COUNTRIES IN EAST, CENTRAL AND WEST AFRICA AND TO COOPERATE WITH THE WORLD BANK IN FINANCING DEVELOPMENT PROJECTS IN THOSE COUNTRIES. WE ARE OPEN TO ANY SUGGESTION YOU MAY MAKE WITH RESPECT TO THE MEANS BY WHICH WE MAY UNDERTAKE OUR COOPERATIVE EFFORTS. WE SUGGEST THAT AS A FIRST STEP, IT WOULD BE VERY USEFUL THAT THE MEMBERS OF YOUR PROJECTED MISSION AND OTHER OFFICIALS OF THE KUWAIT FUND MEET WITH APPROPRIATE MEMBERS OF OUR STAFF EITHER PRIOR TO, OR IMMEDIATELY SUBSEQUENT TO, YOUR MISSION'S PROSPECTIVE VISIT TO EAST AFRICA IN THE LATTER PART OF JANUARY. OUR REGIONAL VICE PRESIDENTS BENJENK FOR THE MIDDLE EAST, CHAUFOURNIER FOR WEST AFRICA AND BELL FOR EAST AFRICA ARE PREPARED TO PARTICIPATE IN THE DISCUSSIONS. WE LOOK FORWARD WITH YOU TO SIGNIFICANT BENEFITS TO MANY OF THE DEVELOPING COUNTRIES FROM OUR EXPANDED COOPERATION. I HOPE MIGHT
X FURTHER ~~SUCCESS~~ THAT YOU AND I MEET TO DISCUSS OUR PROSPECTIVELY ENLARGED COOPERATIVE EFFORTS AT SOME TIME IN THE NEAR FUTURE.

MCNAMARA

Robert S. McNamara
President

cc: Mr. McNamara (2)

491/5/3

JAN 9 1974

Dear Mr. de Seynes:

Thank you for sending us a copy of Mr. Larssen's proposal to donate property in Norway to the UN for a world protein bank. It seems to me that your idea of referring this to the Protein Advisory Group of the UN is exactly right, and I would be reluctant to express any other views until receiving PAG's advice.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Philippe de Seynes
Under-Secretary-General for
Economic and Social Affairs
United Nations, N. Y. 10017

MLHoffman/pnn
January 4, 1974

cc: Mr. McNamara's files (2)
Mr. A. Berg, Deputy Dir. PNPD
Mr. Franco, IRD
Mr. Yudelman, Dir., Agric. Proj.

491/5 H

January 4, 1974

Mr. Kurt Waldheim
Secretary-General
United Nations, New York 10017

Dear Secretary-General:

I am writing in response to Resolution 1768 (LIV) of the Economic and Social Council, inviting the heads of the specialized agencies to express their views on the relationship between their respective agencies and the United Nations. These views have been solicited in connection with the Council's consideration of ways to strengthen the coherence of the United Nations system and its capacity to fulfil the objectives of the International Development Strategy in an effective and coordinated manner.

Let me say first that the institutions of the World Bank Group welcome the Council's initiative and are prepared to cooperate fully with the Council as it carries out its task. Second, I believe that there are good grounds for concluding that there already exists within the United Nations system a gratifying degree of coherence and unity of purpose.

The basic relationship agreement between the United Nations and the International Bank has been in effect for 25 years and, in my view, experience justifies the conclusion that the agreement has in fact facilitated its objective of contributing to the maintenance of effective cooperation between the United Nations and the Bank in the field of economic development.

In addition to the relationship agreement with the United Nations, the Bank has entered into other formal agreements, with FAO, Unesco, WHO and UNIDO, for jointly financed programs. These "cooperative program agreements", briefly described in the report submitted to Mr. Kittani by the Bank's Special Representative for United Nations Organizations on September 28, 1973, reflect the fact that the institutions of the Bank Group, alone among the specialized agencies, operate in a multiplicity of sectors of the economy of their developing member countries.

As you are well aware, the Bank has over the past quarter of a century gradually expanded the scope or shifted the emphasis of its

operations, including technical assistance, according to the changing needs of its developing country members and in order to make the greatest possible contribution to the effective promotion of their economic and social development. In its early days, the Bank concentrated its lending on projects designed to add directly to the borrowing country's productive capacity, i.e., basic facilities such as power, transportation, large-scale irrigation and land reclamation, and did not finance projects of a primarily social character, in, for example, the fields of education, population and water supply and sewerage.

In 1964, however, it decided that it should intensify its support of agricultural development and, while continuing to finance large construction projects, should become increasingly involved with undertakings of immediate concern to the individual farmer, such as agricultural credit, livestock production, training and extension work, and land settlement. It therefore entered into cost-sharing arrangements with FAO designed to increase considerably the number and the variety of agricultural projects presented for Bank Group financing, by helping governments to identify and prepare projects. In the same year the Bank adopted a policy of providing more active assistance to the education sector, in which its activity had been relatively limited and recent in origin. It then entered into a similar cooperative arrangement with Unesco, rather than attempting to expand its own staff to the extent fully necessary to support a growing lending program.

In 1972, the Bank proposed to expand its operational program in the water supply field, having determined that there was need for a considerably larger number of sector studies and for more assistance to governments in project identification and preparation. The Bank and WHO then agreed upon a cooperative program to broaden, strengthen and systematize their existing informal working arrangements.

Most recently, a cooperative agreement has been concluded with UNIDO, to facilitate an expanded program of industrial sector studies and preinvestment work, more assistance to governments in working out and implementing sound industrialization policies and provision of technical advice on projects financed by the Bank. The scope of this program explicitly extends to activities of primary interest to IFC.

In each of these cases, the Bank and another member of the United Nations family with special expertise in a particular field

January 4, 1974

have embarked on a cooperative effort to increase the opportunities for financial support from the Bank Group for priority development projects in developing countries. In the fiscal year 1973 alone, the FAO/Bank cooperative program helped to prepare about one-third of the agriculture projects approved by the Bank's Executive Directors and carried out 146 missions to 35 countries; the Unesco/Bank program helped to identify or prepare 11 of the 18 education projects approved; the WHO/Bank program (in its first full year of operation) carried out sector missions in nine countries and project identification and preparation missions in five.

The collaboration between the Bank and each of its cooperative program partners goes far beyond the cooperative programs. The factual report earlier transmitted by the Bank to Mr. Kittani refers, for example, to a number of working relationships with FAO which have developed outside the cooperative program. As noted above, the WHO/Bank cooperative program covers water supply and sewerage. Recently (since submission of our factual report), the Director-General of WHO and I reached agreement on a joint memorandum intended to guide the staffs of our institutions in carrying out their respective operations in the population sector.

Moreover, the Bank Group has established working relationships with parts of the United Nations family other than the cooperative program partner agencies. Of particular importance are the working arrangements with the UNDP, both at headquarters and in the field. These are designed to assure that the Bank's preinvestment activity does not duplicate the work of the UNDP, which is, within the U.N. family, the major source of funds for technical assistance. Many of these other working relationships are briefly described in the documentation we have submitted. They have evolved gradually, at the staff level. New relationships are continually being established, as it becomes apparent they would be useful in helping to maximize the developmental impact produced by the activities of several agencies in a given field.

I have referred thus far to relationships developed in the course of regular agency operations. There are also relationships which constitute a response to special development problems, in which several members of the U.N. family pool their resources and bring to bear their special expertise. For example, WHO, the UNDP, FAO and the Bank are sponsoring a 20-year program to control river blindness in seven countries in Western Africa. WHO will execute the program, in cooperation with the seven participating governments and in association

with the UNDP and FAO. The Bank is taking the lead in mobilizing funds on an international basis for the program's first six-year stage, and will administer the fund out of which the control program is to be financed.

Another example of ad hoc inter-agency collaboration is the Consultative Group on International Agricultural Research (CGIAR), which was organized by the Bank, FAO and UNDP in 1971 to mobilize long-term financing for international agricultural research. Through the CGIAR are channeled funds and expertise from not only international agencies and governments but also private sources; the CGIAR's 29 members include three private foundations.

A third illustration of the possibilities for inter-agency cooperation is the Protein Advisory Group of the United Nations System (PAG), the membership of which was initially composed of FAO, WHO and UNICEF and now includes the Bank and the United Nations.

I have written at some length of these inter-agency undertakings because, in my view, it is through such ad hoc arrangements that the United Nations system can most effectively be strengthened and its capacity to fulfil the objectives of the International Development Strategy enhanced.

Coordination, the need for which has been repeatedly emphasized over the years in public statements by those involved in economic development and concerned by the multiplicity of international development agencies, is in fact being achieved by collaboration among the agencies.

In my first report to the Economic and Social Council, in 1968, I suggested that international organizations were entering a new phase in their lives. I said that

"The United Nations system has become more operational-minded, more practical in approaching the tasks assigned to it. The agencies have more and more come to realize that, despite their different specialities, they are attacking related aspects of common problems. They have been growing closer and closer together, through consultative and cooperative arrangements intended to avoid duplication and to bring about an effective focus of their skills."

In my 1970 address to the Council, I briefly described the pattern of inter-agency cooperation in which the Bank was participating, which was helping to make the international development

effort more effective, rational and cohesive. This has not been an easy task for large organizations, each responsible to a different governing body and not all with co-extensive membership. But experience shows that it can be done. The flexibility inherent in ad hoc arrangements to deal with specific problems of development has increased the opportunities for common action to achieve common objectives, with each agency bringing to the exercise its own particular expertise and resources.

In the achievement of this coordination through inter-agency collaboration, ECOSOC has an important role to play and is in fact playing it. Being above operational concerns, it is in the best possible position to set goals for the international development effort, to chart the broad directions in which the agencies' individual, collective and collaborative efforts of the sort described above should be pointed, and to consider from time to time the extent to which the desired objectives have been achieved.

This leadership role is exemplified by the International Development Strategy and subsequent resolutions focusing attention on the need for, and calling for action to achieve, greater capital flows to the developing countries, a more equitable distribution of income, increased employment opportunities, expanded and improved facilities for education, health, nutrition, housing and social welfare, and environmental safeguards. Quite apart from, and in addition to, the action which individual member countries are taking at the national level in response to the call of the Strategy, the Bank Group, with the approval of its membership, has implicitly accepted an obligation to assist in implementing the Strategy.

It has substantially increased the volume of its financial operations. In the period of fiscal years 1969-73, its total lending was twice that of the preceding five-year period and lending to the poorest and least developed of its member countries trebled. For the next five-year period we hope to achieve a 40% increase in commitments, in real terms, a 175% increase over the period 1964-68. At the same time, the Bank Group has been shifting the emphasis of its activities in the direction of increased support for social progress in the developing countries. While the development of productive resources continues to be the Bank Group's main concern, and while there is no intention to abandon support for industry, power, transport or large-scale highly productive agricultural projects, the Bank Group is taking a much more comprehensive view of the development process. It is endeavoring to give greater attention to the social aspects of economic growth, including population, employment, income distribution, health, nutrition, and the impact on the environment. This has led to a marked diversification in Bank Group activities and is in line with the Strategy's objectives.

Mr. Kurt Waldheim

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January 4, 1974

In my address to the Annual Meeting of the Boards of Governors of the Bank Group, at Nairobi last September, I outlined the steps which the Bank Group is prepared to take over the next five years to tackle the problem of poverty in the developing world. These plans and programs are an implicit response to the guidance which ECOSOC has provided in identifying the areas in which the interests of all parts of the international community converge and on which a broad measure of consensus can be achieved. This is a unique and an essential function.

I hope this letter, together with the factual material submitted earlier, will prove useful to you in the preparation of your own report to the Economic and Social Council.

Sincerely,

(Sgd.) Robert S. McNamara

SBoskey:tsb
January 4, 1974

cc: Office of the President (2) ✓
Mr. William Clark, Dir., External Relations
Mr. Franco-Holguin, IRD
Mr. Chatenay, IRD

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

491/5/1

January 4, 1974

Note to Sir Denis Rickett

Denis:

What action should I take to ensure that Italy's commitment to the 3rd Replenishment is received prior to June 30?

RMcN