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THE WORLD BANK

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Operational - Policy and Procedure - Rejected Projects - Volume 2

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DECEMBER 1968.  
FOR FURTHER CORRESPONDENCE SEE:  
1969 - 1971.

RECORDS MANAGEMENT SECTION  
February 1969

*P.P. - Rejected Projects M Halber**Operat. Files*

## OFFICE MEMORANDUM

TO: Mr. Bruce M. Cheek

DATE: November 29, 1968

FROM: Thomas Halber *TH*SUBJECT: Projects turned down during November 1968

✓

IVORY COAST

No projects were turned down by the Bank during the period under review.

Mr. Bruce M. Cheek

November 29, 1968

Martijn J. Paijmans



Loans turned down

With reference to your recent request, we wish to inform you that no loans have been turned down in this Division during November.

MJPaijmans rmac



Mr. Gordon M. Street

November 27, 1968

Jochen Kraske

Loans Turned Down

I refer to Mr. Adler's memorandum of October 11. No loan proposals or requests for Bank Group assistance from countries in this Division have been turned down during the past month.

JKraske:rk



Mr. Bruce M. Cheek

November 27, 1968

X. de la Renaudière

Loans turned down in November

No loan or credit applications have been turned down  
in any of the five countries in my Division.

Xdelar:mb



P+P - Rejected Projects

Mr. Gordon M. Street

November 26, 1968

Alexander F. Kirk

Report on Loans Turned Down

Since our last report to you dated October 18, 1968, we have not turned down any loan or credit in either India or Nepal.

cc: M.H. Wiehen

MHW: bh

MHW: bh  
IBRD



Mr. Bruce M. Cheek

November 26, 1968

Frank Povey *FP*

Loans turned down - Division C

No loans were turned down during November.

FPovey:bc

Mr. Horst H. H. Eschenberg

November 7, 1968

J. H. Williams

Africa Department - Loans Turned Down

With reference to Mr. Adler's memo of October 11, 1968 on the above, we have had no formal requests which were turned down during October 1968 from countries covered by the former Africa Department. We have had, however, the following three "borderline" cases which I would like to report:

(1) Malawi (Tedzani power project): This project, already appraised, remains in abeyance because of general unsatisfactory financial performance by Malawi. This question was discussed with the Malawi delegation during an Annual Meeting interview in Washington, and, later, the Government was informed of our position (in a letter dated October 28, 1968, cleared by Messrs. Knapp and Friedman). The amount of lending involved is \$7.0 million (IDA, subject to replenishment).

(2) Ghana (National Investment Bank project): During an Annual Meeting interview with Mr. Rosen and IFC staff, the Ghanaian delegation inquired about possible IFC participation and Bank lending for Ghana's National Investment Bank (NIB). The NIB's principal functions include provision of finance for various state enterprises. Having been told that it was the policy of the Bank, just as it was of IFC, that development banks they financed should provide finance primarily to the private sector (except in limited and exceptional circumstances), the Ghanaians decided not to press with this request at this time.

(3) Chad (Casier A - Bongor irrigation project): An FAO project identification mission, which visited Chad recently under the Bank/FAO Cooperative Program, reported on the Casier A - Bongor project as well as on two other irrigation projects ( a polder project and a project called Sategui-Derezza). On the basis of the FAO mission's report, we have informed the Bank/FAO team in Rome that no further work should be undertaken for the Casier A - Bongor, but further consideration should be given to the other two projects. The Bank/FAO team will inform the Chad authorities of this position.

*ee*  
OHC:alika:ec

cc: Messrs. Cheek  
Kruithof  
Fovey  
de la Renaudière  
*Jmw*

Mr. O. Hursit Calika

October 31, 1968

A. Kruithof *AKW/31*

Loans turned down during October 1968

Your memo of October 29 refers.

The proposed TEDZANI Power Project (estimated credit amount: \$7 million) which had been appraised and for which the yellow cover appraisal report is ready, was turned down on grounds of general unsatisfactory financial performance of Malawi.

The matter was discussed by Mr. El Emary with the Minister of Finance of Malawi during the Annual Meeting and the Permanent Secretary of Finance has been informed by letter (approved by Messrs. Knapp and Friedman) of October 28, 1968.

The new situation has been incorporated in the relevant timetable of November 1.

Akruithof:fs

cc.: Messrs. Knox/White/Wyatt



Mr. O.H. Calika

October 30, 1968

Colin Bruce *CB*

Loans Turned Down

With reference to your memorandum of October 29<sup>✓</sup> and  
Mr. Adler's memorandum of October 11, 1968, there have been no  
loans in this Division which have been turned down.

CBruce:tj

Mr. O. H. Calika

October 30, 1968

Heinz B. Bachmann *HBB*

Loans Turned Down

With reference to your memorandum of October 29, 1968, we  
wish to inform you that no loans have been turned down in  
Division F during October.

HBBachmann :pmc



Mr. Horst H.H. Eschenberg

October 30, 1968

Gerald Alter *gla*

Loans and Credits Turned Down - Western Hemisphere

Brazil

During Mr. McManera's recent visit to Brazil the President of the Banco del Nordeste asked whether the Bank would be interested in financing the UCIBA steel plant in Bahia.

I said that on the basis of information contained in a steel survey of Brazil conducted by Booz, Allen and Hamilton, and of the Bank staff's assessment of the survey and the project, the Bank would not consider financing the project.

cc: Messrs. Chauffournier  
Wiese  
Wright

*JHL*  
JHL:mpd

Messrs. Kruthof, Fovey, Bruce, de La Renaudière,  
Burney and Adams  
O. H. Calika

October 29, 1968

Loans Turned Down

With reference to Mr. Adler's memorandum of October 11, 1968,  
copies of which were circulated to the Africa Department Divisions,  
it would be appreciated if you would let me know if there were any  
loans turned down in the course of October 1968.

cel  
OHC Calika:ec

Mr. Gordon M. Street

October 28, 1968

Nicholas A. Gibbs *NG*

Loans Turned Down - (Burma, Ceylon, Laos, Philippines, Thailand)

No loans or credits have been turned down for the above countries in the last month.

cc: Mr. Homs  
Mr. Humphrey  
Mr. Wang

AGibbs:go

Division Chiefs (W.H.)

October 24, 1968

J. H. Lenfant

Loans Turned Down

Mr. McNamara has asked to be informed each month of loans and credits which have been turned down.

Would you, please, return to me (Room 506) the attached form by noon, Monday, October 28.

cc: Mr. Chaufournier  
Mr. Wiese  
Mr. Wright



Date .....

Division .....

LOANS AND CREDITS TURNED DOWN

Indicate below any loans and credits which have been turned down in the course of the past four weeks, distinguishing the following categories:-

- (a) requests for loans and credits turned down because to finance the projects in question would be contrary to existing lending policies;
- (b) projects which have been turned down because of their prima facie lack of merit without a feasibility investigation;
- (c) projects which have been turned down on their merit after they have been investigated and the investigation has shown that the project in question is uneconomic, or has a low priority;
- (d) requests for IDA financing which have been turned down if either the Bank or the borrower do not wish to have them taken up as Bank loans.
- (e) Other.

Please state the specific reason for turning down a lending request.

Only serious requests which are initiated by a responsible source, either a government agency, or a potential borrower, should be reported; inquiries regarding lending operations which are clearly outside the Bank Group's area of activities should not be reported.

If no request was turned down, please say so.

Loan/Credit  
turned down

Category

Comment

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Mr. Gordon Street (through Mr. Melmoth)

October 21, 1968

J. -D. Roulet

PAKISTAN and AFGHANISTAN : Loans turned down

With reference to Mr. Adler's memorandum of October 11, 1968  
this is to inform you that we have no report to make on requests for  
loans or credits recently turned down for Afghanistan and Pakistan.

JDRoulet:cb

*GM,*

Mr. Gordon M. Street

October 18, 1968

Gregory B. Votaw

Report on Loans Turned Down

1. During the month of October 1968 we have not turned down any loan or credit in either India or Nepal.
2. Looking further back in history, it is my impression that concerning India the Bank Group has turned down very little; the Government of India has always preferred to withdraw project proposals which looked as if they would be turned down.
3. With regard to Nepal, we turned down, in mid-1966, a request to finance an air transport project. As to the Karnali Hydro-Electric Project, we have repeatedly expressed reservations about the prospects for financing the project in the near future, but the proposal has not been officially turned down.

cc: Messrs. Wiehen, Kirk (o/r)

MHWiehen:bh  
IBRD

CROSS REFERENCE SHEET

COMMUNICATION: Memo  
DATED: May 32, 1968  
TO: Mr. Diamond (through H. Pollan)

FROM: Mr. A. Muramatsu

FILED UNDER: DEVELOPMENT BANKS- Gen.

SUMMARY: Re: Brief history of Proposals Turned Down:  
Attached: Brief histories of the proposals for IFC's assistance  
to dfc in Burundi, Jordan, Kenya, Sierra Leone, Tanzania, and  
Zambia, all of which have been either turned down or been put  
in abeyance.