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Fonds: Records of the Office of the President

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THE WORLD BANK

Washington, D.C.

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CLAUSEN: European Briefing Book - Sept. 1981



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OFFICIAL VISIT OF

MR. A.W. CLAUSEN

PRESIDENT OF THE WORLD BANK

10 - 12 SEPTEMBER 1981

B.A. 222

IN ATTENDANCE:

MRS. INGA BJÖRK-KLEVBY

FIRST SECRETARY

OFFICE FOR INTERNATIONAL DEVELOPMENT CO-OPERATION

MINISTRY FOR FOREIGN AFFAIRS

PROGRAMME

THURSDAY, 10 SEPTEMBER

21.35 HRS ¹⁾ ARRIVAL STOCKHOLM (ARLANDA) AIRPORT
BY SK 558

22.40 ARRIVAL SHERATON HOTEL

present:

- 1) Per Jödan, Director
Ministry for Foreign Affairs
Hans Lundström
Executive Director, BRO
- 2) Hans Lundström
Fredrik Vanngvist
Liaison Officer for Foreign Affairs
Prime Minister's Office
- 3) Hans Blix, Under-Secretary of State
Ministry for Foreign Affairs
Per Jödan
Hans Lundström
- 4) Sten Wetterberg, Under-Secretary of State
Berthil Lund, Director
Ministry of Economic Affairs
Division of Foreign Trade

FRIDAY, 11 SEPTEMBER

mt. Press

08.55 HRS DEPARTURE FROM SHERATON HOTEL

09.00 ²⁾ CALL ON THE PRIME MINISTER,
MR. THORBJÖRN FÄLLDIN, AT THE
CABINET OFFICE

09.45 ³⁾ CALL ON THE MINISTER FOR FOREIGN
AFFAIRS, MR. OLA ULLSTEN, AT THE
MINISTRY FOR FOREIGN AFFAIRS

10.45 ⁴⁾ CALL ON THE MINISTER OF THE ECONOMY
AND BUDGET, MR. ROLF WIRTÉN, AT THE
MINISTRY OF THE ECONOMY AND BUDGET

11.30 AUDIENCE GIVEN BY H.M. THE KING
AT THE ROYAL PALACE (EASTERN WING)

12.00 PRESS CONFERENCE AT SWEDEN HOUSE

13.00 LUNCHEON GIVEN BY THE SWEDISH BANKERS'
ASSOCIATION AT OPERAKÄLLAREN
HOST: MR. LARS NYRÉN, MANAGING
DIRECTOR OF GÖTABANKEN AND CHAIRMAN
OF THE SWEDISH BANKERS' ASSOCIATION

- 14.45 HRS MEETING WITH REPRESENTATIVES FROM THE
NORDIC COUNTRIES RESPONSIBLE FOR
WORLD BANK MATTERS. THE MINISTRY FOR
FOREIGN AFFAIRS
- 17.00 ¹⁾ CALL ON MR. OLOF PALME, CHAIRMAN OF
THE SOCIAL DEMOCRATIC PARTY, AT THE
PARLIAMENT BUILDING
- 17.30 ²⁾ CALL ON MR. GÖSTA BOHMAN, CHAIRMAN OF
THE MODERATE PARTY, AT THE PARLIAMENT
BUILDING
- 18.00 MEETING WITH DR. MARCUS WALLENBERG,
HONORARY CHAIRMAN OF SKANDINAVISKA
ENSKILDA BANKEN
(KUNGSTRÄDGÅRDSGATAN 8)
- 20.00 DINNER GIVEN BY THE SWEDISH GOVERNMENT
AT THE MINISTRY FOR FOREIGN AFFAIRS
HOST: MR. ROLF WIRTÉN, MINISTER OF
THE ECONOMY AND BUDGET

SATURDAY, 12 SEPTEMBER

- 07.20 HRS DEPARTURE FROM SHERATON HOTEL
- 08.30 ³⁾ DEPARTURE FROM STOCKHOLM (ARLANDA)
AIRPORT BY SK 525

present:

- 1) Kenneth Klackenborg
Adviser to Mr Palme
Olivier ha Fourcade
Inga Björk-Kierby
- 2) Olivier ha Fourcade
Inga Björk-Kierby
- 3) Hans Blix
Inga Björk-Kierby

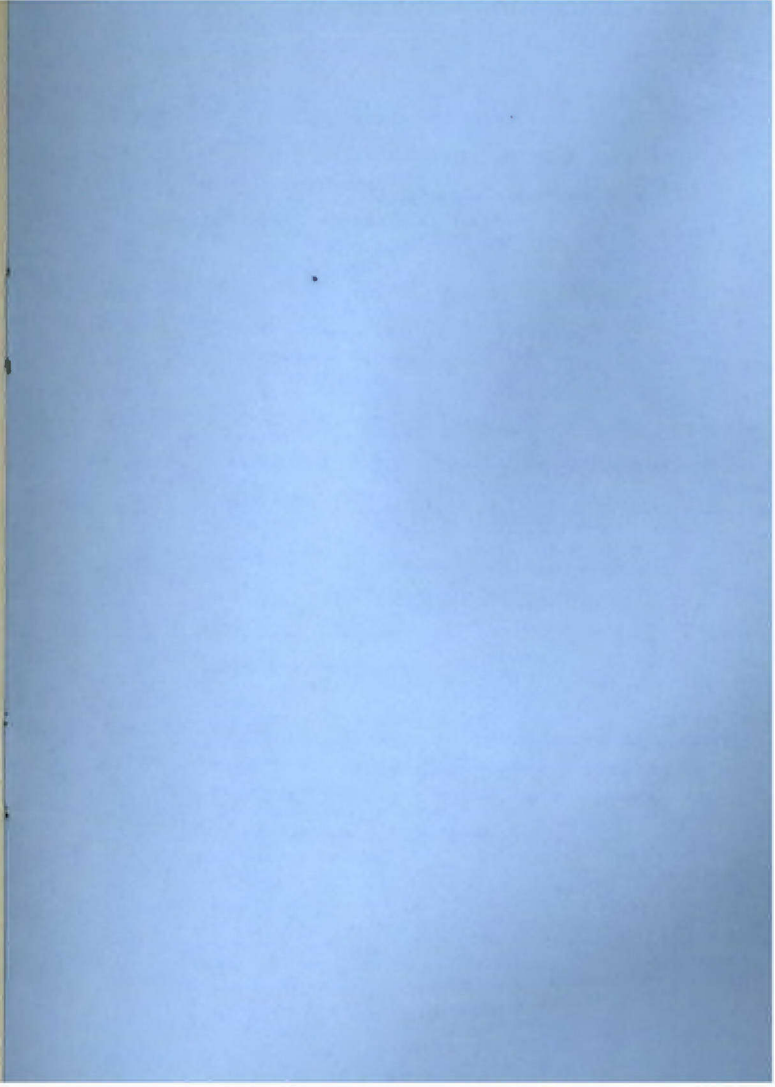
TELEPHONE NUMBERS

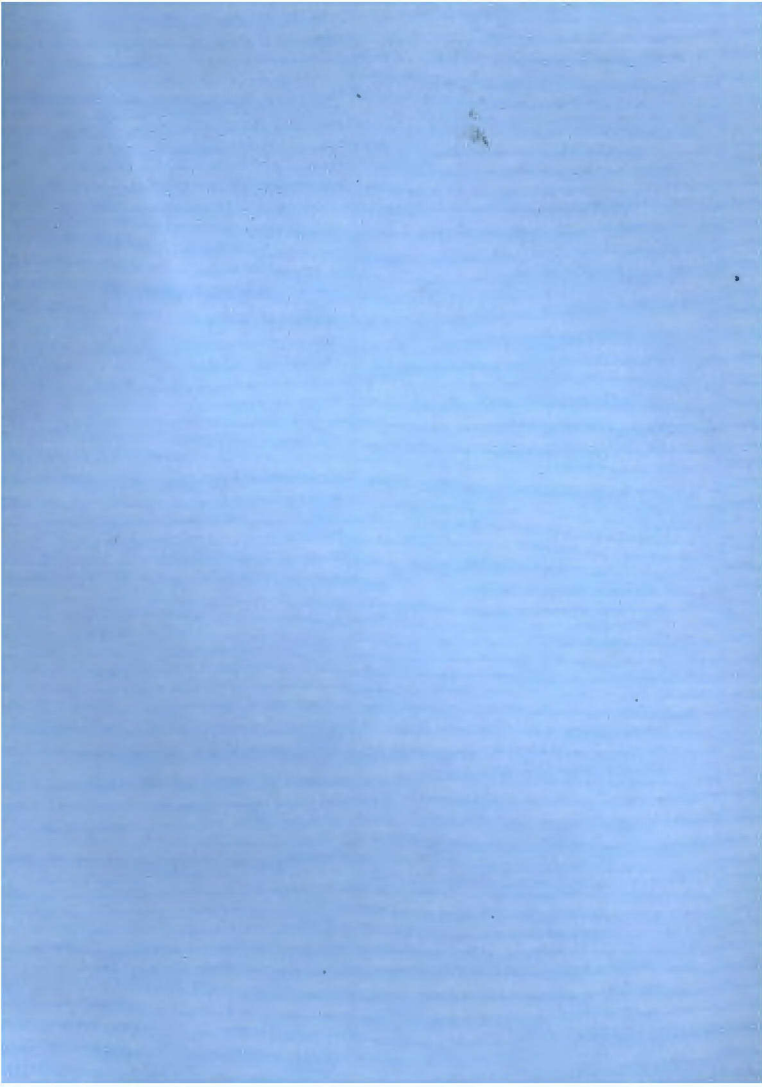
SHERATON HOTEL	14 26 00
MINISTRY FOR FOREIGN AFFAIRS	786 60 00
- AFTER 1700 HRS	786 60 01/02
CABINET OFFICE	763 10 00
MINISTRY OF THE ECONOMY AND BUDGET	763 10 00
PARLIAMENT BUILDING	14 20 20
SKANDINAVISKA ENSKILDA BANKEN	763 50 00
OPERAKÄLLAREN	24 27 00
ARLANDA INTERNATIONAL AIRPORT	780 32 60
- VIP ROOM	780 51 47
NATIONAL POLICE BOARD	769 76 60
LIMOUSINE SERVICE	23 33 45

HOME TELEPHONE NUMBERS

MRS. INGA BJÖRK-KLEVBY	717 65 18
FIRST SECRETARY	
MINISTRY FOR FOREIGN AFFAIRS	
MR. GUNNAR DANNERLJUNG	60 90 72
HEAD OF SECTION	
(PROTOCOL)	
MINISTRY FOR FOREIGN AFFAIRS	

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DINNER

MS BJÖRK-KLEVBY

MR BOUVENG *Deputy Mgr. Swedish
Bankers Association*

PROF OHLIN *(Member Grandt Committee)*

MR CALLANS, INVEST. BANKEN

MR LA FOURCADE

MR NYRÉN, GÖTABANKEN

MR HAAKONSEN, MIN OF FOR AFF, FINL

MR KALDERÉN *Dir. National Debt office*

AMB INGVARSSON, ICELAND

MR WIRTÉN, HOST

MR CLAUSEN

MR WOHLIN *Governor Central Bank*

MS SAARELA, FINLAND

MR LUNDSTRÖM

MR KJELDGAARD, DENMARK

PROF, MYRDAL

MR KLACKENBERG *Adviser to Mr. Palme*

MR ÖHLUND, SWEDFUND

MR JÖDAHL, MIN FOR AFF

MR DANNERLJUNG, PROTOCOL

MR LUND, DIRECTOR, MIN OF EC, AF

AMB, BERGENSTRÅHLE, JEDDAH

MR OLSSON, SKAND-ENSK BANKEN

MR HERNELIUS, MP *(Conservative)*

MR WESTERBERG, UNDER-SECR, MIN E

MS TERÄVÄINEN, MIN FOR AFF, FIN

MR FORSSE *Director of Swedish Inter
Develop Assoc.*

AMB HJORTH-NIELSEN, DENMARK

MR BLIX, MIN OF FOR AFF

AMB ROGSTAD, NORWAY

MR WALLÉN *Swedish Export Credit Board*

MR HEDEGAARD, DENMARK

MR BODSTRÖM, TCO *(Labor Union
white collar)*

MR EKMAN, SVENSKA HANDELSBANKEN

MR KORPÅS, MP *(Center Party)*

MR HAMRELL *Dir. Hammarstedt Foundation*

MR ÖHMAN, FOR TRADE DEP

MR TAXELL, MIN FOR AFF

**UTRIKES
DEPARTEMENTET**

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Box 16121

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Gatuadress

Gustav Adolfs torg 1

Telefon

786 60 00

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Cabinet

Telex

103 90

ROYAL MINISTRY
FOR
FOREIGN AFFAIRS

Office for International
Development Cooperation

September 9, 1981

List of participants for the meeting with representatives
from the Nordic countries responsible for World Bank matters

DENMARK

Bent HAAKONSEN, Deputy Under-Secretary, Ministry of Foreign
Affairs

Henning KJELDGAARD, Head of Division, Ministry of Foreign Affairs

Erik HEDEGAARD, Head of Section, Ministry of Foreign Affairs

FINLAND

Annikki SAARELA, Financial Counsellor, Ministry of Finance

Mauri EGGERT, Director, Ministry of Foreign Affairs

Taina TERÄVÄINEN, Head of Section, Ministry of Foreign Affairs

ISLAND

Ingvi INGVARSSON, Ambassador to Sweden

NORWAY

Per SCHÖIEN, Deputy Director-General, Ministry of Foreign Affairs

Steinar SÖRBOTTEN, Secretary General, Ministry of Finance

Gunnar ROGSTAD, Ambassador to Sweden

SWEDEN

Hans BLIX, Under-Secretary of State, Ministry of Foreign Affairs

Per JÖDAHL, Director, Ministry of Foreign Affairs

Bertil LUND, Director, Ministry of Economic Affairs

Anders FORSSE, Director-General, Swedish International
Development Authority

Per TAXELL, Head of Section, Ministry of Foreign Affairs

Sven Olof JOHANSSON, Head of Section, Bank of Sweden

Inga BJÖRK-KLEVBY, First Secretary, Ministry of Foreign Affairs

WORLD BANK

Hans LUNDSTRÖM, Executive Director for the Nordic Countries in
the World Bank

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Telephone

08/22 40 70

Telegraphic Address

Cabinet

Telex

195 80

Mr. Clausen



D I N N E R

IN HONOUR OF

MR. A.W. CLAUSEN

PRESIDENT OF THE WORLD BANK

MINISTRY FOR FOREIGN AFFAIRS

11 SEPTEMBER 1981



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WWW.CHICAGO.EDU

DEPARTEMENTSRADET JÖDAHL

DIREKTÖR BOUVENG

PROFESSOR OHLIN

DIREKTÖR CALLANS

MR. LA FOURCADE

RIKSDAGSMANNEN HERNELIUS

AMBASSADÖR HAAKONSEN

RIKSDGÄLDSDIREKTÖR KALDERÉN

~~AMBASSADÖR~~ INGVARSSON

STATSRÅDET WIRTÉN

MR. CLAUSEN

RIKSBANKSCHEFEN WOHLIN

KONSULTERANDE TJÄNSTEMAN
SAARELA

DIREKTÖR NYRÉN

RIKSDAGSMANNEN KORPÅS

FULDMÄGTIG HEDEGAARD

FD STATSSSEKR. KLACKENBERG

DIREKTÖR ÖHLUND

DEP. SEKR. BJÖRK-KLEVBY

DEP. SEKR. DANNERLJUNG

DEPARTEMENTSRADET LUND

AMBASSADÖR BERGENSTRÄHLE

DIREKTÖR OLSSON

KONTORCHEF KJELDGAARD

STATSSEKRETERARE WESTERBERG

PROFESSOR MYRDAL

GENERALDIREKTÖR FORSSE

AMBASSADÖR HUORTH-NIELSEN

STATSSEKRETERARE BLIX

AMBASSADÖR ROGSTAD

GENERALDIREKTÖR WALLÉN

EXEKUTIVDIREKTÖR LUNDSTRÖM

SEKTIONSCHEF TERÄVÄINEN

DIREKTÖR BODSTRÖM

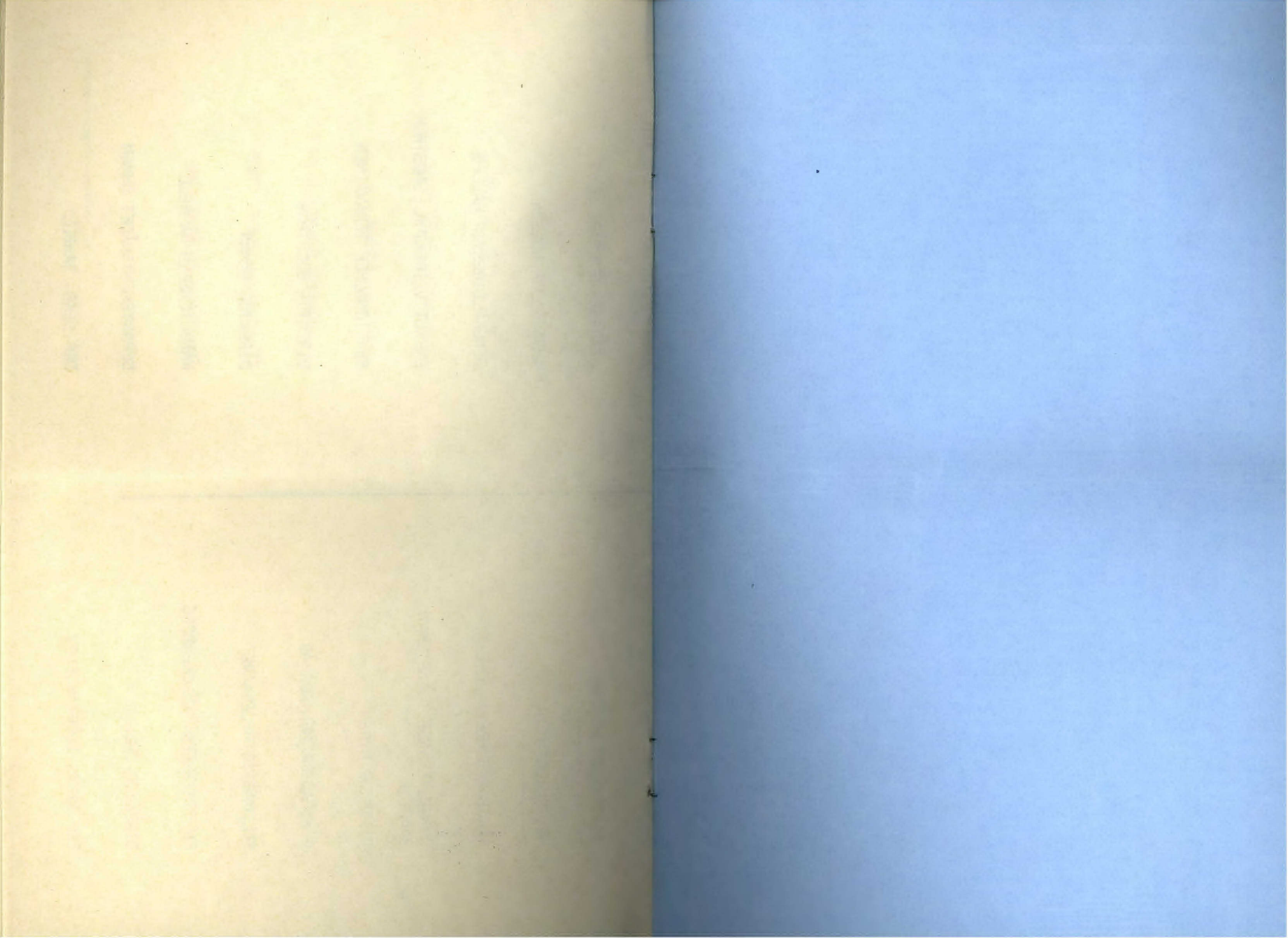
DIREKTÖR EKMAN

KANSLICHEFEN HAMRELL

DEPARTEMENTSRADET ÖHMAN

DEP. SEKR. TAXELL





OFFICE MEMORANDUM

TO : Mr. A. W. Clausen

DATE : September 8, 1981

FROM : Rainer B. Steckhan

*Steckhan*SUBJECT : Your program in Paris, Wednesday, September 9 and Thursday, September 10, 1981.Wednesday, September 9

- 10.30 a.m. Meeting with Front Office and unit heads of the European Office (Rm. 502)
- 11.30 a.m. General staff meeting with the staff of the European Office (Conference Room B)
- 1 p.m. Lunch offered by Minister for Economy and Finance Jacques DELORS
Ministry of Economy and Finance
Attending from the Bank, with you, will be:
Mr. Munir P. BENJENK
Mr. Rainer B. STECKHAN

French officials in attendance:
Mr. Claude CHEYSSON (but he may have to attend lunch with President Mitterrand)
Mr. Jean-Pierre COT, Minister of Cooperation and Development
Mr. Jean-Yves HABERER, Director of the Treasury
Mr. Philippe LAGAYETTE, Director of Mr. Delors' cabinet
Mr. François JOUVEN, in charge of Multilateral Affairs in Mr. Delors' cabinet
- 3.15 p.m. Mr. Claude CHEYSSON, Minister for External Relations
1 rue Esnault-Pelterie
Messrs. Jean-Claude PAYE, Director for Economic and Financial Affairs, and DE BRICHAMBAUT, Adviser in the Cabinet, will attend.

./.

Wednesday, September 9 (contd.)

- 4.45 p.m. Mr. Jean-Pierre COT, Minister of
Cooperation and Development.
Mr. Renaud VIGNAL, Adviser, will attend.

(Mr. Cot will expect you in his office at UNESCO,
where he is attending the LLDCs conference
- Room III.)
- 6.30 p.m. Mr. Paul FABRA of Le Monde
(in your office, Rm. 521, at the World Bank's
European Office)

Private dinner.

Thursday, September 10

- 10 a.m. President François MITTERRAND
Presidency
55 rue du Faubourg St. Honoré, Paris 8
- 11.30 a.m. Mr. Maurice LAURÉ, Chairman of
Société Générale,
will come to the European Office
(Rm. 521).

NOTE: Mr. Benjenk will accompany you to all your meetings.

cc: Messrs. Benjenk
Lafourcade

SWEDISH BANKERS ASSOCIATION

Luncheon at Operakällaren

1981-09-11

NILS LUNDGREN
PKbanken

C.-J. BOUVENG
Swedish Bankers Association

OLOF ERLANDSSON
Dynapac Maskin AB

BO RASSMUSON
Skandinaviska Enskilda
Banken

DAN STOUPEL
Götabanken

ERIC OHLSSON
Skånska
Cementgjuteriet AB

TRYGGVE ANGEL
Gränges Int'l Mining

BJÖRN SVEDBERG
Telefon AB LM Ericsson

TOM HEDELIUS
Svenska Handelsbanken

A.W. CLAUSEN
The World Bank

OVE SUNDBERG
Kema Nobel AB

LARS NYRÉN
Götabanken

PERCY BARNEVIK
ASEA AB

SVEN WALLGREN
Esselte AB

CURT G OLSSON
Skandinaviska Enskilda
Banken

JAN EKMAN
Svenska Handelsbanken

SVEN-OLOF NILSSON
Scandiaconsult Int'l AB

DAG HELMERS
Federation
of Swedish Industries

OLIVIER LAFOURCADE
The World Bank

ANDERS LJUNGH
Svenska Handelsbanken

INGA BJÖRK-KLEVBY
Ministry for Foreign Affairs

Lessebo

SWEDISH BANKERS ASSOCIATION

Luncheon at Operakällaren

1981-09-11

A.W. CLAUSEN	President The World Bank
OLIVIER LAFOURCADE	Personal Assistant to the President The World Bank
INGA BJÖRK-KLEVBY	First Secretary Ministry for Foreign Affairs
TRYGGVE ANGEL	President Gränges International Mining
PERCY BARNEVIK	President ASEA AB
C.-J. BOUVENG	Vice President Swedish Bankers Association
JAN EKMAN	President Svenska Handelsbanken
TOM HEDELIUS	President Svenska Handelsbanken
DAG HELMERS	Vice President Federation of Swedish Industries
ANDERS LJUNGH	Senior Vice President Svenska Handelsbanken
NILS LUNDGREN	Senior Vice President PKbanken
SVEN-OLOF NILSSON	President Scandiaconsult International AB
LARS NYRÉN	President Götabanken
ERIC OHLSSON	Vice President Skånska Cementgjuteriet AB
CURT G OLSSON	President Skandinaviska Enskilda Banken
BO RASSMUSON	Vice President Skandinaviska Enskilda Banken
DAN STOUPEL	Senior Vice President Götabanken
OVE SUNDBERG	President Kema Nobel AB
BJÖRN SVEDBERG	President Telefon AB LM ERICSSON
SVEN WALLGREN	President Esselte AB

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SWEDISH BANKERS ASSOCIATION

Luncheon at Operakällaren

1981-09-11

A.W. CLAUSEN	President The World Bank
OLIVIER LAFOURCADE	Personal Assistent to the President The World Bank
INGA BJÖRK-KLEVBY	First Secretary Ministry for Foreign Affairs
TRYGGVE ANGEL	President Gränges International Mining
PERCY BARNEVIK	President ASEA AB
C.-J. BOUVENG	Vice President Swedish Bankers Association
JAN EKMAN	President Svenska Handelsbanken
OLOF ERLANDSSON	Vice President Dynapac Maskin AB
TOM HEDELIUS	President Svenska Handelsbanken
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OVE SUNDBERG	President Kema Nobel AB
BJÖRN SVEDBERG	President Telefon AB LM Ericsson
SVEN WALLGREN	President Esselte AB

Lessebo

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919462 WORBNK G
11TH SEPTEMBER 1981
577A

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FOR MR A W CLAUSEN
SHERATON HOTEL
STOCKHOLM

HAVE SPOKEN TO QURESHI IN FRANKFURT AND INFORMED HIM OF
FRENCH DISCUSSIONS.

HIS PRESENT INCLINATION TO POSTPONE DEPUTIES MEETING TO END
OF ANNUAL MEETING SUBJECT TO DISCUSSION WITH YOU MONDAY.

REGARDS BENJENK
919462 WORBNK G

✚
17750A SHERAC S

1) IDA 6

2) IDA 7

3) Expanded lending. How?

Recycling

4) Sectorial distribution on objects
poverty-orientation
infrastructure

5) Energy

6) Country distribution - poorest

Depoliticized? - PLO Viet Nam
socialize? Human Rights

7) Procurement

Visit to EuropeSeptember 8-12, 1981

<u>DATE</u>	<u>TIME</u>		<u>REMARKS</u>
Sept. 8	11:00 am	Depart Washington--National	EA Shuttle
Tues.	1:00 pm	Arrive New York--La Guardia	
	2:00 pm	Depart New York--JFK	AF002 SSC nonstop
	11:45 pm	Arrive Paris--Charles de Gaulle	Hotel Crillon
<hr/>			
Sept. 9	10:30 am	LOBBY Briefing by Mr. Steckhan, Director of Paris Office, and his senior staff	Paris Office
Wed.	11:30 am	Meeting with Paris Office staff	
	1:00 pm	Official lunch hosted by Mr. Delors, Minister of Economy and Finance	Ministry of Finance rue de Rivoli
		Messrs. Cheysson (Minister of External Relations), Haberer (Director of Treasury) and de la Geniere (Governor of Banque de France) will attend	
	3:15 pm	Meeting with Mr. Cheysson (he will take you by car from the lunch)	Ministry of External Relations Quai d'Orsay
	4:45 pm	Meeting with Mr. Jean Pierre Cot, Minister of Cooperation and Development	UNESCO
	6:45 pm	Interview with Mr. Paul Fabra, <u>Le Monde</u>	Hotel Crillon (or Paris Office)
	8:30 pm	Dinner with Mr. Moussa	Place to be determined
THurs Sept. 10	10:00 am	Meeting with President Mitterand	Elysee Palace
	12:15 pm	Depart Paris--Le Bourget	Chartered Plane
	1:45 pm	Arrive Rotterdam	
	2:00 pm	Depart Rotterdam by car	
	3:00 pm	Meeting with Ministers Van der Stee (Finance) and de Koning (Development)	
	4:30 pm	Meeting with Bankers (list to be communicated in Paris)	
	5:30 pm	Meeting with Dutch Financial Press (further details to be communicated in Paris)	
	6:00 pm	Depart The Hague by car	
	6:45 pm	Arrive Amsterdam	
	7:45 pm	Depart Amsterdam	SK558 DC9 nonstop
	9:35 pm	Arrive Stockholm. Mr. Hans Blix, Undersecretary of State and Alternate Governor of World Bank, and Mr. Hans Lundstrom, ED for Nordic Countries, will meet at Airport	Sheraton Hotel
Sept. 11	9:00 am	Meeting with Mr. Thorbjorn Faelliding, Prime Minister and Chairman of Centre Party	
Fri.	9:45 am	Meeting with Mr. Ola Ullsten, Minister for Foreign Affairs and Chairman of Liberal Party	
	10:45 am	Meeting with Mr. Rolf Wirten, Minister of Finance and Governor of World Bank	

<u>DATE</u>	<u>TIME</u>	<u>REMARKS</u>
FRI Sept. 11	11:30 am 12:00 pm	Meeting with His Majesty The King Press conference. Some 20 serious Swedish journalists from large daily newspapers, periodicals, TV and radio are expected to participate. The TV-news might be interested in sepa- rate interview
	1:00 pm	Lunch by Swedish Bankers Association, hosted by Lars Nyren, Managing Director of Goetabanken and Chairman of Swedish Bankers Association. Prom- inent Swedish bankers and industrial- ists are also invited
	2:45 pm	Meeting with representatives from Nordic countries responsible for World Bank matters at Ministry of Foreign Affairs. Will be chaired by Hans Blix. Other participants are from:
Denmark:		Bent Haakonsen, Deputy Under-Secretary, Ministry of Foreign Affairs Henning Kjeldgaard, Head of Division, Ministry of Foreign Affairs Erik Hedegaard, Head of Section, Minis- try of Foreign Affairs
Finland:		Annikki Saarela, Financial Counselor, Ministry of Finance, and Alternate Governor for World Bank Mauri Eggert, Director, Ministry of Foreign Affairs
Iceland:		Ingvi Ingvarsson, Ambassador to Sweden
Norway:		Johan Holst, Under-Secretary of State, Ministry of Foreign Affairs Per Shoelen, Deputy Director-General, Ministry of Foreign Affairs Knut Toeraasen, Head of Division, Min- istry of Foreign Affairs
Sweden:		Per Joedahl, Director, Ministry of For- eign Affairs Bertil Lund, Director, Ministry of For- eign Affairs Per Taxel, Head of Section, Ministry of Foreign Affairs
		One representative each from the Bank of Sweden and SIDA will participate
	5:00 pm	Meeting with Olof Palme, Chairman of the Social Democratic Party

John G. - administration at world bank.

Expanded lending - Review discussion.

Consolidate?

Expanded lending capacity -

If yes - how increased

Debt service? -

Debt service schedule

How can contribute to recycling.

Sectorial -

Least developed. - allocation.

Poverty emphasis.

Ag, energy, IFC, Sub-Saharan Africa.

Population, education, Structural adjustment

conditionality - Main infra structures

Hydro. Transport, highway.
Ports.

Seda

~~admin~~

World Development Bank

5:30 Gästa Botman's Clearing of Incident Party

- 3 -

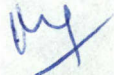
<u>DATE</u>	<u>TIME</u>		<u>REMARKS</u>
Sept. 11 Fri.	5:30 pm	Meeting with Dr. Marcus Wallenberg, Honorary Chairman of Skandinaviska Enskilda Banken	
	8:00 pm	Dinner hosted by Rolf Wirten, including Government officials, representatives from other Nordic countries, prominent members of Parliament and bankers among others	Ministry Foreign Affairs
Sept. 12 Sat.	8:30 am	Depart Stockholm	SK525 Airbus nonstop
	10:00 am	Arrive London--Heathrow	
	11:45 am	Depart London--Heathrow	BA277 747 nonstop
	3:00 pm	Arrive Washington--Dulles	

OL

OFFICE MEMORANDUM

TO: Mr. A.W. Clausen

DATE: September 3, 1981

FROM: M.P. Benjenk 

SUBJECT: Your visit to Europe

I thought you might be interested in receiving the attached brief on the political situation in the three countries which you are going to visit next week. They will be a complement to the briefs being prepared by the financial complex.

MPBenjenk:sf
Attachments

OFFICE MEMORANDUM

TO : Mr. Munir P. Benjenk, VPE

DATE : September 2, 1981

FROM : Rainer B. Steckhan, EUR

*Steckhan*SUBJECT : Mr. Clausen's visit to Europe, September 9 - 11, 1981.

Enclosed, please find notes on the political situation in France, Netherlands and the principal Scandinavian countries, which were prepared in our office. I hope this is useful background for your upcoming visit to Europe.

Encls.
RBS:mcl

F R A N C E

Note on the political situation

After 23 years of continued center-right policies under Presidents Charles de Gaulle, Georges Pompidou and Valéry Giscard d'Estaing, in May 1981 France entered a regime entirely dominated by the Socialist party. The election of Socialist François Mitterrand as President for seven years, followed by a landslide victory of the Socialist party in the legislative elections, in which it obtained an absolute majority in the Assembly, has given the French Socialists five years of total mastery over French politics. Another noteworthy element of these elections is the weakening of the Communist party which lost at least 5% of its usual 20% share of the French electorate, and half of its representatives in the National Assembly. The Government formed under Prime Minister Pierre Mauroy reflects a balance between the various political tendencies existing in the Socialist Party. It also includes four Communist ministers in technical posts. New ministers and senior staff in charge of the key positions are competent men, well aware of the limits the international environment imposes on alternative development policies. The policy changes being implemented by the Government have to be looked at in this context. The major changes concern: a greater emphasis on employment through the implementation of reflationary policies, a decentralization of administrative decision-power at the regional and communal level, and a new industrial policy, one element being nationalization of 11 industrial groups and of a large part of the private banking sector, already largely nationalized in 1946.

François Mitterrand's tone and manner contain something reminiscent of General de Gaulle. In the few months he has been in power, he has become deeply conscious of the awesome dignity and lonely responsibility of his office. He has had a long political career. He was eleven times a minister, tried twice without success in presidential elections against General de Gaulle in 1965 and Giscard d'Estaing in 1974 and has become President at the age of 65. One of the major obstacles he had to overcome was his complex personality. He is often compared to a man of the Renaissance because of a combination of culture, cold calculation and secretiveness. He is not an extrovert, but a man who likes the company of books, intimate friends

and solitary walks in the country. He has nothing of the typical French Socialists. His father was station master at Angoulême, then ran a small family vinegar plant, and François Mitterrand was brought up in a religious school which put a permanent mark on him. He was not a rebel. It is as long ago as 1958 when he probably decided to fight against General de Gaulle, to rebuild the Socialist party which was in shambles, and to choose a strategy of unification with the Communist party. From the time he became leader of the Socialist party in 1971, it took him ten years and many setbacks, including the breakdown of the union with the Communist party in 1977, to achieve his aim. Few men have stirred such violent passions and been so viciously attacked. François Mitterrand is a combination of both the realist and the romantic. The realist who calculates every move, and the romantic who believes in the power of Socialism to transform men and society. The decision to include the Communists in the government was more than tactical, it was part of his dedication to the unity of the left. The scope and pace of nationalization is dictated by ideological considerations. The question remains whether he will be enough of a pragmatist to bow to economic facts when he comes up against them.

Throughout his electoral campaign, Mr. Mitterrand repeatedly declared his solidarity with Third World movements of liberation, and his dedication to the defence of human rights. He constantly insisted priority should be given to increased French participation in world economic aid. "I would double French aid to the Third World from the present level of 0.33% of GNP, excluding overseas departments and territories" he said. In Mr. Mitterrand's view, aid to the Third World is both a moral and a political obligation that underpins France's essential interests. According to the Socialist leader, an increase of the transfer of funds to the developing world would stimulate consumption and lead to more orders for French industrial and agricultural products. He also believes that France should work for the establishment of new ways of cooperation that would benefit food production and assist in the establishment of a new world economic order. In this respect, and within the framework of the North-South Dialogue, the Socialists have called for French initiatives to form a common fund for the stabilization of the raw material market. The Socialists also favor the cancellation of the debts of the poorest countries, the sharing of advanced technology, common exploitation of the ocean resources, the establishment of a concerted planning system for international production and trade. In Mr. Mitterrand's view, aid to the Third World should become the concern of all forces in French national life.

Jacques Delors, Minister for Finance and Economy, aged 56, has become one of the few rays of light for many industrialists, businessmen and bankers since the last elections. They are convinced that so long as he remains in office, the dogmatists of the Socialist party will not rush through dangerous reforms. He has in a few months - through his determined defence of the Franc, his advocacy of wage restraint, his defence of a limited budget deficit - become a Raymond Barre of the left. Jacques Delors joined the Socialist party in 1974. His socialist democratic convictions were out of tone with the economic doctrine of the left. He has no enthusiasm for nationalization. This, combined with an austere approach and a gentle disposition which shuns political in-fighting, means that until his elevation last May, he had not been given the responsibilities his experience and competence deserved. Jacques Delors is the son of an usher of the Bank of France. He entered the Bank of France as a junior employee and took an active part in Christian trade unionism. He specialized in industrial relations, adult education and professional training, and headed the social department of the Planning Commission. He had his first taste of power when he became a personal assistant to Mr. Jacques Chaban-Delmas, the Gaullist Prime Minister, in 1969. Mr. Delors was, for the three years the experiment lasted, the initiator of national wage agreements which have since become established.

Claude Cheysson, Minister for External Relations, aged 61, began his career in diplomacy. He is a generous, impulsive, a trifle unpredictable man with a sharp mind and a quick temper and dedicated to a Socialist approach to world problems. When he was young he was greatly influenced by Mr. Pierre Mendes-France, the head of whose personal staff he became in 1954, and with whom he took part in negotiations for the French withdrawal from Indo-China. He created a sensation two years later by coming out publicly in favor of the independence of Algeria. To teach him discretion, he spent some years working on Sahara's future and was sent into semi-exile as Ambassador to Indonesia. After a spell as head of a state chemical concern, he was appointed in 1973 a member of the Brussels Commission. There he established his reputation as the negotiator of the Lome conventions with the former colonies, and as the tireless advocate of the interdependence of the industrial and the developing countries. He succeeded in gaining the respect and friendship of the heads of many African countries, and he was twice confirmed in his post by President Giscard d'Estaing, although his support for the Socialist party caused considerable irritation. He is a passionate believer in European unity, and has a distinctly soft spot for Britain, which he often visits. His views on the Atlantic Alliance, and the need to take a tough stand towards the Soviet Union are at one with Mr. Mitterrand who remains the ultimate arbiter of foreign policy.

Jean-Pierre Cot, 44, Minister of Cooperation and Development, was educated in a traditional socialist family, his father having been a minister under the Popular Front Government in 1936. He has been an active member of the Socialist party during his career, as professor of law, then representative of the party in the National Assembly. His appreciation of North-South problems encompasses the concept of interdependence, and in his many declarations to the media, he emphasized both the need for more aid and its positive impact on the French economy.

Relations with Third World countries

Responsibility for relations with developing countries is shared by various Ministries. Under the new government, decision-making on development matters and its financial consequences is likely to shift from the Treasury in the Ministry of Finance and Economy - where it had been entrenched since the early sixties - to the Ministry of Cooperation and Development. This Ministry is headed by Junior Minister Jean-Pierre Cot who reports to the Minister of External Relations Claude Cheysson. Minister Cot would like his Ministry to be more active in matters relating to multinational institutions like the World Bank, where the Treasury has still the major say. He is very close to President Mitterrand. Relations with developing countries are frequently discussed at the highest level. Ministers Cheysson and Delors meet once a week over breakfast, and Ministers Cheysson and Cot see the President several times a week. It is also noteworthy that Minister Cheysson keeps in very close touch with US State Secretary Alexander Haig.

Both Cheysson and Cot have travelled extensively during the last three months, both to prepare for international conferences (Ottawa, Nairobi, Paris on least developed countries, and Cancun) and to explain the new government's foreign policy. Thus, Mr. Cheysson has been to Algeria, India and Mexico, three key developing countries in France's drive to expand its cooperation beyond Africa. In Central America Mr. Cheysson has come out in support of the opposition forces in El Salvador. In his most recent trip to the Middle East, Mr. Cheysson visited Iraq, Syria and Lebanon (where he also met with the head of the PLO). In Africa, Minister Jean-Pierre Cot has visited English and French speaking countries.

Questions likely to be raised during the meetings

In general, President Mitterrand and his Ministers are likely to be interested in Mr. Clausen's views on the future role of the World Bank, prospects for funding and the US attitude towards aid and the Bretton Woods institutions.

As a strong and outspoken supporter of the World Bank energy affiliate (note that he specifically endorsed this idea in his opening address to the Paris conference on least developed countries), President Mitterrand may want to raise questions about it.

Coming back from the Middle East, Minister Cheysson might be interested in the relations between the World Bank and Arab countries.

Minister Cot who is presiding over the Paris conference on least developed countries, is likely to be interested by discussions on the role of the World Bank in these countries and particularly in Africa.

Minister Delors might wish to discuss the prospects for IDA funds and financial problems faced by the World Bank in the near future.

September 2, 1981
YF/br

The Netherlands
Note on the political situation

The Netherlands has been without a government since the right-of-center coalition of Christian Democrats and (conservative) Liberals which had been in power since December 1977 under the leadership of Prime Minister Andreas van der Agt lost its narrow parliamentary majority in national elections on May 28. A new government can be formed only when its constituent parties have solemnly agreed on a legislative program. It is the Queen's responsibility to appoint "formateurs" to assist with this process. In 1977, it took seven months to form a new government and, so far, the outlook this time is not much better.

In the three months since the elections, the outgoing Christian Democrat Prime Minister Andreas van der Agt has been trying to form a coalition with the Labour party and another left-of-center grouping, the "Democrats 66". Such a government would have a large parliamentary majority since the Christian Democrats and Labour are the predominant parties in Holland. However, at the end of August Mr. van der Agt stepped down as Prime Minister-designate, noting that his party was apparently now at loggerheads about a possible coalition with Labour and D-66. One of the main areas of friction between the parties is on defence, specifically the stationing of U.S. cruise missiles on Dutch soil. The Christian Democrats are in favor, but Labour is categorically opposed and the D-66 are also at present committed against them. Another problem is that the Labour leader, Joop den Uyl, is also an ex Prime Minister and there is animosity between him and Mr. van der Agt which could make effective leadership of such a coalition very difficult.

It now looks as if a different combination of parties will be attempted in a bid to end the stalemate. The alternative most frequently suggested would be for the Christian Democrats to continue their pre-election coalition with the Liberals. By bringing in three small right-wing parties which together have six seats in parliament, the Christian Democrats (with 48 seats) and the Liberals (with 26) could control 80 of the 150 seats. Such a narrow majority would be vulnerable to defections, however, particularly over public spending issues on which tensions run high (the Christian Democratic leadership wants a firm commitment to hold down public spending).

It should be noted that Jan de Koning, a Christian Democrat who was development minister in the last government (and remains as caretaker) is sometimes mentioned as a possible compromise candidate for Prime Minister. In any event, in any new government involving the Christian Democrats he is likely to be a considerable figure, with a more prominent portfolio. However, a new face at the development ministry, and even a new political coloring to the coalition, will imply no more than marginal changes to Dutch development policy, on whose essentials all the major parties are united.

September 2, 1981

M.C.

Nordic Countries

Note on political situation and on the Nordic Council

Sweden: The present government is a Center-Liberal coalition, led by Prime Minister Thorbjorn Falldin. It is his third administration and has an uncertain future because of its minority position in parliament. In fact the coming year is likely to be a "lame duck" period in Sweden since the decisive event will be the September 1982 national elections. The well-known social democrat, Olof Palme, is quite likely to lead his party back to power then. Even if the center-right is voted back, the essentials of the socialist state in Sweden are not really in question.

In development policy, there might be some changes in target countries under the Social Democrats (notably a more outstretched hand for such countries as Angola, Mozambique and Nicaragua), but there would probably be no changes in the relative allocations for bilateral (70 %) and multilateral (30 %) assistance, or in the ODA/GNP ratio (1 %).

Norway: General elections will take place on September 14, a first test for Labor leader Gro Brundtland, who has been in office since February and is Scandinavia's first woman Prime Minister. Labor has a bare majority in parliament, and it will be lucky to improve its position in the upcoming elections. However, Mrs. Brundtland may still remain in power since a "right-wing" coalition would most likely be made up of three parties which may not be able to agree on a common platform. A minority right-wing coalition, headed by Conservative leader Kåre Willoch, is also a possible outcome of the September 14 elections.

Norway's ODA/GNP ratio is 1 % with an upward trend in prospect since the 1982-85 economic plan provides for a rise to 1.3 %, the most ambitious target of any DAC member. Parliament has recently reaffirmed the 50:50 breakdown between multilateral and bilateral aid.

Denmark: Prime Minister Anker Jorgensen heads a minority social democratic government. It scored a notable success in getting support for its economic austerity plan, and because of the fragmentation of the opposition (ten parties are represented in the Danish parliament) it may still be able to govern effectively until the elections scheduled for November 1982. However, a series of strikes have severely tested the government and there is a high level of dissatisfaction with its handling of Denmark's economic problems.

.../...

Mr. Jorgensen's government wanted to freeze the ODA/GNP ratio at 0.7 % through 1984, but parliamentary and public pressure has forced an increase to 0.73 % by 1982. Because of possible reductions in Denmark's support for the UNDP, the multilateral share of the aid budget may fall from about 43 % to 40 %.

Finland: Prime Minister Mauno Koivisto leads a four party majority coalition of Social Democrats (to which he belongs), Communists, and the Center and Swedish People's Parties. Overall, the coalition has a more "rightist" balance than its predecessors, a trend which has also been confirmed in local elections. Mr. Koivisto is a possible successor to 81 year old President Urho Kekkonen, who has been at the apex of Finnish politics for 26 years and intends to continue in office at least until the next presidential and legislative elections in 1984.

Various Third World tragedies have caught the imagination in Finland and, following the example of its Nordic neighbours, aid is now on an upward trend (0.07 % in 1970; a forecast 0.32 % by 1982). 60 % of Finland's program is channelled bilaterally.

Nordic Cooperation: The Nordic countries, which have joint representation in the World Bank as well as the African Development Fund and the Asian Development Bank, hold meetings about four times a year, with the Nordic Executive Director attending. In the interim, officers responsible for World Bank affairs in each of the Nordic Foreign Ministries discuss World Bank affairs together every Friday in a telephonic link-up.

Nordic development assistance cooperation, which started with a hospital in Korea in 1958, was formalized in a 1968 agreement and now primarily covers four rural cooperative/agricultural projects in Kenya, Tanzania and Mozambique, each administered by one of the bilateral agencies. An expanded agreement, now in the process of ratification by the national parliaments, will streamline the administration of Nordic development cooperation and envisages coordination of country programs and of sector reviews, joint regional projects and joint country programming for any "new" countries (apparently Namibia, but not Zimbabwe).

September 2, 1981

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COMMUNICATIONS DIV

THE COUNTRY BRIEFS ON FRANCE, NETHERLANDS AND NORDIC COUNTRIES WHICH SHOULD REACH YOU THURSDAY EVENING OR FRIDAY MORNING BY HAND CARRIER NEED REVISION IN RESPECT OF THE NETHERLANDS SINCE A NEW GOVERNMENT WAS FORMED WITH UNEXPECTED HASTE THERE YESTERDAY. THE POSITION OF DEVELOPMENT MINISTER IS EXPECTED TO BE FILLED BY EX BANK STAFF MEMBER KAES VAN DIJCK IN THE NEW GOVERNMENT.

THE MAIN POINTS OF INTEREST ARE:

1. CHRISTIAN DEMOCRAT LEADER DRIES VAN AGT STAYS AS PRIME MINISTER BUT HIS COALITION HAS SHIFTED FROM CENTER RIGHT TO CENTER LEFT SINCE THE PLACE OF THE (CONSERVATIVE) LIBERAL PARTY IS TAKEN BY THAT OF THE LABOUR AND THE DEMOCRATS-66 PARTIES.
2. MR VAN DER STEE, FINANCE MINISTER (AND BANK GOVERNOR) IN THE LAST GOVERNMENT IS REPORTEDLY CERTAIN TO REMAIN IN THE SAME OFFICE.
3. DEVELOPMENT MINISTER JAN DE KONING IS SLATED TO MOVE TO AGRICULTURE. HE IS FIRMLY EXPECTED TO BE SUCCEEDED BY CHRISTIAN DEMOCRAT CORNELIUS (KAES) VAN DIJCK, WHO WAS WITH THE BANK UNTIL ABOUT 1972 AS A DIVISION CHIEF IN THE EDUCATION PROJECTS DEPARTMENT.
4. THE NEW GOVERNMENT WILL NOT BE IN OFFICE UNTIL ABOUT SEPTEMBER 15. IN OTHER WORDS, MINISTERS MR CLAUSEN MEETS WILL FORMALLY EITHER BE CARETAKER MINISTERS OR MINISTERS DESIGNATE.

THE ABOVE INFORMATION COMES FROM DEVELOPMENT MINISTRY OFFICIALS IN THE HAGUE. THE FOLLOWING REPORT IN THE FINANCIAL TIMES OF SEPT. 3 PROVIDES USEFUL ADDITIONAL INFORMATION:

QUOTE

MR DRIES VAN AGT, THE DUTCH CARETAKER PREMIER, WAS ASKED YESTERDAY BY QUEEN BEATRIX TO CONSTRUCT A LEFT-OF-CENTRE COALITION GOVERNMENT WITH HIMSELF AT ITS HEAD. THE ADMINISTRATION SHOULD TAKE OFFICE JUST BEFORE BUDGET DAY, SEPTEMBER 15.

THE WAY TO THE COALITION HAD BEEN CLEARED LATE ON TUESDAY NIGHT AFTER MR VAN AGT AND HIS CHRISTIAN DEMOCRAT PARTY UNANIMOUSLY ACCEPTED A COMPROMISE OUTLINE POLICY DRAWN UP BY MR WILHELM DE GAAY FORTMAN, THE OFFICIAL MEDIATOR. THE OTHER TWO PROSPECTIVE COALITION PARTNERS, THE LABOUR PARTY AND THE SMALL DEMOCRATS' 66 HAD ALREADY ACCEPTED THE PROPOSALS.

MET

THE FINAL HURDLE - THE EXTENT AND NATURE OF A BIG CUT IN GOVERNMENT SPENDING, NOTABLY IN SOCIAL SECURITY, PUBLIC HEALTH AND CIVIL SERVANTS' INCOMES, DEMANDED BY MR VAN AGT - WAS CLEARED BY MEANS OF A RATHER VAGUE COMPROMISE PACKAGE. IT PROVIDED UNSPECIFIED CUTS TOTALLING 'SEVERAL BILLIONS' OF GUILDERS, WITH THE DETAILS TO BE SETTLED BY THE NEW GOVERNMENT.

THE COMPROMISE LOOKS SHAKY. HAGGLING HAS STARTED AS TO WHAT EXACTLY SHOULD HAPPEN WITH THE 1981 BUDGET, WHICH HAS JUST BEEN DRAWN UP BY THE OUTGOING CENTRE-RIGHT COALITION, ALSO HEADED BY MR VAN AGT. THIS PROVIDES FOR SPENDING CUTS TOTALLING FL 4.5 BN (DOLLARS 12.26 BN), WHICH THE SOCIALISTS WANT TO AMEND.

THE MEDIATOR SAID ALL PARTIES HAD AGREED THAT NO NEW ISSUES WOULD BE BROUGHT UP DURING THE FORMATION PERIOD, WHILE MR VAN AGT DISTRIBUTES THE PORTFOLIOS. ALL OTHER ISSUES SHOULD BE DEALT WITH BY THE NEW CABINET, HE STRESSED.

MR DE GAAY FORTMAN SPECIFICALLY HAD IN MIND NATO'S PLAN TO MODERNISE ITS MEDIUM-RANGE NUCLEAR-MISSILE ARMOURY IN WESTERN EUROPE AND THE POSSIBLE STATIONING ON DUTCH TERRITORY OF 48 CRUISE MISSILES, ON WHICH THE PARTIES STILL DIFFER.

SOME POLITICAL OBSERVERS HAVE DESCRIBED THE ISSUE AS A 'TIME-BOMB' UNDER THE CABINET WHICH COULD EASILY LEAD TO ITS EARLY DOWNFALL.

IT HAD ALREADY BEEN AGREED THAT THE CHRISTIAN DEMOCRATS WOULD RECEIVE, (BESIDES THE PREMIERSHIP,) THE MINISTRIES OF FINANCE AND AGRICULTURE.

LABOUR WILL GET EMPLOYMENT (FORMER PREMIER JOOP DEN UYL) AND FOREIGN AFFAIRS, AND DEMOCRATS' 66 ECONOMIC AFFAIRS AND DEFENCE.

AFTER THE MAY 26 GENERAL ELECTION THE CHRISTIAN DEMOCRATS AND THE LIBERALS LOST THEIR PARLIAMENTARY MAJORITY. THE CHRISTIAN DEMOCRATS, WITH (48) SEATS, LABOUR WITH (44) AND DEMOCRATS' 66 WITH (17), WILL TOGETHER HAVE 109 SEATS IN THE 150-SEAT LOWER HOUSE.

UNQUOTE

REGARDS. CHERNIAVSKY

NORDIC COUNTRIES

Key Points

The following key points are common for the Scandinavian or Nordic countries:

IDA

As the Nordic countries have been supportive of IDA, you might wish to encourage them to continue to play a leadership role in the forthcoming IDA Deputies meeting and support the no cost/no risk approach. This means essentially that following the effectiveness of IDA, donors should release their second installment. In addition, it would be extremely useful to get their preliminary thoughts regarding IDA7 at this time.

IBRD

Capital Subscription Payments. Subscriptions to the GCI can commence from September 30, 1981. Donors should be urged to take early action to pay their subscriptions.

Energy. The Nordic countries have supported the Bank's expanded energy lending, including the creation of an energy affiliate. The Nordic authorities are likely to ask you where this matter stands.

You might wish to indicate to them that as energy is a basic resource, the Bank is determined to expand its activities in the energy sector. FY81 cumulative lending for the energy sector was 25% higher than in the previous year. While there is not enough support for the affiliate and the Bank is not pursuing this issue at this time, it will continue to study ways to finance expanded energy lending within the Bank.

Lending to Chile and Bolivia. Recently the Nordic countries have been critical and circumspect regarding lending to Chile and Bolivia. Should this issue be raised, you might wish to indicate that the Bank, by its Articles of Agreement, is precluded from taking the political character of the prospective borrower into account.

Procurement. Nordic business enterprises have expressed disappointment over the level of procurement from the Bank. It is worth noting that Bank procurement on behalf of the borrowing countries is done through international competitive bidding. The Bank would welcome suggestions as to ways advertising can be improved in the Scandinavian countries. Staff is also available to explain procurement procedures to manufacturers' associations and other producer groups.

Sub-Saharan Africa Study. In response to a request from the African Governors, the Bank prepared a report, Accelerated Development in Sub-Saharan Africa: An Agenda for Action. This report (dated July 1981) will be discussed by the Development Committee at a forthcoming meeting (September 1981 or May 1982).

The report emphasizes that: (a) the Sub-Saharan countries and the international community must work together to accelerate economic growth in the region; (b) the Sub-Saharan countries should allow market forces to provide more production incentives -- particularly in the agricultural sector -- and should improve the efficiency of public enterprises; and (c) aid-donors should support the development efforts of these countries by increasing aid and extending the aid in ways more suitable to African needs, including local cost financing and recurrent cost financing.

You might tell the officials of the Nordic countries, which have been particularly generous to the least developed countries, that the Bank is willing to work even more closely with them to support the development efforts of the Sub-Saharan African countries and that about 30% of IDA6 is targetted towards the Sub-Saharan countries.

OTHER

Status of the Development Committee Task Force on Concessional Assistance. Early this year the Bank and Fund Boards recommended that the Development Committee establish a Task Force on Concessional Assistance. This action was the result of an initiative by the Executive Directors for Canada, the Netherlands and the Nordic Group. This Task Force would study the problems affecting volume, quality and effective use of concessional flows, including the reasons for declining public support for aid programs.

The Development Committee discussed the proposal in Gabon in May 1981. While the concept was accepted "in principle," the establishment of the Task Force was deferred to permit clarification of the US position. US representatives in Gabon indicated this would depend on the outcome of the ongoing major review of US aid policy. Given this uncertainty, there has been no progress since May.

The idea of the Task Force has also been resisted by Germany; the UK and Japan are neutral but ready to join if the US and Germany also participate. France supports the idea strongly, as do the developing countries. This issue is on the agenda for the September Development Committee meeting. As far as we know, the positions of the US and Germany remain unchanged.

If the subject is raised, we suggest you express continued Bank support for the Task Force and your hope that members of the Development Committee will encourage a positive US response.

DENMARK

Key Points

IDA

Denmark has given IDA its formal notification of participation in the IDA6 Replenishment (\$144 million) as well as in the advance contribution scheme (\$48 million). Denmark has increased its share from 1.14% in IDA5 to 1.20% in the IDA6 Replenishment. Denmark, as well as the other Nordic donors, is concerned about maintaining the countries' negotiated shares (burden sharing arrangements) as agreed in the IDA6 replenishment.

IBRD and Other

Please refer to the Nordic countries' summary of key points.

FINLAND

Key Points

IDA

Finland has given IDA its formal notification of participation in the IDA6 Replenishment (\$72 million) as well as in the advance contribution scheme (\$24 million). Finland has increased its share from 0.53% in IDA5 to 0.60% in IDA6.

IBRD and Other

Please refer to the Nordic countries' summary of key points. ,

Key Points

IDA

France participated in the IDA6 bridging arrangements with a contribution of \$108 million which represents only 50% of its first installment. France is the only major participant in the scheme which did not release the first installment in full. The IDA6 replenishment has now become effective (August 24th). You might wish to encourage the French to submit to IDA their formal notification as soon as possible.

Furthermore, since countries had waived the commitment limitations for the purposes of the advance contributions, the Association has requested donors, other than the United States, to confirm that the Association can continue to make commitments against available resources on the basis that this waiver would continue once the replenishment became effective. In this context, you may wish to stress to the French the importance of releasing their full first installment at the earliest possible date.

At the forthcoming IDA Deputies' meeting at the end of September, France's role in supporting the no cost/no risk approach could be critical. You should raise this particular issue and encourage them to play a leadership role. In this connection, it is worth noting that while Minister Cheysson is supportive of IDA, other French civil servants take a harder line.

IBRD

Energy. France has strongly supported the proposal to create an energy affiliate and participated actively in the pre-Board discussions. France supported Kuwait's (and others') demands for an organization that was rather separate from the Bank, and located elsewhere than in Washington. They have also urged a strong role for OPEC in a new institution. Since the Ottawa Summit, the French have repeated their support for the energy affiliate and their belief that the summit communique should not be understood as killing the proposal.

You might wish to indicate to them that as energy is a basic resource, the Bank is determined to expand its activities in the energy sector. FY81 cumulative lending for the energy sector was 25% higher than in the previous year. While there is not enough support for the energy affiliate and the Bank is not pressing this issue at this time, it will continue to study ways to finance expanded energy lending within the Bank.

Capital Subscription Payments. Subscriptions to the GCI can commence from September 30, 1981. The Bank would welcome early action in payment of the subscriptions. France is the fourth biggest shareholder in the Bank. France received its last selective increase in 1979, when it was granted an increase sufficient to keep it ahead of Japan, which also received an increase at that time. The French increase was questioned by some Executive Directors as it was not directly linked to any special support to the Bank Group. The French would be the most sensitive to any increase in the Japanese share. However, relative to other major donors, the French share in IDA is relatively small (i.e., French share in IDA6 is 5.38% compared with a share of 14.65% for Japan, 12.5% for Germany and 10.10% for the United Kingdom).

OTHER

Official Development Assistance. French development assistance reached 0.62% of GNP in 1980. The new government, however, feels it should redefine ODA to exclude aid to the French Overseas Territories and Departments (countries with a GNP per capita over \$700 and a population of 1.5 million). This would bring the ODA/GNP ratio down to about 0.33%. Increases in French ODA are expected to continue and the new government's relations with the Bank are expected to remain as satisfactory as they were with the previous one.

Key Points

IDA

The Netherlands has given IDA its formal notification of participation in the IDA6 Replenishment (\$360 million) as well as in the advance contribution scheme (\$104 million). Netherlands has increased its share from 2.83% in IDA5 to 3% in IDA6.

You might wish to encourage the Netherlands to continue to play a leadership role in the forthcoming IDA Deputies' meeting and to support the no cost/no risk approach.

IBRD

Borrowing. The IBRD has borrowed in Dutch guilders since FY55, primarily in the Netherlands but recently also outside the country. The current FY82 borrowing program envisages borrowing in guilders to be f2,050 million (US\$ 818 million), 11% of the projected annual borrowing.

You may wish to express the IBRD's appreciation for the authorities' support for our borrowing and ask them for continued support for our future borrowing.) n.l.B

Energy. The Netherlands has strongly supported the expansion of the Bank's energy program and was prepared to go along with an energy affiliate only if this could not be done within the Bank. Therefore, now the Netherlands will be fully supportive of the Bank's position on energy.

You might wish to indicate to them that as energy is a basic resource, the Bank is determined to expand its activities in the energy sector. FY81 cumulative lending for the energy sector was 25% higher than in the previous year. While there is not enough support for the energy affiliate and the Bank is not pressing this issue at this time, it will continue to study ways to finance expanded energy lending within the Bank.

Sub-Saharan Africa Study. Please refer to the Nordic countries' summary of key points.

Key Points

IDA

Norway has given IDA its formal notification of participation in the IDA6 Replenishment (\$144 million) as well as in the advance contribution scheme (\$41 million). Norway has increased its share from 1.05% in IDA5 to 1.20% in IDA6. Recently, Norway, together with the other Nordic donors, stressed the importance of maintaining the countries' negotiated shares (burden sharing arrangements) as agreed to for the IDA6 replenishment.

IBRD

Borrowing. The current FY82 borrowing program envisages a Euro-Norwegian krone public offering of NKr150 million (about US\$ 27 million). This would be the first IBRD borrowing in the Norwegian currency. The authorities are likely to consider favorably this proposed borrowing. Although they do not welcome the growth of the emerging Euro-Norwegian krone market, they appear to prefer our borrowing in the euro-market rather than the domestic capital market, which is very small and tightly controlled.

You may wish to encourage the authorities to give their maximum support for our proposed borrowing.]

Further IBRD and Other

Please refer to the Nordic countries' summary of key points.

Key Points

IDA

Sweden has formally notified the Association of its intention to participate in the IDA6 Replenishment (\$360 million) as well as in the IDA6 advance contribution scheme (\$110 million). Sweden's initial advance contribution of \$55 million represented one-half of its first installment. The second portion of Sweden's advance contribution (an additional \$55 million) was released in May 1981. At the March meeting of IDA Deputies, Sweden took on the lead role for urging other donors to provide IDA with additional commitment authority as soon as the Sixth Replenishment became effective. Sweden has decreased its share from 3.82% in IDA5 to 3% in IDA6.

IBRD

Poverty Alleviation. The Swedes have strongly supported the Bank's focus on basic needs projects and increased lending to the low-income countries during the seventies. The largest recipients of Swedish aid are countries in this income group. Thus, it is likely that they will be particularly interested in your views and general ideas on the continuation of this trend.

Sub-Saharan Africa Study. Due to their interest in the region, the Swedes are very supportive of this study. They are likely to question you how quickly the Bank can proceed on this matter. You may wish to indicate that the Bank could move quickly once the study received a positive response from the Development Committee and the African governments.

OTHER

The PLO Committee. Sweden participated in the eight-member Muldoon Committee set up to discuss the procedures concerning attendance of observers to the Annual Meeting.

Further IBRD and Other

Please refer to the Nordic countries' summary of key points.

DENMARK

Briefing Paper

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September 1981

DENMARK

Key Points

IDA

Denmark has given IDA its formal notification of participation in the IDA6 Replenishment (\$144 million) as well as in the advance contribution scheme (\$48 million). Denmark has increased its share from 1.14% in IDA5 to 1.20% in the IDA6 Replenishment. Denmark, as well as the other Nordic donors, is concerned about maintaining the countries' negotiated shares (burden sharing arrangements) as agreed in the IDA6 replenishment.

IBRD and Other

Please refer to the Nordic countries' summary of key points.

ANNEX I

IBRD BORROWING

The IBRD has not borrowed in the Danish market or in the Danish krone. We are not planning such borrowing in FY82, either.

Denmark has subscribed to about US\$58 million of 2-year US\$ central bank bonds, including US\$3.3 million in FY81, but it has purchased no Swiss franc central bank notes.

COFINANCINGParticipation in IBRD/IDA

The Danish International Development Association (DANIDA) is the only identified source of cofinancing in Denmark. It has provided US\$41.5 million in FY74-FY81 as follows:

<u>Year</u>	<u>Country</u>	<u>Project</u>	<u>IBRD/IDA</u>	<u>Amount (US\$Million)</u>
FY74	Kenya	Population I	IDA	0.6
FY75	Tanzania	Sugar Development	IBRD/IDA	17.3
FY80	Yemen AR	Artisanal Fisheries	IDA	2.7
FY81	Burundi	Nickel Exploration	IDA	0.9
	Tanzania	Education VII	IDA	20.0
		Total		<u>41.5</u>

OFFICIAL DEVELOPMENT ASSISTANCE

A. Aid Performance

Danish development assistance which was 0.09% of GNP in 1962, has surpassed the 0.7% target since 1978 and in 1980 stood at 0.72%. The \$464 million contribution in 1980 was up in nominal terms from 1979 but was down from 0.75% in terms of the ODA/GNP ratio. In 1980, the Foreign Minister said Danish ODA would be frozen at 0.7% between 1982 and 1984, but later (following a very positive aid debate in parliament) he declared that it might exceed 0.7% between 1982 and 1984. In 1980, \$216 million or 47% of Danish ODA was directed to multilateral programs. Of this amount, \$112 million (52%) went to UN agencies. IDA received \$44 million and was the next largest recipient.

B. Aid Policies

Like all its Nordic neighbors, Denmark is actively involved in the North/South Dialogue. According to the 1971 Act on International Development Cooperation, the objectives of Danish development assistance are "to support, in collaboration with the governments and authorities of developing countries, their efforts to achieve economic growth in order to contribute towards ensuring their social progress and political independence in accordance with the UN

Charter, purposes and fundamental principles, and also, through cultural collaboration, to promote mutual understanding and solidarity."

Danish development aid is divided almost equally between multilateral and bilateral channels. A shift to a 40:60 breakdown is a possibility, with UNDP bearing the brunt of the reduction on the multilateral side. In recent years, the World Bank Group has received about 20% of Danish multilateral aid. The Bank has come in for criticism in Denmark because of renewed lending to Chile; were the Bank to lend to El Salvador, there would be similar attacks. The Bank has also come in for criticism due to disappointment with Danish procurement performance.

Bilateral assistance is almost equally divided between grants and development loans. 32% of Danish bilateral aid is tied. Denmark has five-year rolling plans with its main partner countries (Tanzania, Kenya, India and Bangladesh). The main lending sectors are agriculture, fisheries and forestry (29%), infrastructure (22%), industry (14%), health (10%) and integrated rural development (10%). IFU, the Danish IFC, was created in 1967 and was at first financed from excise taxes on coffee. With state support since 1976, it is presently involved in 55 joint ventures in developing countries.

Danish public opinion is very favorable to development assistance, quite probably prodded by the non-governmental associations for international cooperation. The latest aid poll (February 1980) showed 61% of the population in favor of a Danish ODA level of 1% of GNP, with 22% against. In 1972 the figures were 45 and 44%, respectively. In a recent interview, Foreign Minister Kjeld Olesen said that the strong Danish parliamentary and public support for development "may be an indirect result of a general policy of solidarity and social consciousness pursued for many years in our social policy; it may be a result of information at many levels, including the schooling system and the media, or it may be a result of a combination of these and other factors. Finally we should not forget our situation as a nation depending on international trade. Denmark and the Third World share a mutual interest in development.

C. Aid Administration

The Ministry of Foreign Affairs is responsible for the coordination of Danish aid efforts and for the administration of Denmark's official development assistance, except the World Food Program, which lies within the jurisdiction of the Ministry of Agriculture. DANIDA (the Danish International Development Agency) is a department within Foreign Affairs and has a staff of about 200 responsible for the daily administration of development assistance. DANIDA is advised by a 9-member Board, headed by a member of

parliament, which meets monthly, and a 75-member Council, headed by a banker, which meets twice a year. Twenty-seven Danish experts work in the six missions Denmark has in Tanzania, Kenya, India, Bangladesh, Zambia and Vietnam.

Recently, the Foreign Minister initiated a commission to review "the principles of Danish assistance to developing countries with a reference to how, within the framework of the new international economic order, Denmark can appropriately contribute to the development of the Third World." The Commission is composed of parliamentarians, the director of DANIDA, members of academia and non-governmental organizations and will publish its report at the beginning of 1982.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

The minority Social Democratic government of Prime Minister Anker Jorgensen, formed after the October 1979 elections, has so far managed to weather the strikes which have disturbed Denmark since the beginning of the year. For the first time in a decade, wage negotiations have been decentralized and are taking place at the union or union federation level. After the main industrial trade unions and employee organizations had concluded two-year wage agreements, however, a series of strikes broke out among unions which had not settled. Some believe that what began so well last winter could turn into something resembling a general strike this summer, creating serious economic and social disruptions.

To his credit, Prime Minister Jorgensen has managed to get the parliamentary support of the Radical Liberal, Center Democrats and Christian People parties for an economic austerity plan for the next two years. In return, he agreed not to introduce before the end of 1982, bills on compulsory profit sharing, and on changes in the tax system. However, the austerity measures, while not spelled out in detail, do not appear to be much more than a continuation of old policies.

In spite of the fact that the government has secured a majority for its economic austerity plan, difficulties could still arise later this year on the question of the closed shop, since a parliamentary majority seems to be emerging in its favor. The political fragmentation of Denmark (10 parties represented in parliament) makes it difficult for Prime Minister Jorgensen to govern. It also makes it difficult for him to be defeated by a coherent coalition at the next elections scheduled in November 1982.

B. Economic Situation

The Danish economy finds itself in the deepest recession since the 1930s. The general slowdown in the growth of demand in the European economies has resulted in low export growth prospects. Private consumption and private and public investment are expected to decline and the resulting import savings are expected to keep the balance of payments deficit in check, in spite of the deterioration in the terms of trade and increasing net interest payments on foreign debt. The central government's borrowing requirement will be over \$8 billion this year, no less than 12.5% of GDP. Unemployment will worsen, probably to 9% in 1981, as compared with 7% in 1980 and 6.1% in 1979. Consumer prices rose by 12.3% in 1980. With the low level of economic activity, these indicators are expected to get worse

before they get better. Expenditure on unemployment benefits and early retirement pay is expected to increase by nearly 30% in 1981.

To counter the recession, the government is seeking to bring about adjustments through a medium-term program, whose main elements are to save energy, to reduce private consumption, and to curb the growth in real public expenditure. These measures are designed to free resources for broadening the industrial base of the economy and for exports.

In the past, Denmark has been particularly vulnerable to soaring energy prices, as practically all energy has had to be imported. However, the government recently ended a 50-year concession (signed in 1962) giving a single exploration group an exclusive right to search for oil on shore and in Danish waters. It now hopes other companies will apply for licenses, leading to a much more extensive exploration. According to recent estimates, oil and gas finds made so far could cover 25-30% of Denmark's total energy consumption by 1984. With further strikes, Denmark could be meeting 50-70% of its energy needs in the 1990s. This would contribute significantly to a more favorable economic climate.

FINLAND

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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BIOGRAPHICAL STATEMENT

Annikki SAARELA
(Finland)

Alternate Director for Denmark, Finland, Iceland, Norway and
Sweden

Appointed as of March 1, 1973

Born September 28, 1944 (Helsinki), 1 son

Married, two daughters

Education

- 1968 : Graduated in law, University of Helsinki
- 1969 : Master of Laws, University of California, Berkeley (specializing
in international development organizations)

Background

- 1969 : National Board of Housing
- 1970-73 : Ministry of Finance
- 1970 : First Secretary
- 1971 : Head of Section (international organizations)
- 1972 : Head of Office (international capital markets)
- 1973-75 : Alternate Director, IBRD, IFC and IDA
- 1976-78 : Financial Counselor, Nordic Investment Bank
- 1978 - : Financial Counselor, Ministry of Finance, Finland
- Conferences
- 1971-72 : Advisor to Finnish delegation at meetings establishing African
Development Fund
- 1972 : Advisor to Finnish delegation at IMF/IBRD Annual Meetings

Secretary's Department
March 1, 1973

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September 1981

FINLAND

Key Points

IDA

Finland has given IDA its formal notification of participation in the IDA6 Replenishment (\$72 million) as well as in the advance contribution scheme (\$24 million). Finland has increased its share from 0.53% in IDA5 to 0.60% in IDA6.

IBRD and Other

Please refer to the Nordic countries' summary of key points. .

ANNEX I

IBRD BORROWINGS

The IBRD has not borrowed in the Finnish market, or in the Finnish markkaa. The FY82 borrowing program does not include such borrowing, either.

Finland has subscribed to about US\$100 million of our central bank issues in FY57 - FY80, but it has purchased none in FY81.

COFINANCINGParticipation in IBRD/IDA

Only four cases of cofinancing from the Finnish sources have been brought to our attention. One of them is a cofinancing from a Finnish commercial bank, the Union Bank of Finland.

<u>Year/Source</u>	<u>Country</u>	<u>Project</u>	<u>IBRD/IDA</u>	<u>Amount (US\$Million)</u>
FY80				
Official	Burma	Forestry II	IDA	1.7
FY81				
Official	Burma	Wood Industries I	IDA	1.9
Official	Burundi	Nickel Exploration	IDA	1.8
Union Bank of Finland	Yugoslavia	Highways XI	IBRD	<u>2.0</u>
		Total		<u>7.4</u>

OFFICIAL DEVELOPMENT ASSISTANCEAid Performance

Finnish aid appropriations, which amounted to 0.07% of GNP in 1970, reached 0.22% in 1980 and will probably reach 0.26% in 1981. They are scheduled to rise to 0.32% in 1982, and to reach the 0.7% target by the end of the 1980s, according to a statement by the Foreign Minister at the 1980 UN Special Session.

Finnish ODA contributions amounted to \$86 million in 1979 but rose to \$106 million in 1980, an increase of 23%. In these years multilateral contributions equalled 55% and 43% of total ODA respectively. The UN agencies and IDA were the main recipients. About 50% of Finnish aid has been channelled bilaterally in recent years, with a 90% grant element.

Aid Policies

Finnish development assistance is directed to countries which "in their own development plans aim at strengthening their economic independence and advancing their social and economic development." Special attention is paid to recipient countries' efforts to secure equal rights in the political, economic, social and cultural spheres for all members of the society.

Finland's main recipients are Tanzania, Vietnam, Zambia, Egypt, Kenya and Sri Lanka. In 1978, 62% of bilateral aid went to LLDCs. In 1979, 47% of bilateral aid went to industry, mining and construction, 12% to agriculture, 9% for the development of public utilities and 7% for education. Following a recommendation by the Advisory Board, sectoral diversification is now being considered, including intensified cooperation in rural development, social development and forestry-related projects.

Finnfund, the Finnish IFC established in 1979, became operational in 1980. A substantial part of its resources are provided from the regular aid budget. Investments by the Finnfund will be on ODA terms and the geographic allocation criteria will correspond to those of the Finnish aid programs.

Public opinion in Finland is very supportive of aid. An April 1981 Gallup poll showed that 42% of respondents considered Finnish aid to be too low, while only 7% felt it to be too high. The most vocal element of a loose aid lobby is the "Percentage Movement," which was launched last year and advocates that its followers donate 1% of their monthly earnings to the aid organization of their choice. It was apparently instrumental in getting parliament to vote an increase of 10% in 1979 and 7% in 1980 over the aid budget proposals submitted by the government.

Aid Administration

Finland became a member of the UN in 1955, but it was not until 1961 that a government committee was set up to plan the organization of Finland's development assistance. As a result of the committee's work, various development activities were concentrated under the aegis of the Foreign Ministry. In 1972 the Department of International Development Cooperation, often called FINNIDA, was set up. It has a professional staff of about 45 and over 250 Finnish experts work in developing countries, on bilateral and multilateral assignments. FINNIDA is assisted by an Advisory Board for Economic Relations (between Finland and the developing countries) set up in 1979 and currently headed by the Education Minister. The Board, with representatives from all parties in parliament, has a broad mandate covering the whole range of North-South questions.

For historical reasons, Finland's contribution to the World Bank, IFC and IDB is paid by the Finance Ministry, while the contributions to IDA and the African and Asian Development Banks are paid by the Foreign Ministry.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

Finland is currently governed by a four party coalition, consisting of the Social Democratic, Communist, Center and Swedish People's parties. (The Swedish People's Party results from the sizeable minority of Swedish background in Finland.) The March 1979 elections produced a swing to the right and the Prime Minister had to give President Urho Kekkonen's Center Party the portfolios of Finance and Foreign Affairs. Local government elections held in October 1980 confirmed the 1979 trend, with the conservative National Coalition Party gaining against the other parties on the right and the Social Democrats gaining at the expense of the Communists on the left.

Presidential (and legislative) elections to find a successor to 81-year old President Kekkonen, who has held the job for the last 26 years, will not be held until 1984, but candidates are already jockeying for position, including the Prime Minister, the Foreign Minister and the Governor of the Central Bank. It is even possible President Kekkonen may run for office again.

Besides the preoccupation with President Kekkonen's successor, the Finnish political scene was shaken last March when the

Communists refused to accept a package (already agreed to by the other three parties in the coalition) of social security bills linked to the new two-year national pay settlement (a 6.4% wage increase in 1981, 5.2% in 1982). President Kekkonen let it be known that he wanted Prime Minister Koivisto to resign if the deadlock could not be resolved before April 10. Mr. Koivisto replied that it was for parliament alone to dismiss him. A compromise was immediately secured, with the Communist and other parties entitled to press for subsequent amending legislation. As a result, an opinion poll published in the middle of April showed Prime Minister Koivisto to be about twice as popular as President Kekkonen.

B. Economic Situation

Despite the international recession, the Finnish economy continues to grow, although at a slower speed than during the last two years. After a 5% growth in 1980, a 2-4% growth rate is forecast for 1981. The unemployment rate is presently slightly over 5%, the average rate for last year. Inflationary pressures will remain strong. Inflation rates of 12% this year and 9.8% next year are expected, compared with 11.6% in 1980.

A key to the success of the economy is Finland's unique trade agreement with the Soviet Union, which allows Finns to buy most of their oil from the Soviet Union and pay for it with exports of

their high quality manufactured goods and services, including building contracts. Although Finland is paying about the same price for its oil as other industrialized countries, it does not have to earn the money to pay for it by selling in crowded world markets. Trade with the Soviet Union now accounts for 8% of Finland's total output.

There will be a further weakening of the current external balance from a deficit of \$1.3 billion in 1980 to \$1.7 billion this year, though it is expected to improve next year to \$1.1 billion. The Federation of Industries expects industrial output to rise by 3.5% this year and industrial investment to increase by 13%.

FRANCE

FRANCE
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Key Points

IDA

France participated in the IDA6 bridging arrangements with a contribution of \$108 million which represents only 50% of its first installment. France is the only major participant in the scheme which did not release the first installment in full. The IDA6 replenishment has now become effective (August 24th). You might wish to encourage the French to submit to IDA their formal notification as soon as possible.

Furthermore, since countries had waived the commitment limitations for the purposes of the advance contributions, the Association has requested donors, other than the United States, to confirm that the Association can continue to make commitments against available resources on the basis that this waiver would continue once the replenishment became effective. In this context, you may wish to stress to the French the importance of releasing their full first installment at the earliest possible date.

At the forthcoming IDA Deputies' meeting at the end of September, France's role in supporting the no cost/no risk approach could be critical. You should raise this particular issue and encourage them to play a leadership role. In this connection, it is worth noting that while Minister Cheysson is supportive of IDA, other French civil servants take a harder line.

IBRD

Energy. France has strongly supported the proposal to create an energy affiliate and participated actively in the pre-Board discussions. France supported Kuwait's (and others') demands for an organization that was rather separate from the Bank, and located elsewhere than in Washington. They have also urged a strong role for OPEC in a new institution. Since the Ottawa Summit, the French have repeated their support for the energy affiliate and their belief that the summit communique should not be understood as killing the proposal.

You might wish to indicate to them that as energy is a basic resource, the Bank is determined to expand its activities in the energy sector. FY81 cumulative lending for the energy sector was 25% higher than in the previous year. While there is not enough support for the energy affiliate and the Bank is not pressing this issue at this time, it will continue to study ways to finance expanded energy lending within the Bank.

Capital Subscription Payments. Subscriptions to the GCI can commence from September 30, 1981. The Bank would welcome early action in payment of the subscriptions. France is the fourth biggest shareholder in the Bank. France received its last selective increase in 1979, when it was granted an increase sufficient to keep it ahead of Japan, which also received an increase at that time. The French increase was questioned by some Executive Directors as it was not directly linked to any special support to the Bank Group. The French would be the most sensitive to any increase in the Japanese share. However, relative to other major donors, the French share in IDA is relatively small (i.e., French share in IDA6 is 5.38% compared with a share of 14.65% for Japan, 12.5% for Germany and 10.10% for the United Kingdom).

OTHER

Official Development Assistance. French development assistance reached 0.62% of GNP in 1980. The new government, however, feels it should redefine ODA to exclude aid to the French Overseas Territories and Departments (countries with a GNP per capita over \$700 and a population of 1.5 million). This would bring the ODA/GNP ratio down to about 0.33%. Increases in French ODA are expected to continue and the new government's relations with the Bank are expected to remain as satisfactory as they were with the previous one.



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ANNEX I

IBRD BORROWINGS

The current FY82 borrowing program (July 31, 1981) envisages no borrowing in France or in the French franc. Terms prevailing in the French capital market are unattractive, and the Eurofranc market is practically closed due to the lack of borrowers' interest. There may be possibilities to borrow non-franc funds in France, but we are not pursuing this route.

The only IBRD borrowing in the French franc was made in FY72 with a public offering of F150.0 million for placement outside France but with the participation of French banks. At end-FY81, the remaining debt stood at F103 million (US\$18 million), and accounted for 0.06% of the total outstanding IBRD borrowings.

France has subscribed to about US\$85 million of our central bank bonds/notes. In FY81, it had purchased US\$7 million of 2-year US\$ bonds and SwF 8 million (US\$ 4.4 million) of Swiss franc notes.

COFINANCING

Participation in IFC Loans

In FY60 - FY81, 13 French banks, directly and through their subsidiaries, participated in IFC loans to provide US\$55.3 million, of which US\$35.0 million was outstanding at end-FY81.

	<u>Number Of Projects</u>	<u>Amount of Participation</u>	
		<u>Original (US\$m)</u>	<u>Outstanding End-FY81 (US\$m)</u>
Banque Arabe et Internationale d'Investissement	1	3.3	3.3
Banque Commerciale pour l'Europe du Nord (EUROBANK) S.A.	1	5.0	-
Banque de la Société Financière Européenne	4	13.0	6.2
Banque de l'Union Européenne	1	3.3	3.3
Banque Française du Commerce Extérieur	6	0.7	-
Banque Nationale de Paris	5	4.5	3.0
Banque Sudameris	4	10.3	8.0
Compagnie Financière de Suez	2	1.0	-
Crédit Chimique	2	0.3	-
Crédit Commercial de France	1	2.5	1.4
Crédit Lyonnais	1	2.0	1.1
Société Générale	1	3.3	3.3
Union de Banques Arabes et Françaises	7	<u>6.1</u>	<u>5.4</u>
Total		<u>55.3</u>	<u>35.0</u>

Projects that these French banks financed through the participations are in the following countries:

	<u>Amount of Participation</u>	
	<u>Original</u> <u>(US\$m)</u>	<u>Outstanding</u> <u>End-FY81</u> <u>(US\$m)</u>
Argentina	1.3	-
Brazil	20.2	12.0
Colombia	0.1	-
Egypt	1.5	1.5
Greece	4.8	2.5
Korea	1.1	-
Iran	0.05	-
Jordan	16.6	16.5
Lebanon	1.0	0.4
Peru	0.4	-
Senegal	0.3	-
Thailand	0.6	-
Tunisia	0.1	-
Venezuela	0.1	-
Yugoslavia	5.0	-
Zimbabwe	<u>2.2</u>	<u>2.2</u>
Total	<u>55.3</u>	<u>35.0</u>

In FY81, two French banks participated in IFC loans:

	<u>Country</u> <u>of Project</u>	<u>Amount of</u> <u>Participation</u> <u>(US\$m)</u>
Banque de la Société Financière Européenne	Zimbabwe	2.2
Banque Sudameris	Brazil	<u>4.0</u>
Total		<u>6.2</u>

COFINANCING

Participation in IBRD/IDA

The identified amount of cofinancing from French sources is shown below.

	Amount from French Sources (US\$Million)	
	<u>Total</u>	<u>of which Commercial Sources</u>
FY69-FY75	108.2	-
- FY76	82.7	-
FY77	29.5	-
FY78	81.6	-
FY79	43.0	4.0
FY80	205.0	100.7
FY81	55.9	14.0

For FY81, following cases have been brought to our attention:

<u>Source/Country</u>	<u>Project</u>	<u>IBRD/IDA</u>	<u>Amount (US\$Million)</u>
<u>Official</u>			
Mauritania	Irrigation I - Gorgol	IDA	5.4
Rwanda	Telecommunications I	IDA	3.9
Senegal	Forestry	IDA	5.2
Zaire	Sugar - Kwilu Ngonco	IDA	27.4
	Sub-total		<u>41.9</u>
<u>Commercial</u>			
Panama	Colon Urban Development	IBRD	6.0
Yugoslavia	Highways XI	IBRD	8.0
	Sub-total		<u>14.0</u>
<u>Total</u>			<u>55.9</u>

The first cofinancing from French commercial sources took place in FY79. By end-FY81, 10 commercial institutions committed US\$119 million to cofinance 11 IBRD projects in 7 countries.

<u>Borrowing Country/Project</u>	<u>Number of F. Comm. Participants</u>	<u>Amount (US\$Million)</u>
Argentina		
Yacyreta Hydroelectric	5	24.5
Dominican Republic		
Tourism II	1	3.0
Sugar Rehabilitation	2	14.7
Korea		
Gojeong Power	1	5.0
Panama		
Colon Urban Development	2	6.0
Portugal		
Fertilizer Modernization	1	4.0
Romania		
Livestock II	3	17.5
Livestock III	4	16.0
Mostistea/Calmatzui Irrigation	4	16.0
Yugoslavia		
Agroind Bosanska-Krajina	1	4.0
Highways XI	2	8.0
		<u>8.0</u>
	Total	<u>118.7</u>

OFFICIAL DEVELOPMENT ASSISTANCEAid Performance

French development assistance increased by 20% from \$3370 million in 1979 to \$4041 million in 1980. The ODA/GNP ratio was also up for the second year in a row, reaching 0.62%. The total French contribution (in nominal terms) was the second highest among DAC members in 1980.

French bilateral aid increased by \$512 million between 1979 and 1980, going from \$2786 million to \$3298 million (an 18% increase). Multilateral aid increased by \$159 million, from \$584 million to \$743 million (a 27% increase). The rise in multilateral contributions to 0.18% of French ODA, the highest level in several years, resulted largely from increased French support for the European Economic Community's (EEC) European Development Fund (EDF). The EDF received 58% of multilateral aid. IDA, the second largest recipient, received \$162.8 million. The regional development banks received \$102 million.

Aid Policies

In numerous statements to the press, various members of the new Socialist majority have given indications about their conception of aid to developing countries. Concerning the level of French ODA,

President Mitterrand and Development Minister Cot have clearly indicated that the present level of French ODA should be redefined to exclude aid to French Overseas Territories and Departments (DOM-TOM). This new definition would bring the ODA/GNP ratio down to 0.32%, instead of the previous official figures of 0.62%. They have both indicated that this revised ratio should be increased from 0.32 to 0.7%, and that a time schedule will be established for reaching it. It is very likely that the government will indicate its intention of rapidly increasing ODA to the least-developed countries on the occasion of the UNCTAD conference on LLDCs to be held in Paris this coming September. The conference will be opened by President Mitterrand and chaired by Minister Cot.

Aid Administration

The new Ministry of Cooperation and Development has broader functions than in the previous government. They include all the functions of the previous Ministry of Cooperation for French-speaking Africa, and policy decisions (in liaison with the External Relations Ministry) for other African countries. The Ministry is also in charge of policy decisions on development for all Third World countries. Minister Cot has criticized the conduct of relations by the previous government with African countries, which he considers to have been too personal and lacking in long-term perspective.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

After twenty-three years of continued center-right policies under Presidents Charles de Gaulle, Georges Pompidou and Valery Giscard d'Estaing, France launched into a new period dominated by the Socialist party in May 1981. The election of Francois Mitterrand as President, followed by the landslide victory of the Socialist party in the legislative elections in which it obtained an absolute parliamentary majority, has given the French Socialists five years of mastery over French politics.

The new government's major changes concern:

- strong emphasis on employment-generating policies;
- decentralization of administrative power to the regional and communal level;
- a new industrial policy, including the nationalization of 11 industrial groups and a large part of the private banking sector (already largely nationalized in 1946).

In the field of external relations, French policies towards the Third World will be shaped by Ministers Claude Cheysson and Jean-Pierre Cot. As External Relations Minister, Mr. Cheysson is likely to have a strong say, particularly in view of his experience and standing as former EEC development commissioner. He is already well known as an outspoken advocate of a global "New Deal" between developing and developed countries. President Mitterrand himself will very likely participate also in the reshaping of these policies. He has indicated on several occasions that better relations with the Third World countries would be one of the essential principles of his presidency. It is also probable that the role of the Treasury, which hitherto has enjoyed leadership in major policy decisions involving the Third World, will decline in the coming years.

B. Economic Situation

The economic situation of France has continued to deteriorate in 1980, with rising unemployment, high inflation and slow growth.

During 1980, GDP increased by 1.3 percent, the unemployment rate reached 6.3 percent, and consumer prices increased by 13.6 percent, in spite of active fiscal and monetary policies aimed at fighting inflation. The budget deficit reached F 30 billion (\$5.17 billion) or about 2 percent of GDP. Between July 1980 and July 1981,

the franc depreciated by 43 percent against the dollar. In May 1981, the government took various measures to protect the French franc, creating notably a dollar stock rate, and raising interest rates.

The balance of payments seriously deteriorated in 1980, the current account balance showing a deficit of \$7.8 billion against a \$1.2 billion surplus in 1979. For 1981, a slightly lower deficit can be expected (about \$6 billion) due to a decrease in import prices among France's major trade partners, and lower energy prices.

The first round of the government's policy decisions will involve social measures (increased family allowances, allowances for old age pensions, 10 percent increase of minimum wage level), employment support measures (about 200,000 new staff recruited in the public sector) and more active public investment. Part of the resulting costs will be met by higher taxes, particularly on high-income earners.

The economic policies of the new government are unlikely to drastically change end-of-year prospects. Estimates of GDP growth for 1981 are all under 1 percent (0.5-0.8 percent). Consumer prices are likely to increase by about 14 percent, and unemployment is expected to stabilize (at about 1.8 million) rather than increase, reflecting the more expansionary employment policies of the new government. For 1982, all sources agree that government policies will lead to faster

growth, with a GDP growth rate of between 2 and 4.7 percent. Much uncertainty about the size of the government's intervention, and the impact of the international environment on the French economy, explain this wide projection.

NETHERLANDS

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THE COUNTRY BRIEFS ON FRANCE, NETHERLANDS AND NORDIC COUNTRIES WHICH

~~WOULD REACH YOU THURSDAY EVENING OR FRIDAY MORNING BY HAND CARRIER~~

NEED REVISION IN RESPECT OF THE NETHERLANDS SINCE A NEW GOVERNMENT WAS FORMED WITH UNEXPECTED HASTE THERE YESTERDAY. THE POSITION OF DEVELOPMENT MINISTER IS EXPECTED TO BE FILLED BY EX BANK STAFF MEMBER KAES VAN DIJCK IN THE NEW GOVERNMENT.

THE MAIN POINTS OF INTEREST ARE:

1. CHRISTIAN DEMOCRAT LEADER DRIES VAN AGT STAYS AS PRIME MINISTER BUT HIS COALITION HAS SHIFTED FROM CENTER RIGHT TO CENTER LEFT SINCE THE PLACE OF THE (CONSERVATIVE) LIBERAL PARTY IS TAKEN BY THAT OF THE LABOUR AND THE DEMOCRATS-66 PARTIES.

2. MR VAN DER STEE, FINANCE MINISTER (AND BANK GOVERNOR) IN THE LAST GOVERNMENT IS REPORTEDLY CERTAIN TO REMAIN IN THE SAME OFFICE.

3. DEVELOPMENT MINISTER JAN DE KONING IS SLATED TO MOVE TO AGRICULTURE. HE IS FIRMLY EXPECTED TO BE SUCCEEDED BY CHRISTIAN DEMOCRAT CORNELIUS (KAES) VAN DIJCK, WHO WAS WITH THE BANK UNTIL ABOUT 1972 AS A DIVISION CHIEF IN THE EDUCATION PROJECTS DEPARTMENT.

4. THE NEW GOVERNMENT WILL NOT BE IN OFFICE UNTIL ABOUT SEPTEMBER

15. IN OTHER WORDS, MINISTERS MR CLAUSEN MEETS WILL FORMALLY EITHER BE CARETAKER MINISTERS OR MINISTERS DESIGNATE.

THE ABOVE INFORMATION COMES FROM DEVELOPMENT MINISTRY OFFICIALS IN THE HAGUE. THE FOLLOWING REPORT IN THE FINANCIAL TIMES OF SEPT. 3 PROVIDES USEFUL ADDITIONAL INFORMATION:

QUOTE

MR DRIES VAN AGT, THE DUTCH CARETAKER PREMIER, WAS ASKED YESTERDAY BY QUEEN BEATRIX TO CONSTRUCT A LEFT-OF-CENTRE COALITION GOVERNMENT WITH HIMSELF AT ITS HEAD. THE ADMINISTRATION SHOULD TAKE OFFICE JUST BEFORE BUDGET DAY, SEPTEMBER 15.

THE WAY TO THE COALITION HAD BEEN CLEARED LATE ON TUESDAY NIGHT AFTER MR VAN AGT AND HIS CHRISTIAN DEMOCRAT PARTY UNANIMOUSLY ACCEPTED A COMPROMISE OUTLINE POLICY DRAWN UP BY MR WILHELM DE GAAY FORTMAN, THE OFFICIAL MEDIATOR. THE OTHER TWO PROSPECTIVE COALITION PARTNERS, THE LABOUR PARTY AND THE SMALL DEMOCRATS' 66 HAD ALREADY ACCEPTED THE PROPOSALS.

THE FINAL HURDLE - THE EXTENT AND NATURE OF A BIG CUT IN GOVERNMENT SPENDING, NOTABLY IN SOCIAL SECURITY, PUBLIC HEALTH AND CIVIL SERVANTS' INCOMES, DEMANDED BY MR VAN AGT - WAS CLEARED BY MEANS OF A RATHER VAGUE COMPROMISE PACKAGE. IT PROVIDED UNSPECIFIED CUTS TOTALLING "SEVERAL BILLIONS" OF GUILDERS, WITH THE DETAILS TO BE SETTLED BY THE NEW GOVERNMENT.

THE COMPROMISE LOOKS SHAKY. HAGGLING HAS STARTED AS TO WHAT EXACTLY SHOULD HAPPEN WITH THE 1981 BUDGET, WHICH HAS JUST BEEN DRAWN UP BY THE OUTGOING CENTRE-RIGHT COALITION, ALSO HEADED BY MR VAN AGT. THIS PROVIDES FOR SPENDING CUTS TOTALLING FL 4.5 BN (DOLLARS 12.26 BN), WHICH THE SOCIALISTS WANT TO AMEND.

THE MEDIATOR SAID ALL PARTIES HAD AGREED THAT NO NEW ISSUES WOULD BE BROUGHT UP DURING THE FORMATION PERIOD, WHILE MR VAN AGT DISTRIBUTES THE PORTFOLIOS. ALL OTHER ISSUES SHOULD BE DEALT WITH BY THE NEW CABINET, HE STRESSED.

MR DE GAAY FORTMAN SPECIFICALLY HAD IN MIND NATO'S PLAN TO MODERNISE ITS MEDIUM-RANGE NUCLEAR-MISSILE ARMOURY IN WESTERN-EUROPE AND THE POSSIBLE STATIONING ON DUTCH TERRITORY OF 48 CRUISE MISSILES, ON WHICH THE PARTIES STILL DIFFER.

SOME POLITICAL OBSERVERS HAVE DESCRIBED THE ISSUE AS A "TIME-BOMB" UNDER THE CABINET WHICH COULD EASILY LEAD TO ITS EARLY DOWNFALL.

IT HAD ALREADY BEEN AGREED THAT THE CHRISTIAN DEMOCRATS WOULD RECEIVE, BESIDES THE PREMIERSHIP, THE MINISTRIES OF FINANCE AND AGRICULTURE.

LABOUR WILL GET EMPLOYMENT (FORMER PREMIER JOOP DEN UYL) AND FOREIGN AFFAIRS, AND DEMOCRATS' 66 ECONOMIC AFFAIRS AND DEFENCE.

AFTER THE MAY 26 GENERAL ELECTION THE CHRISTIAN DEMOCRATS AND THE LIBERALS LOST THEIR PARLIAMENTARY MAJORITY. THE CHRISTIAN DEMOCRATS, WITH 48 SEATS, LABOUR WITH 44 AND DEMOCRATS' 66 WITH 17, WILL TOGETHER HAVE 109 SEATS IN THE 150-SEAT LOWER HOUSE.

UNQUOTE

REGARDS. CHERNIAVSKY

1981 SEP -3

RE NETHERLANDS

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NETHERLANDS MINISTER OF FINANCE VAN DER STEE

On 5 March 1980, Mr. A.P.J.M.M. van der Stee took office as The Netherlands' Minister of Finance. He will also be responsible for The Netherlands Antilles portfolio. The former Minister of Agriculture and Fisheries took over the Financial portfolio from Mr. G.M.V. van Aardenne who had been acting Minister of Finance since 22 February 1980 when the resignation of Mr. F.H.J.J. Andriessen as Minister of Finance was accepted.

Fons van der Stee was born on 30 July 1928 in Langeweg, North Brabant province. In 1956 he received his degree in Law from the Catholic University, Nijmegen, and began work as a fiscal employee in a national taxation consultancy bureau, becoming a partner in this firm in 1960.

Mr. Van der Stee's political career began in 1959 with the Catholic Peoples Party, in which he held a variety of positions. He was party chairman from 1968 to 1971. After representing the Catholic Peoples Party in the First Chamber of the States General, Mr. Van der Stee was named Deputy Minister of Finance, responsible for budgetary matters, in the Biesheuvel Cabinet from 14 July 1971 to 12 March 1973. Thereafter he became part of the Catholic Peoples Party's fraction in the Second Chamber of the States General.

Mr. Van der Stee returned to government on 11 May 1973 as Deputy Minister of Finance, responsible for tax matters in the Den Uyl Cabinet. In November of that year, he was named Minister of Agriculture and Fisheries. Mr. Van der Stee retained that post in the succeeding Van Agt Cabinet, in which he represented the then new Christian Democratic Appeal coalition of confessional parties. At the same time, Minister Van der Stee was responsible for The Netherlands Antilles portfolio.

He holds the Grand Cross in the Senegal Order of Service, the Grand Cross in the Swedish Order of the Polar Star, the rank of Commandeur in the Mérite Agricole Français, and the Honorary Order of the Palm of Suriname.

He is married and has three sons and one daughter.

The new Dutch Minister for Development Cooperation, Jan de Koning, was born in Zwartsluis on 31 August 1926. He took his final "doctoraal" degree examinations in social geography at the State University of Utrecht in 1958.

Prior to sitting his examinations in 1955, he had joined the staff of the Sociological Institute of the Convent of Christian Social Organisations in The Hague. While in this position, he became involved in the agricultural and social information services of the Netherlands Protestant Farmers' and Market Gardeners' Federation (CBTB). His recommendations have had a lasting effect on the information supplied. He had a particular interest in problems facing farming families and in the future of agriculture and market gardening. He also ran courses for agricultural extension officers.

Mr De Koning was appointed to the academic staff of the Institute of Social Science at the Free University of Amsterdam in 1961. In 1964, he was appointed General Secretary of the CBTB. Concurrently, he held the position of chairman of the Education Committees of the Federation and of the Industrial Board for Agriculture.

Mr De Koning was a member of the Upper House of Parliament from 1969 to 1971, representing the Calvinistic ARP (Anti-Revolutionary Party), one of the three parties which were later to form the CDA (Christian Democratic Alliance). In May 1971 Mr De Koning became a member of the Lower House and of the Christian Democratic Party in the European Parliament in Strasbourg. He was a member of the agriculture committee and of the Committee on External Economic Relations of the European Parliament.

-Mr De Koning-

late 1975. Other appointments held by Mr De Koning include membership of the committee of the non-governmental Netherlands Organisation for International Development Cooperation (NOVIB) from 1969 to 1975. Since 1971 he has been Chairman of "Dienst over Grenzen" (Service without borders), an organisation which assists in sending professional workers to developing countries. Mr De Koning has also been a member of the committee of the "Gast aan tafel" (Guests for dinner) campaign for some years.

The Minister is married and has two children.

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THE NETHERLANDS

Briefing Paper

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- III: Official Development Assistance
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September 1981

THE NETHERLANDS

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September 1981

Key Points

IDA

The Netherlands has given IDA its formal notification of participation in the IDA6 Replenishment (\$360 million) as well as in the advance contribution scheme (\$104 million). Netherlands has increased its share from 2.83% in IDA5 to 3% in IDA6.

You might wish to encourage the Netherlands to continue to play a leadership role in the forthcoming IDA Deputies' meeting and to support the no cost/no risk approach.

IBRD

Borrowing. The IBRD has borrowed in Dutch guilders since FY55, primarily in the Netherlands but recently also outside the country. The current FY82 borrowing program envisages borrowing in guilders to be f2,050 million (US\$ 818 million), 11% of the projected annual borrowing.

You may wish to express the IBRD's appreciation for the authorities' support for our borrowing and ask them for continued support for our future borrowing.

Energy. The Netherlands has strongly supported the expansion of the Bank's energy program and was prepared to go along with an energy affiliate only if this could not be done within the Bank. Therefore, now the Netherlands will be fully supportive of the Bank's position on energy.

You might wish to indicate to them that as energy is a basic resource, the Bank is determined to expand its activities in the energy sector. FY81 cumulative lending for the energy sector was 25% higher than in the previous year. While there is not enough support for the energy affiliate and the Bank is not pressing this issue at this time, it will continue to study ways to finance expanded energy lending within the Bank.

Sub-Saharan Africa Study. Please refer to the Nordic countries' summary of key points.

FROM
March 18, 1980

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Record Removal Notice

File Title Briefing Papers - European Briefing Book - Briefing Book - Volume 1		Barcode No. 1773981		
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Correspondents / Participants				
Subject / Title JAN DE KONING				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date May 21, 2021</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date May 21, 2021
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IBRD BORROWINGS

The IBRD has borrowed in the Dutch guilders since FY55, primarily in the Netherlands but recently also outside the country. FY81 borrowing in guilders totalled f600 million (US\$252 million), excluding a placement with the SAMA, which was approved by the Board but not yet signed. At end-FY81, outstanding borrowings amounted to f1,379 million (US\$518 million), which was 2% of the total outstanding IBRD borrowings. In addition, the IBRD has borrowed over US\$110 million from the Netherlands with 2-year US\$ central bank bonds, including US\$20 million in FY81.

The current FY82 borrowing program (July 31, 1981) envisages borrowing in guilders to be f2,050 million (US\$818 million), which is 11% of the projected annual borrowing.

Borrowing in Guilders
(f million)

	<u>Gross Borrowing</u>		<u>Outstanding Borrowings</u> End-FY81
	<u>Program</u> FY82	<u>Actual</u> FY81	
<u>Borrowing in the Netherlands</u>			
Bond Public Offerings	400	200.0	395.3
Loans and Placements from Private Institutions	<u>550</u>	<u>-</u>	<u>483.5</u>
Sub-Total	950	200.0	878.8
<u>Borrowing outside the Netherlands</u>			
Euroguilder Bonds	300	100.0	100.0
Borrowing from Foreign Official Entities	<u>800</u>	<u>300.0</u>	<u>400.0</u>
Sub-Total	<u>1100</u>	<u>400.0</u>	<u>500.0</u>
<u>Total Guilder Borrowing</u>	2050	600.0	1378.8
US\$ Equivalent (US\$million)	(818)	(251.9)	(518.0)
% of IBRD Total	10.8	5.0	1.9

The IBRD's first FY82 borrowing was a guilder loan of f100 million (US\$37.6 million) from the Nederlandsche Middenstandsbank, Amsterdam, in July. This was also the first IBRD borrowing from this bank.

COFINANCING

Participation in IFC Loans

IN FY65 - FY81, three Dutch banks participated in IFC loans to provide US\$20.3 million, of which US\$19.7 million was outstanding at end-FY81.

	<u>Number of Projects</u>	<u>Amount of Participation</u>	
		<u>Original (US\$m)</u>	<u>Outstanding End-FY81 (US\$m)</u>
Argemene Bank Nederland NV	3	8.1	8.0
Amsterdam-Rotterdam Bank NV	3	11.2	11.2
Central RABOBank	1	<u>1.0</u>	<u>0.5</u>
Total		<u>20.3</u>	<u>19.7</u>

Projects in the following countries received funds provided by these Dutch banks:

	<u>Amount of Participation</u>	
	<u>Original (US\$m)</u>	<u>Outstanding End-FY81 (US\$m)</u>
Brazil	10.0	10.0
Greece	1.0	0.5
India	4.0	4.0
Jordan	3.0	3.0
Spain	0.1	-
Zimbabwe	<u>2.2</u>	<u>2.2</u>
Total	<u>20.3</u>	<u>19.7</u>

In FY81, Amsterdam-Rotterdam Bank NV provided US\$11.2 million for the projects listed below. No other Dutch banks participated in IFC loans during the year.

<u>Country</u>	<u>Project</u>	<u>Original Amount Of Participation (US\$m)</u>
India	Tata Iron & Steel Co.	4.0
Zimbabwe	Wankie Colliery Co., Ltd.	2.2
Brazil	Polisul Petroquimica, SA	<u>5.0</u>
	Total	<u>11.2</u>

COFINANCING

Participation in IBRD/IDA

Shown below is the identified amount Dutch institutions committed to cofinance IBRD/IDA projects in FY75-FY81. No cases of cofinancing with Dutch sources in earlier years have been brought to our attention.

<u>Year</u>	<u>Amount of Cofinancing</u> <u>(US\$Million)</u>	
	<u>Total</u>	<u>Of Which</u> <u>Commercial Sources</u>
FY75	11.0	-
FY76	0.2	-
FY77	25.3	3.0
FY78	2.8	1.0
FY79	34.5	4.8
FY80	69.5	48.5
FY81	27.5	23.5

For FY81, following cases have been reported.

<u>Source/Borrowing Country</u>	<u>Project</u>	<u>IBRD/IDA</u>	<u>Amount</u> <u>(US\$Million)</u>
<u>Official</u>			
Yemen AR	Power II	IDA	<u>4.0</u>
Sub-total			<u>4.0</u>
<u>Commercial</u>			
Panama	Colon Urban Dev.	IBRD	4.0
Romania	Danube Black Sea Canal	IBRD	13.5
Yugoslavia	Highways XI	IBRD	<u>6.0</u>
Sub-total			<u>23.5</u>
Total			<u>27.5</u>

OFFICIAL DEVELOPMENT ASSISTANCE

Aid Performance

Dutch ODA increased by 12% from \$1,404 million in 1979 to \$1,577 million in 1980. The ODA/GNP ratio rose to a record 0.99% of GNP—the highest ratio among DAC countries—and only five DAC members contributed more in absolute terms.

Between 1979 and 1980, bilateral assistance rose from \$962 million to \$1,174 million, an increase of 22%, while multilateral assistance fell from \$442 million to \$403 million, a decrease of 9%. The share of multilateral ODA in total ODA was also down to 26%, as compared to the 1975-80 average of 29%. Of the Netherlands' 1980 multilateral ODA, IDA received \$94.3 million or about 23%, the UN agencies received 44%, the EEC 30% and most of the rest went to regional development banks.

Aid Policies

The Netherlands is among the most "development-minded" countries, it being one to the tenets of government policy that development cooperation is one of the major challenges facing the world today. Thus the Netherlands is one of the most active participants in the international development dialogue and has one of the most ambitious aid programs.

The government strongly favors the new round of global negotiations and is strongly committed to a new development strategy for the eighties. It is also an energetic advocate of efforts to improve the flow of information between developed and developing countries.

The Dutch aid program has two declared objectives: the structural improvement of the position of the developing countries in the world economy, and a direct attack on poverty. This is reflected in a comprehensive set of programs designed to meet the long-term as well as the short-term needs of developing countries. The Dutch bilateral program is flexible and includes long-term program and project aid as well as balance of payments aid, emergency aid and debt rescheduling. In recent years particular attention has been given to food production, which is expected to absorb about 18% of bilateral ODA in 1981. Energy is another area of attention with several studies financed by the Minister of Cooperation, particularly in the renewable energy field. The Netherlands has also supported the Bank's energy affiliate initiative.

Recently, roughly 30% of bilateral aid has gone to agricultural development, between 20% and 25% to public utilities, roughly 12% to education, roughly 10% to social infrastructure, and over 7% to the health sector.

Geographically, the Netherlands, like other donor countries, has attempted to concentrate its aid in fewer countries for greater efficiency. While it has continued its special programs with Surinam and the Netherlands Antilles, it has also chosen 13 target countries, namely Bangladesh, Colombia, Egypt, India, Indonesia, Kenya, North Yemen, Pakistan, Sri Lanka, Sudan, Upper Volta-Sahel, and Zambia--except for Colombia and North Yemen, all countries with a per capita GNP of under \$500.

With Surinam, the Netherlands entered an agreement in 1975 to make available, over a 10 to 15 year period, about \$1.5 billion for the implementation of its multi-year development plan. The Netherlands Antilles receive about \$100 million annually for general development purposes. Overall, 27% of bilateral aid goes to Latin America, while the share of Africa and Asia is over 30% and rising.

Roughly 30% of ODA is disbursed through multilateral institutions. About half of these funds go to UNDP (the Netherlands is the second largest contributor). The Netherlands is also an active participant in the European Community aid effort, where it firmly supports aid on easy terms for the non-associated countries, i.e., the poorest countries in South and South-East Asia.

In line with the first objective of its development strategy, the Netherlands had set aside funds for the structural

adjustment of private enterprises in the Netherlands; private industry has, however, not reacted very favorable and the funds have not been taken up fully. Recently the government has been trying to revive this program, partly by setting more realistic policy incentives.

Thanks in part to a systematic development information effort by the government with considerable support from non-governmental organizations, the media carries a great deal of information about development and the public is well informed and supportive of the Dutch programs. All major parties favor aid, which is the subject of lively debate in Parliament. In recent times aid effectiveness has however been questioned, and information on project effectiveness, including from the recipients' side, is being made available to Parliament and the media. Parliament also receives confidential evaluation reports on special programs.

Aid Administration

To solve management problems resulting from a rapidly increasing aid program, the decision was taken in 1978 to reorganize and strengthen the aid administration: two new Deputy Director posts were created; regional departments were set up to control various activities countrywide; for better coordination a Council of Director, chaired by the Minister, was created. Furthermore, a separate

department to deal with private organizations was set up, and embassy development divisions are being strengthened.

The Netherlands is also currently engaged in an evaluation of multilateral institutions' aid policies and capacity for aid implementation. The study is chiefly concerned with various UN funds and UNDP.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

The Netherlands has a complex, multiparty system. No single party is able to obtain an absolute majority and so governments must be formed from coalitions. The country is currently without a government since the right-of-center coalition of Christian Democrats and (conservative) Liberals which had been in power since December 1977 under the leadership of Prime Minister Andreas van Agt lost its narrow parliamentary majority in national elections on May 28. Following established procedures, inter-party discussions are now under way to constitute a new coalition with an agreed legislative program. In 1977, this consultative process took seven months; this time, it may also take several months.

Whatever the ultimate composition of the new coalition, the outcome will be felt very much more on the domestic scene than on the international one (with the possible exception of defense policy, where a leftist Dutch coalition could find itself in limbo within the western alliance). On economic policy, the four major parties agree that priority must be given to fostering investment to make industry more competitive. Aid policy will be affected only at the margins, i.e., in "barometer" areas such as private flows, and human rights; the parties' commitments to allocating 1.5% of net national income to development assistance is not in question.

B. Economic Situation

The picture painted in the latest OECD Economic Survey of the Netherlands outlook is so grim that the authors conclude by stating that it "should not be allowed to cloud the basic strong potentialities of a technologically advanced, resource rich economy with a highly skilled labor force and a long tradition of successful integration in international trade". Slow growth of output and investment, high unemployment, continuing strains on public finance, inadequate business prospects and a current external deficit for an essentially energy sufficient economy--these are the economic problems of the Netherlands in 1981.

The Netherlands is fighting the usual battle against recession and inflation. Inflation has been contained with the help of a pay freeze and a statutory incomes policy. It is estimated that compensation per employee in the business sector rose by 6.25% in 1980 while consumer prices rose by 6.5% essentially because of higher import prices. This nominal income restraint has made it difficult to increase government revenue through taxation. However, government spending has been increasing and social security payments are expected to account for 35% of government expenditure in 1981.

The most intractable problem of the Netherlands economy is the labor problem. Wherever productivity has improved, this has

usually been attributable to a substitution of capital for labor. The number of unemployed has been increasing steadily, to an estimated 350,000, well over 7% of the labor force. The social security system's generous guaranteed minimum income provisions apparently serve as a disincentive to work and no less than 15% of the work force has been deemed eligible for disability pensions. Absenteeism is also a continuing problem. The future outlook is exacerbated by the Planning Bureau's estimate that there will be 50,000 new entrants into the labor market each year until 1985, with a forecast unemployment rate of 10% by 1985 if present trends continue.

On the brighter side, the Planning Bureau has forecast that the current account in 1981 might be in balance after a \$1.85 billion deficit last year, largely because slow export performance is being counter-balanced by a still stronger decrease in imports. Two reports recently published, both commissioned by the last government, propose a series of measures which, if accepted by parliament, might create the social and economic framework favorable to business and to a "re-industrialization" of the Netherlands. Some hope exists that a consensus is now in the making between the political parties and the trade unions, which would enable a new government to take the necessary measures to get the economy moving.

It is expected that the Central Bank will continue the established Bank policy of using monetary controls to provide a sound basis on which budgetary, price and wages policies can be based.

NORWAY
Briefing Paper

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September 1981

Key Points

IDA

Norway has given IDA its formal notification of participation in the IDA6 Replenishment (\$144 million) as well as in the advance contribution scheme (\$41 million). Norway has increased its share from 1.05% in IDA5 to 1.20% in IDA6. Recently, Norway, together with the other Nordic donors, stressed the importance of maintaining the countries' negotiated shares (burden sharing arrangements) as agreed to for the IDA6 replenishment.

IBRD

Borrowing. The current FY82 borrowing program envisages a Euro-Norwegian krone public offering of NKr150 million (about US\$ 27 million). This would be the first IBRD borrowing in the Norwegian currency. The authorities are likely to consider favorably this proposed borrowing. Although they do not welcome the growth of the emerging Euro-Norwegian krone market, they appear to prefer our borrowing in the euro-market rather than the domestic capital market, which is very small and tightly controlled.

You may wish to encourage the authorities to give their maximum support for our proposed borrowing.

Further IBRD and Other

Please refer to the Nordic countries' summary of key points.

IBRD BORROWINGS

The current FY82 borrowing program (July 31, 1981) envisages a Euro-Norwegian krone public offering of NKr150 million (about US\$27 million). This would be the first IBRD borrowing in the Norwegian currency. We have not borrowed in the Norwegian capital market or in its currency before. However, we have borrowed from Norway about US\$260 million with 2-year central bank bonds, including US\$20 million in FY81.

The authorities are likely to consider favorably this proposed borrowing. Although they do not welcome the growth of the emerging Euro-Norwegian krone market, they appear to prefer our borrowing in the euro-market rather than the domestic capital market, which is very small and tightly controlled.

In a few years, Norway may become important for our borrowing. Norwegian banks expect that the North Sea oil will turn the country into a capital exporter. For a while the country would use its current account surpluses to amortize debt incurred in the past, but banks are beginning to prepare themselves to act as a channel for exporting capital.

COFINANCING

Participation in IFC Loans

Den Norske Creditbank provided US\$5 million for the following IFC projects through loan participations in FY80 - FY81:

<u>Country</u>	<u>Project</u>	<u>Amount of Participation (US\$m)</u>
Pakistan	Attock Refinery Ltd.	1.0
Pakistan	Pakistan Oilfields Ltd.	1.0
Colombia	Petroleos Colombianos Ltd.	<u>3.0</u>
	Total	<u>5.0</u>

No other Norwegian banks participated in IFC loans. However, as Norwegian banks are beginning to seek opportunities for foreign lending, their participation may increase in a few years.

COFINANCING

Participation in IBRD/IDA

The identified amount of cofinancing from Norwegian sources is shown below:

<u>Year</u>	<u>Amount</u> <u>(US\$Million)</u>	
	<u>Total</u>	<u>Of Which</u> <u>Commercial Source</u>
FY73	23.2	-
FY74	7.2	-
FY75	15.6	-
FY76	-	-
FY77	27.6	-
FY78	12.4	1.0
FY79	20.0	-
FY80	11.3	-

No case of cofinancing with Norwegian sources in FY81 has been brought to our attention.

Only one case of cofinancing from Norwegian commercial source has been identified. Andresense Bank International SA committed in FY78 to provide US\$1 million for DFC Industrial Credit I, Argentina.

COFINANCING

Participation in IBRD/IDA

The identified amount of cofinancing from Norwegian sources are shown below:

	Amount (US\$Million)	
	<u>Total</u>	<u>Of Which Commercial Sources</u>
FY73	23.2	-
FY74	7.2	-
FY75	15.6	-
FY76	-	-
FY77	-	-
FY78	1.0	1.0
FY79	20.0	-
FY80	11.3	-

No case of cofinancing with Norwegian sources in FY81 has been brought to our attention.

Only one case of cofinancing from Norwegian commercial source has been identified. Andresense Bank International SA agreed in FY78 to provide US\$1 million for DFC Industrial Credit II, Argentina.

AID POLICIES AND PERFORMANCEA. Aid Performance

In 1980 Norway was second only to the Netherlands when DAC donors were ranked on the basis of ODA/GNP ratios. Norway's total ODA rose from \$429 million in 1979 to \$472 million in 1980, but the ODA/GNP ratio fell from 0.93% to 0.82%. The 1981 budget, however, again allocates 1% of GNP to foreign aid. Norway's medium-term economic program for 1982-85 contains a 1.3% ODA/GNP ratio to be reached in stages by 1985, the most ambitious target of any DAC member.

Multilateral contributions accounted for 43% of total Norwegian ODA in 1980. The UN and its specialized agencies received \$119 million or 59%. IDA, the next most important recipient, received \$42.3 million.

B. Aid Policy

Norwegian development assistance programs are guided by three main principles: the funds shall be put to the best possible use and effectively promote development; they shall essentially be given in the form of grants-in-aid and, in principle, not be tied to procurement of Norwegian goods and services; and the division between bilateral and multilateral assistance will be about 50:50.

Norway is deeply committed to development assistance and is actively involved in the North/South dialogue. In view of the current world economic situation and the slow development of ODA, the Norwegian government remains a proponent of a more consistent policy for the transfer of resources to the developing world.

Norway concentrates its aid on nine main partner countries (Tanzania, Bangladesh, India, Kenya, Pakistan, Botswana, Mozambique, Zambia, and Sri Lanka in order of importance), with whom it draws up revolving four-year programs. The main criteria for assistance include the promotion of development, help for the most needy and human rights.

The nine main partner countries received 59% of Norway's bilateral aid in 1979, while 14.6% went to so-called "commission countries" (Vietnam, Turkey, Portugal and Jamaica). The sectoral distribution of the aid program shows a decrease in the share going to agriculture and fisheries (18.9% in 1980 as against 29.3% in 1978) and an increase in the shares for transport, communications and water supply (24.9% in 1980 as against 20.1% in 1978), while the shares going to health and family planning (10.3% in 1980), industry and handicrafts (9.8%), and education (6.5%) remain virtually unchanged. The relative decline in agriculture/fisheries projects reflects a new orientation to water supply projects, and also an increase in program-type lending.

On the multilateral side, it is significant that Norway, which did not belong to the Inter-American Development Bank (IDB) because of the political situation in Chile and Argentina, applied to join in the spring of 1981. However, when the proposal came to parliament, it was decided to postpone the debate until after the elections. Norway has obtained a six-month extension from the IDB but is now unlikely to enter the IDB before 1982 or 1983.

Concerning the World Bank, the government reacted strongly to Norway's exclusion from the energy affiliate working group. The Bank has also been criticized for renewed lending to Chile and there have been expressions of hostility to the notion of lending to El Salvador. As for Norwegian industry, it has been making known its disappointment at the "low" level of procurement from Bank and UN agency projects, compared to Norway's "high" contribution to these organizations. In a recent letter to parliament's Foreign and Constitutional Affairs Committee, the Federation of Industries supported the idea of increased cofinancing (joint or parallel) with the World Bank. For its part, the Foreign and Constitutional Affairs Committee, in its May review of the government's aid report, asked for rules and principles to be drawn up for parallel financing.

The Norwegian press, though generally favorable to development, does not hesitate to underline difficulties or delays in

bilateral projects. Public attitudes toward development assistance remain quite positive, however. The latest aid poll (January 1981) resulted in 41% of the sample considering "next year's aid budget as adequate" (30% in 1972), 46% terming it "too high" (61% in 1972 and 12% "too low" (7% in 1972).

C. Aid Administration

The Norwegian Foreign Ministry's Department for International Economic and Social Development is responsible for the planning and control of the aid program. The program itself is implemented by the Norwegian Agency for International Development (NORAD). The Department also administers Norway's multilateral assistance and humanitarian aid. About 25 people in the Ministry are involved with development assistance.

Created in 1962, NORAD is headed by a 9-member Board, and is advised by a 20-member Council. It implements the bilateral program and is also responsible for the administration of official schemes to encourage private investment by Norwegian enterprises in developing countries. (About 230 people work for NORAD, including 60 in the field.) Measures to stimulate export to (and imports from) developing countries are mainly under the administrative responsibility of the Trade and Shipping Ministry.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

The political scene in Norway has been dominated by the general elections scheduled to take place September 14. Prime Minister Nordli resigned on January 30, and was replaced by the Labor Party's deputy chairman, Dr. Brundtland, the first woman Prime Minister in Scandinavia.

Prime Minister Nordli's resignation resulted from a) political pressures, b) inability to manage differences inside the Labor Party on important foreign policy issues (notably Western Alliance defense issues), c) inability to check the strong ecological protests which developed over the construction of a hydropower plant in Norwegian Lapland and finally, d) inability to redress the country's economic situation (in spite of abundant offshore oil, inflation runs at 13%).

To "ensure a Labor victory in September", Mrs. Brundtland got herself elected party chairman, though the posts of Party Chairman and Prime Minister have been disassociated since 1975. If Labor was to lose the September 1981 elections, the aid volume, the intended 50/50 division between multilateral and bilateral assistance, and the countries assisted would probably remain unchanged. The Conservative, Christian Democratic, Center and Liberal Parties are virtually as

strong in their commitment to development assistance as Labor. The Christian Democratic Party (with 22 representatives in the 155 member parliament) even favors an increase of Norwegian ODA to 1.7% of GNP.

B. Economic Situation

According to the last OECD survey, Norway's GNP is expected to rise in real terms by around 0.5% in 1981, as compared with 3.6% in 1980 and 4.5% in 1979. Norwegian prices are expected to climb by 13% to 14%, faster than the expected OECD average. Productivity within industry has been among the lowest in the OECD area. However, there is little overt unemployment; it stood at about 1% in 1979 and 1980, and is expected to increase only slightly in 1981.

The government's medium-term economic program for 1982-85 foreshadows a change of direction. Support for industry is being reduced. (Subsidies to industrial firms will even be withdrawn unless half of their employees are women). The volume of lending through the state bank is being curbed. Cuts in personal income tax and a switch to heavier indirect taxation are intended to open the way for wage restraint and to allow wages and prices to be influenced by market forces. Recognizing that industry must adapt to high cost levels, the program gives priority to improving productivity, stimulating private savings and adjusting tax policies, in order to encourage profitable investment. The government also foresees growth of no more than 2.5%

a year in GNP, and warns Norwegians that they can expect little or no improvement in their purchasing power in 1982-85.

Oil and gas account for 15% of GDP, about the same share as manufacturing, and forecasts are that it will grow to 20-25% by the mid-1990s. Oil exports are now a third of total exports by value. The new economic program aims at tightening of fiscal and monetary policy, allowing oil and gas revenues to contribute substantially to the repayment of foreign debt.

A development of long-range importance to the Norwegian economy is the agreement signed with Sweden in March aimed at paving the way for increased cooperation between the two countries, particularly in energy and in industry. The agreement provides for energy swapping, with Sweden making electric power supplies available in return for guaranteed quantities of Norwegian oil. The two countries also agreed to establish jointly a \$55 million industrial cooperation fund, which will help finance industrial cooperation projects involving Swedish and Norwegian companies.

MINISTRY FOR FOREIGN AFFAIRS

Press Division

May 22, 1981

THE SWEDISH GOVERNMENT

<u>Prime Minister</u>	<u>Thorbjörn Fälldin (Centre)</u>
<u>Minister for Foreign Affairs, Vice Prime Minister</u>	<u>Ola Ullsten (Lib.)</u>
Minister of Education and Cultural Affairs	Jan-Erik Wikström (Lib.)
Minister of Housing	Birgit Friggebo (Lib.)
Minister of Agriculture	Anders Dahlgren (Centre)
Minister of Industry	Nils G Åsling (Centre)
Minister of Health and Social Affairs	Karin Söder (Centre)
Minister for Civil Service Personnel	Olof Johansson (Centre)
<u>Minister of the Economy and Budget</u>	<u>Rolf Wirtén (Lib.)</u>
Minister for Immigrant and Equality Affairs	Karin Andersson (Centre)
Minister of Local Government	Karl Boo (Centre)
Minister of Justice	Carl Axel Petri (without party affiliation)
Minister of Labour, also responsible for presentation of reports on energy matters	Ingemar Eliasson (Lib.)
Minister of Defence	Torsten Gustafsson (Centre)
Minister of Transport and Communications	Claes Elmstedt (Centre)
Minister for Schools	Ulla Tillander (Centre)
Minister for Public Health and Medical Services	Karin Ahrland (Lib.)
Minister of Commerce	Björn Molin (Lib.)

CARL XVI GUSTAF, KING OF SWEDEN

On September 19, 1973, a young king came to the throne in Sweden. Carl XVI Gustaf succeeded his grandfather, 90-year-old King Gustaf VI Adolf. The new king chose as his motto "For Sweden in Keeping With the Times," and in a speech in the Hall of State addressed to the Government, the Parliament, and the people of Sweden he declared that this motto was chosen as an expression of his desire to fulfill the demands on a modern monarch. He also wished it to be understood as an appeal for mutual understanding and development for the benefit of Sweden.

King Carl XVI Gustaf was born on April 30, 1946, at Haga Palace as Sweden's heir apparent. As his father, Prince Gustaf Adolf, had died in an air crash in 1947, he became Crown Prince when his grandfather, King Gustaf VI Adolf, acceded to the throne on October 30, 1950. His mother was Princess Sibylla, nee the Princess Saxe-Coburg-Gotha, who died in 1972. He has four elder sisters, the Princesses Margaretha, Birgitta, Désirée and Christina. The King is a descendant from the Bernadotte Dynasty of which the famous marshal of Napoleon, Jean Baptiste Bernadotte, was elected Crown Prince of Sweden in July 1810. He was succeeded upon his death in 1844 by his only son, King Oscar I, married to Queen Josefina, daughter of Eugene de Beauharnais, the stepson of Napoleon. He died in 1859 at the age of 60 and his eldest son became King Karl XV. His brother Oscar II succeeded him at his death in 1872 and reigned until 1907, when he died. Gustaf V, his son, had been king for 43 years when he at his death in 1950 was succeeded by King Carl XVI Gustaf's grandfather, King Gustaf VI Adolf.

The King was educated at a coeducational boarding school at Sigtuna, near Stockholm. His studies there consisted mainly of history, geography, social science and modern languages, and in the spring of 1966 he passed the university entrance examination.

His military service consisted of two years training in the various branches of the armed forces. The program mainly concentrated on naval training including service with a torpedo boat unit and theoretical studies at the Royal Naval Academy, terminating with the naval staff examination in the autumn of 1968. The King's military training has later been complemented by the study course for commanders at the Royal National Defense College and by service as a naval officer.

Following his military service, the King studied for a year at the University of Uppsala, where, during the academic year 1968 - 1969, he concentrated on history, sociology, political science, financial law and economics.

King Gustaf VI Adolf, who took a lively interest in the education of the then crown prince in preparation for his royal duties, wanted him to acquire the best possible practical knowledge of the way Sweden is governed and of the functions of the Swedish society. The aim was that he should gain experience from all over the country in central administration and industrial activity. The king-to-be should also be given an insight into the every-

day life of the Swedish people. Thus, when visiting factories he not only met the management and discussed their problems, but also met with employees at various levels in their work environment.

A more detailed study of the modern Swedish society then took place. The King spent some time familiarizing himself with the activities of central agencies and local authorities and had an opportunity to study the operations of companies at the office and factory levels, particularly firms in the forestry and engineering industries. The King also studied regional activity and administration in various parts of the country. His program also covered a study of Sweden's judicial system, ecclesiastical activities, the banking system, the press, radio and television.

He thoroughly acquainted himself with the organizations of the labor market as well as with a number of social agencies and institutions.

The period immediately preceding his accession to the throne the King devoted to studying the central government, ministries and the Parliament, where he mainly concentrated on the Ministry for Foreign Affairs and also attended courses in foreign policy and international affairs arranged those entering the diplomatic service. Simultaneously, the King studied economics at the Stockholm University, terminating the course by passing an examination.

The King has acquired knowledge and experience of international activities by following the work of Sweden's delegation to the United Nations in New York, by studying the work of the Swedish International Development Authority in the field (in Tanzania, Kenya and Ethiopia) and by spending some time at the Swedish Embassy in London as well as at the Swedish Chamber of Commerce and Hambro's Bank in the British capital. During these years of preparation the King has usually spent the summers in France, mainly studying the language but also French agriculture and industry.

His concern for the environment made the King an interested participant in the preparatory work for the United Nations conference on the Human Environment in Stockholm in the summer of 1972, and he followed the conference closely.

The King is active in environmental protection and nature conservation and is honorary chairman of the Swedish branch of the World Wildlife Fund. He is a keen and active farmer at his estate, Stenhammar, west of Stockholm, and he is fond of outdoor life with hunting and fishing as his hobbies. A skilled sportsman, he shoots well and is a good skier and sailor. He lives in a newly-furnished apartment in the Stockholm Palace and at his summer residence in Solliden on Öland, an island off the east coast of Sweden.

In June 1976 King Carl XVI Gustaf married Miss Sylvia Sommerlath. They have two children: crown princess Victoria, born 1977, and prince Carl Philip, born 1979.

THORBJÖRN FÄLLDIN (Center Party)

Ramvik. Born in 1926. Lower Secondary School Leaving Certificate. Trained as an officer in the Reserve. Farmer. Chairman of the Rural Youth Association, Angermanland District, 1950-56. Member of the Centre Party Executive from 1966 and First Vice-Chairman, 1969-71. Chairman of the Centre Party from 1971. Member of Parliament, 1958-64 and since 1967-, Prime Minister 1976-78 and since 1979. Married, three children.

CARL AXEL PETRI (without party affiliation)

Jönköping. Born in 1929 at Ronneby. LL.B. from Lund University, 1953. During the 1958-61 period worked for various parliamentary Standing Committees. Head of Division at Stockholm Administrative Court of Appeal in 1972-76 and then in 1976 Chief Justice at the Jönköping Administrative Court of Appeal.

Carl Axel Petri has been a member of the Governing Council of the National Environmental Protection Board, Chairman of the Stockholm Legal Aid Board, Chairman of the Environmental Protection Commission and of the Committee on Legislation concerning Aliens. Minister of Energy since 1979. Married, two children.

OLA ULLSTEN (Liberal Party)

Stockholm. Born in 1931 at Teg, Umeå. Lower Secondary School Leaving Certificate. Degree in Social Sciences and Public Administration, 1956. Secretary in the Liberal Party Parliamentary Group, 1957-62, secretary in the Stockholm City Cultural Affairs Division. Leader-writer on the national daily newspaper "Dagens Nyheter". 1962-64. In 1962 Chairman of the Liberal Party Youth Federation. In 1969 Chairman of the Stockholm branch of the Liberal Party. In 1971-75 Chairman of the Liberal Party in the County of Stockholm. Member of Parliament in 1964 where, among other things, he was a member of the parliamentary Standing Committee on Physical Planning and Local Government. Minister for International Development Co-operation in 1976 and later also assumed responsibility for immigrant affairs. Prime Minister 1978-79. Foreign Minister since 1979. Two children.

CLAES ELMSTEDT (Centre Party)

Ronneby. Born in 1928 at Hulta. Farmer. County college, school of farming. Chairman of the Centre Party in the Blekinge district, Chairman of the Swedish Radio Company since 1978, Chairman of the Lund/Malmö Regional Board of Universities and Colleges since 1977, Chairman of the County Education Board in the county of Blekinge since 1977, Vice-Chairman in the Southern Sweden Co-operative Bank. Member of the National Board of Agriculture, 1977-81. Member of Parliament since 1965. Chairman of the Centre Party parliamentary group since 1979. Member of the Advisory Council on Foreign Affairs, the Speaker's Conference. Vice-Chairman of the parliamentary Standing Committee on Education. Married, one child.

ROLF WIRTEN (Liberal Party)

Jönköping. Born in 1931 at Eskilstuna. Lower Secondary School Leaving Certificate in Flen, 1948. Elementary school teacher in Jönköping in 1954 and Headmaster at Taberg in 1959. Deputy Chief Education Officer in Jönköping in 1965. Member of the Liberal Party Executive since 1969 and Chairman of its Working Committee in 1977. Chairman of the Jönköping Local History Society and the Swedish Museums' Association, 1976-77. Chairman of the Jönköping County Council, 1974-76. Member of Parliament, 1966. Leader, 1976-78, of the parliamentary group of the Liberal Party. Chairman of the Standing Committee on Labour-Market Affairs, 1976-77. Minister of Labour, 1978-80. Minister of the Budget 1980-81. Married, three children.

OLOF JOHANSSON (Centre Party)

Vällingby. Born in 1937 at Ljungby, Kalmar county. Higher Secondary School Leaving Certificate, representative for the Centre Party in Stockholm. Administrative secretary for the Centre Party in Stockholm. Chairman of the Centre Party Youth League, 1969-71, member of the Party Executive since 1969, Second Vice-Chairman of the Centre Party since 1979. Member of Parliament since 1971. Member of the Standing Committee on Industry, member of the Committee on Atomic Legislation, Minister of Energy in the three-party Government, Minister for Civil Service Wages and Pensions, 1979. Married, two children.



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GÖSTA BOHMAN

Leader of the Conservative Party. (Moderata Samlingspartiet)

Gösta Bohman, born 1911 in Stockholm, graduated in law at the University of Stockholm in 1936. He has been an officer in the reserve since 1932.

After having completed his legal training by serving at the local assizes, Mr Bohman became an assistant director at the Stockholms Association of Building Contractors. In 1942 he became acting secretary to the Commissioner of Urban Building in the Stockholm City Administration.

Later that year he became secretary to the Stockholm Chamber of Commerce and in 1948 became the deputy managing director of the Chamber of Commerce. He resigned from this appointment in 1970 when he was elected Chairman of the Swedish Conservative Party.

He was Chairman of the Stockholm Conservative Association 1961-63. In 1965 he was elected as first vice-chairman of the Swedish Conservative Party and became Chairman five years later.

Mr Bohman was elected to the Swedish Riksdag in 1958. Mr Bohman's current assignments include membership of the Foreign Policy Council and the Riksdag's Standing Committee on Foreign Policy. He also represents Sweden in the Parliamentary Assembly of the Council of Europe. He is a member of the Nordic Council and member of the Board of the Swedish National Committee for Cultural Cooperation.

Earlier assignments reflect Mr Bohman's interest in urban and traffic planning, cultural questions, defence issues and economic policy. He was member of the 1960 and 1965 Defence Commissions (parliamentary bodies appointed for the purpose of preparing Riksdag bills on the planning and budgeting of Swedish defence). From 1967-70 he was Chairman of the Standing Committee on Appropriations.

Mr Bohman's wife, Gunnel, née Mossberg, is the Principal Librarian at the Library of the Riksdag and is also active in the International Federation of Library Associations.

August 1973

OLOF PALME, Prime Minister
Leader of the Social-Democratic Party

Olof Palme, who at the age of 46 is one of the most prominent politicians in Sweden, can look back upon a long political career, and today he plays an important role in the major political decisions and debates. He has a strong position in his party, the Swedish Social-Democratic Labour Party, which has held government power almost uninterruptedly since 1932.

1. Personal background

The picture which many Swedish people have of Olof Palme is that of a boy from a privileged class who became a Social-Democrat, a university-educated man who became a leader of the labour party. He himself considers his domicile in the Swedish labour movement to date from the time of his political début at the end of the 1940's.

Olof Palme was born on January 30, 1927, in Stockholm. His father, business man and managing director of an insurance company, died when Olof Palme was six years old. The mother brought up her children in a middle-class home in a fashionable part of Stockholm. Olof had a good head for studying - already as a child he had a thorough knowledge of two foreign languages - but he was periodically in poor health. He went to Sigtuna humanistiska läroverk, a boarding school not far from Stockholm. Olof Palme passed final exams at this school at the early age of 17. During his military service he attained the rank of Lieutenant in the Cavalry and he took his Bachelor of Law degree in 1951 at the University of Stockholm.

During the period immediately after the Second World War his political interest developed in a radical direction. Palme was first and foremost interested in the Social-Democratic struggle to attain increased equality and in the economic programme which bore the stamp of the Minister of Finance at that time, Mr. Ernst Wigforss. Wigforss is one of the politicians whom Palme admires most for his ideological contribution and energetic work to accomplish his ideals. Palme joined the party in 1949.

Many trips abroad gave young Palme strong political impressions. After having spent a year at Kenyon College, Ohio, U.S.A., in 1948, where he took the Bachelor of Art degree, he hitch-hiked across the United States for four months without money. Another trip abroad took him to India, Ceylon, Burma, Thailand, Singapore and Indonesia.

In Sweden he became a student politician and in 1952 he was elected President of the National Swedish Union of Students. As a student politician he made many trips abroad and took part among other things in the building up of a new international student organization after the communists had gained influence over the existing International Union of Students.

In subsequent speeches Palme has often described the situation in the beginning of the 1950's, when the ideas with which he sympathised were being suppressed not only by Communism which then appeared to be on advance in Europe - the Prague events in 1948, the crushing of the Berlin revolt, the cold war - but also by the Conservatives. Labour was thrown out of office in England, Adenauer won a great victory in Germany, in the U.S.A. Eisenhower conquered the democratic party line of Stevenson. In Sweden the Social-Democrats had a relatively poor 1952 election result. This did not, however, dampen Palme's interest. In 1954 Prime Minister Tage Erlander - himself a university man - discovered the energetic student politician and employed him as his secretary. Palme has often stressed that the almost daily cooperation with the Prime Minister over a period of 15 years has meant much to his political development.

In a recent newspaper interview, Olof Palme jokingly said about his middle-class background that his mother - a von Knieriem - belonged to a Baltic "poor gentry" and on his paternal side he descended from a Dutchman who moved to Sweden where he became a wealthy man and could therefore afford to send his sons to the university for theological studies. Many of Palme's ancestors were clergymen or representatives of other intellectual professions.

Recently Palme replied to one of the recurrent questions about his origin in the following way:

"I am born in the upper-class but I belong to the labour movement. I have come to join the labour movement by working for the working class on its own conditions and by adhering to a movement which desires liberty, equality and fraternity between people. As far as I can see, it is not so essential where I come from as where I stand today and which road I am taking".

2. Political commissions

Olof Palme was given an important position close to the Prime Minister in 1954. At that time the Head of the Swedish Government had only a small Chancery of his own and Palme was given many central co-ordination tasks. He drafted speeches, was the political adviser and a partner when discussing ideologies. At the same time he was active in the practical political work of the party by being the leader of stu-

dy groups in the Social-Democratic Youth of Sweden from 1955 for six years onwards. He has almost 1,000 lectures and meetings in the youth organizations to his credit. As of 1955 he was a member of the Board of the Worker's Educational Association. His Riksdag career began in 1957 when he was elected to the First Chamber as the representative for the County of Jönköping. He found a new outlet for his interest in student politics when he became chairman of a large Government Commission on socio-educational policy; an inquiry into financial aid to students and a review of adult education. An important aim was to radically improve the financial possibilities for everybody to have higher education. In the beginning of 1960, Palme was a member of the Swedish Agency for International Assistance, and also in charge of inquiries into foreign assistance and educational aid.

In 1963 he became a member of the Government, a Minister without portfolio. He retained his duties as a close political adviser to the Prime Minister.

In 1965 Olof Palme was given the post of Minister of Communications. Important questions in his Ministry, which attracted considerable attention, often made it necessary for Palme to make declarations before the public. An important question in the hands of Palme was the decision to expand radio and television in accordance with the Social-Democratic view that broadcasting should be in the service of society and not commercially operated. Another question, which aroused international attention, was the change from left-hand to right-hand traffic in Sweden in 1967.

The Social-Democrats suffered severe defeats in the municipal elections in 1966. From that time onwards Palme played an important role as organizer and speaker in the large-scale election campaign which the party immediately started in preparation for the elections to the Riksdag in 1968.

In 1967 Palme was appointed Minister of Education. Large sectors of the school reform in Sweden had been accomplished earlier, but there still remained very important tasks, especially with regard to adult education, the training of nursery school teachers, higher education and research, the internal organization of the schools, etc. In addition Palme retained the radio and television questions and cultural problems have also taken up a considerable part of his time.

Interest in international affairs rose strongly in Sweden during the 1960's and not only among youths and students, but in large sectors of Swedish opinion.

As in many other countries the aggravated situation in Vietnam received increasing attention in Sweden. Already in 1965, Olof Palme delivered a speech in Gävle which was, in principle, a review of the situation in the world and in Sweden. A part of this speech concerned Vietnam and was regarded as a strong criticism of the engagement of the United States in that country. Public opinion in Sweden on the Vietnam question grew in strength and in 1968 caused irritation to the American side. Among other things, Palme participated in a demonstration in Stockholm side by side with a North Vietnam Ambassador. He was criticized by the Swedish Conserva-

tive and Liberal parties. The Conservative leader even went as far as to demand his resignation. Palme and the other members of the Government, energetically defended the Swedish right to express criticism and to take sides in the struggle for liberty going on in many parts of the world. Olof Palme was regarded as a leading representative of the serious Swedish Vietnam opinion. He was severely criticized by his political opponents, even if all the political parties generally supported the line adopted by the Government on the Vietnam question.

3. The politician Palme

"Ideologies are dead in the welfare state of Sweden", wrote the well-known Swedish publicist Herbert Tingsten a few years ago. A main theme in Palme's political message has been to show that Tingsten was wrong. Democratic-Socialism has never before been more necessary, never had such important functions as in a world of growing solidarity, said Palme in a speech in which he quoted John F. Kennedy's address in Berlin: "So we are all idealists. We are all visionaries, Let it not be said of this generation that we left ideals and visions to the past, nor purpose and determination to our adversaries".

Palme has often given this picture of idealism and vision when making public appearances and on several occasions he has acted as the leading theorist of the party. With his growing experience of practical political work in the Riksdag and administration he has also gained in importance as a politician, which is admitted even by his political opponents.

Palme's position among the youth in his own party has never been questioned. His long leadership in the Social Democratic Youth of Sweden in 1955-61 helped secure this position. His personal and political closeness to the leader of the party, Erlander, gave him a starting-point for further contacts within the party. As Minister of Communication and Minister of Education he gained the experience of Ministry work which his critics earlier believed he lacked. As a result of his hard work in the successful election campaign in 1968 he has still further strengthened his position both in the party and in the trade union movement. His ability to engage both young and old in efforts to achieve a common goal is considered in the party to be a great asset.

Since the beginning of his political career Palme has been the target for criticism from the Conservatives and the Liberals. His forceful contributions in debates - not least in the televised election debates - has caused irritation among his opponents. The conception of Palme as an "éminence grise" behind Erlander was developed by the opponents. Today he has, and very much so, an image of his own.

In such a large party as that of the Swedish Social-Democrats there are, of course, both ideologically concentrated thinkers and pragmatists with their feet well on the ground. Labels often become misleading, but it is clear that the stalwart realists are well represented in the present Government. In descriptions of Palme the ideological trait has often been emphasized. But it is also true that his contribu-

tions to practical party work and the heavy duties as a Minister make him a practical and realistic politician of rank. Much of Palme's strength is to be found in this combination of thinking and action.

Palme has won political successes via hard practical work combined with an engaging faculty of speech, which is recognized in all political camps. Those who can read Swedish can study some of his more important speeches in the book entitled "Politik är att vilja". Some of the speeches are also available in an English translation.

The fact that Palme's speeches have also received attention outside Sweden could be seen, for example, when the American Senator J.W. Fulbright, with approval, entered in the minutes of the United States Senate the speech Palme made at the much noted Vietnam demonstration in Stockholm on February 21, 1968.

Contained in the collection of speeches mentioned above are the main themes of his philosophy in the general political sphere, regarding solidarity across the borders, education and environmental questions. It is not possible to give details of Palme's political message in this short biography, but a basic idea is that: we must unite our desire to shape our own society with international responsibility and international solidarity. This idea closely concurs with a growing Swedish opinion, which he himself has helped to create. In a newspaper interview Palme gave as political aims:

- to prevent technological advances from achieving unreasonable social consequences,
- to work for equality between the different groups of society,
- to work for increased democratization in all spheres, giving the people joint responsibility and joint influence,
- to contribute to an internationalization of the Swedish society.

4. Some personal data about Palme

In 1956, at the age of 29, Olof Palme married Lisbet, née Beck-Friis, who is four years younger. Mrs. Palme has kept away from the publicity which surrounds her husband. She works as a children's psychologist. They have three sons, Joakim 15, Mårten 12 and Mattias 5 years old. The family lives in a terrace house in Vällingby, a suburb west of Stockholm. During the political season Palme is much engaged but in summer time the Palme family leave, as most other Swedes do, for the country. Their holiday resort, which the Palme family rent, is situated on the remote island of Fårö, north of Gotland in the centre of the Baltic Sea.

In addition to his own family life, reading takes up a considerable part of Olof Palme's leisure time. As regularly as work permits Olof Palme plays tennis or goes cross-country running together with his eldest son and sometimes Olof Palme can be seen among the spectators at international track meets and league football matches.

INTERNATIONAL WHO'S WHO

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Award, Tony Award, British Film Acad. Award 1956; acted in plays: The Rose Tattoo, The Teahouse of the August Moon, Camino Real, Luv, Typists and Tiger, Promenade All 1973, Waltz of the Toreadors 1974, The Diary of Anne Frank 1978. *Films include:* Baby Doll 1956, The Line-Up 1958, Seven Thieves 1959, The Magnificent Seven 1960, The Misfits 1961, How the West Was Won 1962, The Victors 1963, The Moonspinners 1964, Lord Jim 1965, Genghis Khan 1965, How to Steal a Million 1966, The Good, the Bad and the Ugly 1967, The Tiger Makes Out 1967, Mackenna's Gold 1968, Cinderella Liberty 1973, Domino Principle 1975, The Sentinel 1975, The Deep 1975, Winter Kills 1975, The Silent Flute 1978, Movie Movie 1978. *Leisure interest:* photography. *Address:* c/o Actors' Equity Association, 165 West 56th Street, New York, N.Y. 10036, U.S.A.

WALLENBERG, Jacob; Swedish banker; b. 27 Sept. 1892, Stockholm; ed. School of Economics, Stockholm; Asst. Man. Stockholms Enskilda Bank 1918, Vice-Man. Dir. and mem. Board 1920, Man. Dir. 1927-46, Vice-Chair. of Board 1946-50, Chair. 1950-69; Chair. Förvaltnings AB Providentia, AB Investor until 1978; mem. Board Nobel Foundation 1952-68; Chair. of Board, Knut and Alice Wallenberg Foundation 1966-; Dr. h.c. (Econ.) and Dr. med. h.c.; Hon. mem. Royal Swedish Acad. of Eng. Sciences; Commdr. Grand Cross Order of Vasa, Commdr. Grand Cross Order of Polar Star, Commdr. 1st Class Order of Dannebrog (Denmark), Commdr. of White Rose of Finland, Chevalier Légion d'honneur. *Leisure interests:* yachting and shooting. *Address:* Knut och Alice Wallenbergs Stiftelse, Kungsträdgårdsgatan 8, 114 47 Stockholm, Sweden. *Telephone:* 22-19-00.

WALLENBERG, Marcus; Swedish banker; b. 5 Oct. 1899, Stockholm; s. of Marcus Wallenberg and Amalia Hagdahl; m. 1st Dorothy Helen MacKay 1923, one s. one d.; m. 2nd Baroness Marianne de Gerr de Leufsta 1936. Asst. Man. Stockholms Enskilda Bank 1925, Deputy Man. Dir. 1927-46, Man. Dir. 1946-58, Vice-Chair. 1958-69, Chair. 1969-71; Chair. Skandinaviska Enskilda Banken 1972-76, H. hair. 1976-; Swedish Del. trade negotiations with Great Britain 1939-43, Finland 1940-44, and Great Britain and U.S.A. 1943-44; co-founder and Chair. ADELA Investment Co. S.A. 1964-67, and Chair. and Dir. of many Swedish and foreign companies; Chair. Swedish Banks Asscn. 1949-51, 1955-57, Industrial Inst. for Econ. and Social Research 1950-75, Hon. Chair. 1975-; Chair. Stora Kopparberg; Vice-Chair. and Chair. Fed. of Swedish Industries 1959-64; Chair. Council of European Industrial Feds. 1960-63, Business and Industrial Advisory Cttee. to OECD 1962-64; Chair. Swedish Nat. Cttee. Int. Chamber of Commerce 1951-64, Hon. Chair. 1964-76; Pres. Int. Chamber of Commerce 1965-67; Co-Chair. ICC-UN/GATT Econ. Consultative Cttee. 1969-71; mem. of Board, Knut and Alice Wallenberg Foundation, Nobel Foundation 1968-76; Hon. Paramount Chief of Sannequille Mah Chiefdom, Liberia; Dr. h.c. (Royal Inst. of Tech., Stockholm and Stockholm School of Econ.). *Leisure interests:* tennis, yachting, shooting. *Address:* Skandinaviska Enskilda Banken, Kungsträdgårdsgatan 8, Stockholm 16, Sweden. *Telephone:* 08/22-19-00.

WALLER, Ivar, PH.D.; Swedish physicist; b. 11 June 1898, Flen; s. of Dir. Erik Waller and Signe Friggel; m. Irène J. L. Glucksmann 1932; ed. Uppsala Univ. Lecturer Uppsala Univ. 1925, Prof. and Dir. Inst. for Theoretical Physics 1934-64, Emer. 1964-; mem. Nobel Prize Cttee. for Physics 1945-72; Consultant Swedish Atomic Energy Co.; mem. Swedish Acad. of Sciences, Reg. Soc. Uppsala, Royal Physiographical Soc. Lund, Det Norske Videnskapsakademie, Oslo; Dr. h.c. (Leiden) 1965. *Publications:* Theoretische Studien zur Interferenz und Dispersionstheorie der Röntgenstrahlen 1925, various papers. *Leisure interests:* skiing, travelling. *Address:* Tradgardsgatan 10, S-75220 Uppsala, Sweden (Home). *Telephone:* 018-136075 (Home).

WALLER, William; American politician; b. 21 Oct. 1926; ed. Memphis State Univ. and Univ. of Mississippi. mem. law firm, Waller & Fox 1952-72; Gov. of Miss. 1972-76; leader of several trade missions 1972-76; Chair. Tennessee-Tombigbee Waterway Devt. Authority, private law practice 1976-; Co-Chair. for States of Appalachian Regional Comm.; Nat. Chair. for State Govs. in Payroll Sa Cttee. of Treasury Dept.; mem. Exec. Cttee. of Nat. Govs. Co 74; Democrat. *Address:* 1036 First National Bank Building, P.O. Box 4, Jackson, Miss. 39205, U.S.A.

WALLING, Cheves (Thomson), PH.D.; American professor of chemistry; b. 28 Feb. 1916, Evanston, Illinois; s. of Wolloughby George Walling and Frederika Christina Haskell; m. Jane Ann Wilson 1940; one s. four d.; ed. Harvard Univ. and Univ. of Chicago; Research chemist, E. I. Du Pont de Nemours and Co. 1939-43, U.S. Rubber Co. 1943-49; Tech. Aide, Office of Scientific Research and Devt. 1945; Research Supervisor, Lever Bros. Co. 1949-52; Prof. of Chem., Columbia Univ. 1952-70; Chair. Dept. of Chem., 1963-66;

Distinguished Prof. of Chem., Univ. of Utah 1970-; Ed. Journal of the American Soc. 1975-; mem. Nat. Acad. of Sciences, American Acad. of Arts and Sciences. *Publications:* numerous research publications; Free Radicals in Solution 1957. *Leisure interests:* skiing, sailing, photography, hiking. *Address:* Department of Chemistry, Univ. of Utah, Salt Lake City, Utah, 84112 (Office); 2784 Blue Spruce Drive, Salt Lake City, Utah 84117, U.S.A. (Home). *Telephone:* (801) 581-8336 (Office); (801) 277-7565 (Home).

WALLIS, Sir Barnes (Neville), Kt., C.B.E., F.R.S., F.I.C.E.; British aeronautical engineer; b. 26 Sept. 1887, Ripley, Derbyshire; s. of Dr. and Mrs. C. Wallis; m. Mary F. Bloxam 1925; two s. two d.; ed. Christ's Hospital; trained as Marine Engineer with J. S. White and Co. Ltd.; Asst. Chief Designer, Vickers Ltd. 1913-15; Army and R.N. A.S. 1915; Chief Designer, Airship Dept., Vickers Ltd. 1916-21; Chief Engineer, Airship Guarantee Co. (responsible for design and construction of R.100) 1923-30; Chief Designer, Structures, Vickers Aviation Ltd. 1930-37; Asst. Chief Designer, Vickers-Armstrongs Ltd., Aviation Section 1937-45; Chief of Dept. of Aeronautical Research and Devt. British Aircraft Corp. Ltd., Weybridge Div. 1945-71; invented geodetic construction; designed Wellington bomber; designed "skipping bomb" used to burst Moehne and Eder dams, also Grand Slam and other bombs; invented "swing-wing" aircraft in which flight is controlled by varying the geometry of the flying surfaces; Royal Designer for industry; Silver Medal 1928, 1937; Ewing Medal, I.C.E. 1945; Founder's Medal, Air League 1962; Albert Medal of Royal Soc. 1968; Kelvin Gold Medal, Inst. of Civil Engineers 1968; Royal Soc. Royal Medal 1975; Hon. Fellow, Churchill Coll., Cambridge, Inst. of Science & Tech., Univ. of Manchester; Senior Fellow, Royal Coll. of Art; Hon. D.Sc. (Bristol, London, Cambridge, Loughborough, Oxford); Hon. M.I.M.E., F.S.E., F.R.Ae.S. *Leisure interests:* reading, gardening, walking and many other interests. *Address:* White Hill House, Effingham, Surrey, England. *Telephone:* 01-259 52027.

WALLS, Gen. George Peter, M.B.E.; Rhodesian army officer; b. 28 July 1926, Salisbury; ed. Plumtree School, Royal Mil. Acad., Sandhurst, and Camberley Staff Coll., U.K.; enlisted in Southern Rhodesian Army 1944; commissioned into the Black Watch (Royal Highland Regt.), British Army 1946; attested back to Southern Rhodesian Perm. Staff Corps 1948, commissioned 1949; Commdr. C. Squadron, 22nd Special Air Service in Malaya 1951-53; Officer Commdg. Tactical Wing, later Chief Instructor, School of Infantry 1954-56; Co. Commdr. Northern Rhodesian Regt. 1956-59; Brigade Maj. Copperbelt Area and later N. Rhodesia District 1961-62; Adjutant-Gen. Rhodesian Army 1962-64; C.O. 1st Bn. Rhodesian Light Infantry 1964-67; Commdr. 2nd Brigade 1967-68; Chief of Staff, Rhodesian Army 1968-72, Commdr. 1972-77; Commdr. Combined Operations March 1977-; Grand Officer of the Legion of Merit, Defence Cross for Distinguished Service. *Address:* Combined Operations Headquarters, Milton Buildings, Private Bag 7700, Causeway, Salisbury, Zimbabwe Rhodesia.

WALSER, Martin, DR. PHIL.; German writer; b. 24 March 1927, Wasserburg/Bodensee; s. of Martin Walser and Augusta Schmid; m. Käthe Jehle 1950; four d.; ed. Theologisch-Philosophische Hochschule, Regensburg, and Univ. of Tübingen. writer 1951-; Group 47 Prize 1955, Hermann-Hesse Prize 1957, Gerhart-Hauptmann Prize 1962, Schiller Prize 1965. *Publications:* short stories: Ein Flugzeug über dem Haus 1955, Lügengeschichten 1964; novels: Ehen in Philippsburg 1957, Halbzeit 1960, Das Einhorn 1966, Fiction 1970, Die Gallistl'sche Krankheit 1972, Der Sturz 1973, Jenseits der Liebe 1976, Ein fliehendes Pferd 1978, Seelenarbeit 1979; plays: Der Abstecher 1961, Eiche und Angora 1962, Überlebensgross Herr Krott 1963, Der Schwarze Schwan 1964, Die Zimmerschlacht 1967, Ein Kinderspiel 1970, Das Sauspiel 1975; essays: Beschreibung einer Form, Versuch über Franz Kafka 1961, Erfahrungen und Leseerfahrungen 1965, Heimatkunde 1968, Wie und wovon handelt Literatur 1973 Wer ist ein Schriftsteller 1978; poems: Der Grund zur Freude 1978. *Address:* 777 Überlingen-Nussdorf, Zum Hecht 36, Federal Republic of Germany. *Telephone:* (07551) 4131.

WALSH, Sir Alan, Kt., M.Sc.TECH., D.Sc., FINST.P., F.A.I.P., F.A.A., F.R.S.; British research physicist; b. 19 Dec. 1916, Darwen, Lancs.; s. of Thomas Haworth Walsh and Betsy Alice Robinson; m. Audrey Dale Hutchinson 1949; two s.; ed. Darwen Grammar School and Manchester Univ.; at British Non-Ferrous Metals Research Asscn. 1939-46; seconded to Ministry of Aircraft Production 1943; joined Commonwealth Scientific and Industrial Research Org. (CSIRO), Australia 1946, Asst. Chief of Div. of Chemical Physics, CSIRO 1961-76; Consultant Perkin-Elmer Corp., Norwalk, U.S.A. 1977-; Hon. mem. Soc. for Analytical Chem., Royal Soc., of NZ.; Foreign mem Royal Acad. of Sciences, Stockholm; Pres. Australian Inst.

SWEDEN

Briefing Paper

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September 1981

Key Points

IDA

Sweden has formally notified the Association of its intention to participate in the IDA6 Replenishment (\$360 million) as well as in the IDA6 advance contribution scheme (\$110 million). Sweden's initial advance contribution of \$55 million represented one-half of its first installment. The second portion of Sweden's advance contribution (an additional \$55 million) was released in May 1981. At the March meeting of IDA Deputies, Sweden took on the lead role for urging other donors to provide IDA with additional commitment authority as soon as the Sixth Replenishment became effective. Sweden has decreased its share from 3.82% in IDA5 to 3% in IDA6.

IBRD

Poverty Alleviation. The Swedes have strongly supported the Bank's focus on basic needs projects and increased lending to the low-income countries during the seventies. The largest recipients of Swedish aid are countries in this income group. Thus, it is likely that they will be particularly interested in your views and general ideas on the continuation of this trend.

Sub-Saharan Africa Study. Due to their interest in the region, the Swedes are very supportive of this study. They are likely to question you how quickly the Bank can proceed on this matter. You may wish to indicate that the Bank could move quickly once the study received a positive response from the Development Committee and the African governments.

OTHER

The PLO Committee. Sweden participated in the eight-member Muldoon Committee set up to discuss the procedures concerning attendance of observers to the Annual Meeting.

Further IBRD and Other

Please refer to the Nordic countries' summary of key points.

ANNEX I

IBRD BORROWINGS

The IBRD made public offerings of SKr75 million each in Sweden in FY68 and FY74, which totalled SKr150 million. The amount outstanding at end-FY81 was SKr115 million (US\$22.6 million), equivalent to 0.08% of the total outstanding IBRD borrowings.

The IBRD has undertaken no other borrowing in the Swedish market or in its currency. The FY82 borrowing program envisages no such borrowing, either. Sweden has begun to subscribe to our central bank issues in FY79. In FY81, it purchased US\$1 million of 2-year US\$ bonds and SwF4 million (US\$ 2 million) of Swiss franc notes.

COFINANCING

Participation in IFC Loans

In FY63 - FY69, three Swedish banks (Skandinaviska Enskilda Banken, Stockholm Enskilda Banken, and Svenska Handelsbanken) participated in IFC loans to provide US\$1.7 million for projects in Finland, Greece, Mauritania, Pakistan, Thailand and Tunisia.

In the seventies, Swedish banks participated only in one IFC loan to finance Volvo do Brasil Motores e Veiculos SA in Brazil, in FY79. Three Swedish banks (Post-och Kreditbanken, Skandinaviska Enskilda Banken, and Svenska Handelsbanken) provided US\$7.75 million each for this IFC loan.

The details of the Swedish banks' participation are shown below:

<u>Country</u>	<u>Project</u>	<u>Date</u>	<u>Amount of Participation</u>	
			<u>Original</u> <u>(US\$m)</u>	<u>Outstanding</u> <u>End-FY81</u> <u>(US\$m)</u>
Brazil	Volvo do Brasil	Apr. ' 79	23.250	23.250
Finland	Huthamaki-Yhtyma	Apr. ' 67	.075	-
Greece	General Cement	Apr. ' 66	.250	-
Mauritania	Societe Miniere	Jul. ' 68	.163	.163
Pakistan	Packages Ltd.	May '65&Aug. '67	.350	-
	Gharibwal Cement	Aug. ' 68	.100	-
Thailand	Siam Cement	Apr. ' 69	.600	-
Tunisia	NPK-Engrais	Nov. ' 62	.143	-
	Total		<u>24.931</u>	<u>23.413</u>

COFINANCING

Participation in IBRD/IDA

Shown below is the amount of funds Swedish sources provided over

FY68-FY80:

	Amount (US\$Million)	
	<u>Total</u>	<u>Of Which Commercial Source</u>
FY68-FY75	156.2	-
FY76	0.5	-
FY77	18.6	-
FY78	0.2	-
FY79	45.0	-
FY80	28.8	10.0
FY81	0.9	-

For FY81, only one case has been brought to our attention:

<u>Country</u>	<u>Project</u>	<u>Project</u>	<u>IBRD/IDA</u>	Amount (US\$Million)	
				<u>Total</u>	<u>Commercial Sources</u>
Ethiopia	Agr. Minimum Package II		IDA	0.9	-

Swedish commercial banks cofinanced IBRD projects for the first time in FY80. No case of cofinancing with Swedish commercial banks in FY81 has been brought to our attention. The cases of FY80 are shown below:

<u>Source/Project</u>	Amount (US\$Million)
Scandanaviska Enskilda Banken	
Argentina, Yacyreta Hydroelectric	<u>1.50</u>
Svenska Handelsbanken	
Romania, Mostistea/Calmatzui Irrigation	4.25
Romania, Livestock III-Poultry	<u>4.25</u>
Sub-total	<u>8.50</u>
Total	<u>10.00</u>

OFFICIAL DEVELOPMENT ASSISTANCE

A. Aid Performance

There was a sharp drop in Sweden's ODA/GNP ratio from 0.94% in 1979 to 0.76% in 1980. Disbursements fell from \$956 million to \$928 million. This drop reflects mainly the fact that note deposits to IDA were not made in time and there was some slowdown in the disbursement of bilateral aid. An increase in the ODA/GNP ratio is expected in the current year, however, since aid appropriations are being maintained at a level around 1% of GNP.

In 1980 multilateral ODA fell to 27% of total Swedish ODA because of the delayed contribution to IDA. The 1975-80 average was around 35% and multilateral contributions are expected to remain in the 30-35% range for the next few years. The UN agencies received \$213 million and continued to receive the major share of multilateral aid.

B. Aid Policies

Sweden is actively involved in the North/South dialogue and in the preparations for the October Mexico Summit. The Liberal Party, whose coalition representatives include the Foreign Minister and the Budget and Economy Minister, is publicly discussing a 2% ODA/GNP target. Sweden is also chairing the preparatory committee for the

Paris UN conference on the problems of the LLDCs. The government is in favor of the proposed World Bank energy affiliate and is also keenly involved in the Nairobi energy conference. Sweden is also joining its Nordic partners, in cooperation with the OPEC Fund for International Development, in arranging a seminar on energy financing with the participation of 20 developing countries.

The 1981-82 aid budget amounts to 1% of GNP, as do the indicative planning figures for aid appropriations for FY82/83 and FY83/84. Within this expanding framework, the share of multilateral assistance has declined, however, from 57% in 1971 to about 35% at the present time.

Sweden's bilateral aid has traditionally been concentrated on a number of "program countries," currently 19. Regular program assistance for Cuba, Portugal, Tunisia, Pakistan and Somalia has been, or is being, phased out, while Nicaragua is being added to the list of program countries. Criteria for country selection include consideration of:

- a) the goals of the recipient government, i.e., economic growth, social justice and the distribution of resources, economic and political independence, democracy and human rights;

- b) the recipient's poverty (88% of bilateral aid to low-income countries, of which 33.9% to LLDCs).

Ninety-eight percent of Sweden's bilateral aid is in the form of grants, the major part being untied. In 1979, about 38.5% was allocated for program-type lending (e.g. import support). Major project sectors are: agriculture, rural development and forestry (14.4%), industry, mining and construction (14.1%), education (9.8%), health and population (7.2%).

Multilaterally, the Swedish authorities are seeking to reduce their share in the resources of certain international institutions. Sweden's share in IDA6, for example, was reduced to 3% from the 3.8% in IDA5. Also, under pressure from the Social Democrats, a commission was set up to study the pros and cons of Sweden remaining in the Inter-American Development Bank (IDB). The report, which was due out in the spring, has now been postponed until the fall and will probably recommend that Sweden remain in IDB, with the hope of influencing the organization from within.

Finally, bilaterally and multilaterally and due to the difficult economic situation, the government has been under intense pressure from industry to increase the percentage of tied aid (presently 17%) and to facilitate industry's efforts to improve its procurement performance under World Bank and UN agency projects. This

was one of the reasons behind SIDA Director Anders Forsse's visit to the World Bank in March. Development of cofinancing with the Bank should also help improve the return for the national industry.

As for the public's support for aid, it shows a certain erosion as witnessed by the latest (December 1980) poll: 50% approve the present level of aid (60% did in 1979) and 15% favor an increase (16% in 1979). The erosion can be traced back to well-publicized difficulties and pessimistic declarations by such well-known aid advocates as Economics Nobel Price winner Gunnar Myrdal in September 1980.

C. Aid Administration

The Foreign Ministry's Department for International Development Cooperation (under State Secretary Hans Blix and with a professional staff of 35) prepares the government's decision on both bilateral and multilateral assistance. These decisions are normally based on proposals from the Swedish International Development Authority (SIDA), which is the implementing agency. In 1979, SIDA had a staff of 368 people, while 1,160 Swedes were working in developing countries for SIDA, UN agencies or as volunteers paid by SIDA.

SIDA is divided into 11 divisions and has development assistance offices in 13 countries. Other development-oriented agencies in Sweden complementing SIDA's activities include the Swedish

Agency for Research Cooperation with the Developing Countries (SAREC), the Swedish Import Promotion Office for Products from Developing Countries (IMPOD), the Swedish Commission for Technical Cooperation, and the Swedish Fund for Industrial Cooperation with Developing Countries or SWEDFUND, the Swedish IFC.

POLITICAL AND ECONOMIC SITUATION

A. Political Situation

The collapse last May of Prime Minister Thorbjorn Falldin's second Center-Liberal-Conservative coalition government (the first ended in October 1978 when Mr. Falldin quit after failing to get his partners to put a stop to the nuclear power program) was provoked by a row over tax reform. Eight conservative ministers felt betrayed over a political deal which the Center and Liberal parties had made with the opposition Social Democrats, postponing from 1982 to 1983 cuts in the top income tax rates.

The new minority Center-Liberal government faces an uncertain future. According to most observers, Mr. Falldin's difficulties in keeping a coalition government in power will probably mean a return to power of Olof Palme and his Social Democratic Party at the next elections, scheduled for September 1982. In the latest polls, 51.5 percent said they would vote for the Social Democrats.

If the Social Democrats are returned to power, there could be some changes in Swedish development policy, notably in the choice of target countries. In a motion presented before the April 1981 aid debate in Parliament, the Social Democrats asked for more aid than proposed by the government for Angola, Cape Verde, Cuba, Dominican Republic, Mozambique, Nicaragua, Tanzania, Vietnam, less than proposed

for Bangladesh, and for the cessation of aid to Pakistan. There would probably be no changes in the respective amounts allocated to multilateral and bilateral assistance.

B. Economic Situation

According to available economic indicators, there is little likelihood that Sweden will attain a GDP growth of anything more than 0.5 percent in 1981. The need to curb the balance of payments deficit (expected to exceed \$4 billion this year) necessitates restraints on Swedish domestic demand and with most of Sweden's major trading partners concentrating on curbing inflation, export prospects will remain limited. Open unemployment was 2.5 percent in the first two months of 1981 (against an annual rate of 1.9 percent in the past five years) and inflation is expected to be 9 percent this year.

A peaceful pay accord was reached, after the trauma of last year's national wage negotiations which broke down in damaging strikes, by not allowing the public sector unions to get in first with a costly settlement, and create an inflated precedent for negotiations with the blue collar labor force. Blue collar workers obtained a 7.1 percent average pay rise over two years and white collar workers, after a week's strike, settled in May for an 8.8 percent pay rise over two years.

The total 1981-82 budget shows a projected deficit equivalent to 11 percent of GNP, as compared to 10.7 percent for the current fiscal year. According to the government, the two main problems are a growing external imbalance, caused mainly by rising oil prices, and an internal disequilibrium brought on in recent years by a faster growth rate for public spending. The government proposed drastic reductions in local government expenditures in January, followed by new saving measures in March. Also, a new long-term energy plan was submitted by the government in April. Its objective is to reduce the country's dependence on oil from the present level of nearly 70 percent to about 40 percent by 1990.

The Swedish Federation of Industries, for its part, predicts a 3 percent fall in industrial output this year and a further smaller decline in 1982. It also sees industrial investment declining by about 6 percent this year and 3.5 percent next year. A drop of more than 1 percent in GNP this year (and a smaller decline in 1982) is foreseen, and the Federation expects increases in the current account deficit this year and next. Against this grim background, the Social-Democratic Party presented in mid-June its program to take Sweden out of its economic crisis. The plan calls for a price freeze lasting six months to a year, a "buy Swedish" campaign and wage restraint by the trade unions. After the initial price freeze, the Social Democrats propose to continue strict price controls and to

effect small, successive revaluations of the SKr to keep inflation down, with a "marketing council" set up with the aim of reducing imports.

STATISTICAL
TABLES

TABLE 1: FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE FROM DEVELOPMENT ASSISTANCE COMMITTEE MEMBERS TO DEVELOPING COUNTRIES AND MULTILATERAL INSTITUTIONS ^{a/}
(Calendar Years, US\$ billion and % of Projected GNP)

COUNTRY	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Australia	377 .41	400 .42	588 .55	620 .52	653 .47	798 .49	897 .49	1002 .49	1116 .49	1240 .49
Austria	50 .12	108 .22	154 .27	127 .19	174 .22	209 .25	252 .27	292 .28	336 .29	385 .30
Belgium	340 .51	371 .46	536 .55	631 .56	575 .48	729 .55	888 .60	1010 .61	1142 .62	1264 .62
Canada	887 .46	991 .50	1060 .52	1026 .46	1035 .42	1213 .43	1400 .44	1564 .44	1741 .44	1934 .44
Denmark	214 .56	258 .60	388 .75	448 .75	464 .72	548 .74	598 .73	667 .73	731 .72	810 .72
Finland	51 .17	49 .16	55 .16	86 .21	106 .22	150 .26	194 .30	245 .34	321 .40	402 .45
France	2146 .62	2267 .60	2725 .57	3370 .59	4041 .62	4490 .62	4968 .62	5500 .62	6157 .63	6861 .64
Germany	1593 .36	1717 .33	2347 .37	3350 .44	3512 .43	3726 .43	4163 .44	4595 .45	5043 .45	5504 .45
Italy	226 .13	198 .10	375 .14	273 .08	678 .17	921 .18	1020 .20	1248 .22	1515 .24	1749 .25
Japan	1105 .20	1424 .21	2215 .23	2638 .26	3304 .32	3595 .31	4107 .31	4807 .32	5437 .32	6323 .33
Netherlands	728 .83	908 .86	1074 .82	1404 .93	1577 .99	1808 1.02	2060 1.04	2280 1.03	2463 1.00	2730 1.00
New Zealand	53 .41	53 .39	55 .34	61 .30	71 .32	71 .26	76 .25	81 .24	86 .23	91 .22
Norway	218 .70	295 .33	355 .90	429 .93	472 .82	561 .90	669 .95	777 .98	889 1.00	993 1.00
Sweden	608 .82	779 .99	783 .90	956 .94	928 .76	1214 .90	1431 .95	1599 .95	1779 .95	1970 .95
Switzerland	112 .19	119 .19	173 .20	207 .21	246 .24	260 .25	357 .31	422 .33	480 .34	544 .35
United Kingdom	880 .37	1103 .45	1460 .47	2104 .52	1795 .34	2777 .48	2689 .42	2971 .42	3199 .41	3440 .40
United States	4360 .26	4682 .25	5664 .27	4684 .20	7091 .27	7295 .26	7885 .25	8437 .24	8588 .22	9070 .21
GRAND TOTAL										
ODA (\$b. - Nominal Prices)	13.9	15.7	20.0	22.4	26.7	30.3	33.7	37.5	41.0	45.3
ODA as Percentage of GNP	.33	.33	.35	.34	.37	.38	.38	.38	.38	.37
ODA (\$b. - Const. 1981 Prices)	22.6	23.8	26.3	26.5	28.9	30.3	31.2	32.0	32.5	33.6
GNP (\$t. - Nominal Prices)	4.2	4.7	5.6	6.5	7.1	7.9	8.8	9.8	10.9	12.1
Price Deflator ^{b/}	.61	.66	.76	.84	.92	1.00	1.08	1.17	1.26	1.35

^{a/} Historical figures through 1980 are as reported by donors to OECD/DAC. Projections for 1981-85 are based on World Bank estimates of GNP growth, information on budget appropriations for aid, and aid policy statements by governments. They are projections, not predictions, of what will occur unless action not now planned takes place.

^{b/} The deflator is the US\$ GNP deflator (1981 = 100) which includes the effects of changes in the exchange rates.

TABLE 2: FLOW OF RESOURCES FROM DAC MEMBERS
(Net Disbursements, US\$ millions)

Ranking a/	Country	ODA				Total Flows	
		Actual		Preliminary	Projected	Actual	
		1976	1979	1980	1985	1976	1979
1	United States	4360	4684	7091	9070	12370	18674
2	France	2146	3370	4041	6861	5316	8685
3	Germany	1593	3350	3512	5504	5523	7289
4	Japan	1105	2638	3304	6323	4003	7556
5	United Kingdom	880	2104	1785	3440	7976	11219
6	Netherlands	728	1404	1577	2730	1735	1948
7	Canada	887	1026	1035	1934	2512	2542
8	Sweden	608	956	928	1970	1134	1281
9	Italy	226	273	678	1749	1476	4055
10	Australia	377	620	653	1240	519	870
11	Belgium	340	631	575	1264	1222	2290
12	Norway	218	429	472	993	462	754
13	Denmark	214	448	464	810	485	747
14	Switzerland	112	207	246	544	1350	5534
15	Austria	50	127	174	385	383	247
16	Finland	51	86	106	402	66	177
17	New Zealand	53	61	71	91	60	76

a/ Ranking is by ODA Flows in 1980.

Source: Historical figures through 1980 are as reported by donors to OECD/DAC;
1985 figures are Bank Staff projections.

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TABLE 3: COMPARATIVE AID PERFORMANCE OF DAC MEMBER COUNTRIES
(% of GNP)

Ranking a/	Country	ODA				Total Flows	
		Actual		Preliminary	Projected	Actual	
		1976	1979	Estimates 1980	1985	1976	1979
1	Netherlands	0.83	0.93	0.99	1.00	1.97	1.29
2	Norway	0.70	0.93	0.82	1.00	1.49	1.64
3	Sweden	0.82	0.94	0.76	0.95	1.53	1.26
4	Denmark	0.56	0.75	0.72	0.72	1.26	1.25
5	France	0.62	0.59	0.62	0.64	1.53	1.52
6	Belgium	0.51	0.56	0.48	0.62	1.83	2.03
7	Australia	0.41	0.52	0.47	0.49	0.56	0.73
8	Germany	0.36	0.44	0.43	0.45	1.24	0.96
9	Canada	0.46	0.46	0.42	0.44	1.29	1.14
10	United Kingdom	0.37	0.52	0.34	0.40	3.57	2.83
11	Japan	0.20	0.26	0.32	0.33	0.72	0.75
11	New Zealand	0.41	0.30	0.32	0.22	0.46	0.38
13	United States	0.26	0.20	0.27	0.21	0.72	0.79
14	Switzerland	0.19	0.21	0.24	0.35	2.31	5.65
15	Austria	0.12	0.19	0.22	0.30	0.94	0.36
15	Finland	0.17	0.21	0.22	0.45	0.23	0.43
17	Italy	0.13	0.08	0.17	0.25	0.87	1.25

a/ Ranking is by ODA/GNP ratio in 1980.

Source: Historical figures through 1980 are as reported by donors to OECD/DAC; 1985 figures are Bank Staff projections.

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TABLE 4: NET ODA FLOWS TO MULTILATERAL AGENCIES, 1980

Ranking a/	Country	Net Multilateral ODA		IDA as a % of Total Net Multilateral Flows	Multilateral Aid as a % of Total DAC Multilateral
		\$ Million	% of Total Net ODA		
1	Italy	604.7	89	51.6	6.6
2	Denmark	216.4	47	20.3	2.4
3	Finland	45.4	43	31.3	0.5
3	Norway	200.7	43	21.1	2.2
5	Japan	1342.9	41	46.1	14.7
6	Canada	415.6	40	34.1	4.5
7	United States	2701.0	38	39.7	29.5
8	Germany	1244.2	35	41.4	13.6
8	Switzerland	86.7	35	-	0.9
10	United Kingdom	537.5	30	0.7	5.9
11	Australia	179.7	28	44.8	1.9
12	Sweden	253.0	27	-	2.8
13	Netherlands	402.8	26	23.4	4.4
14	Belgium	139.8	24	-	1.5
14	New Zealand	17.0	24	16.5	0.2
16	France	743.2	18	21.9	8.1
17	Austria	28.3	16	-	0.3
	Total DAC	9158.9	34	33.9	100.0

a/ Ranking is by percentage of net ODA multilateral flows in total net ODA flows for 1980.

Source: OECD/DAC

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TABLE 5: IBRD/IDA: FOREIGN PROCUREMENT FROM PART I SUPPLYING COUNTRIES

(US\$ Millions Equivalent)

IBRD	Cumulative Through June 30, 1971		FY1972		FY1973		FY1974		FY1975		FY1976		FY1977		FY1978		FY1979		FY1980		FY1981		Cumulative Through June 30, 1981	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Foreign Procurement from Part I Supplying Countries																								
Australia	27.3	0.3	5.9	0.7	10.5	1.2	13.8	1.4	19.5	1.5	15.0	0.9	13.3	0.8	10.9	0.6	13.2	0.6	17.7	0.7	21.2	0.7	168.3	0.7
Austria	58.7	0.7	8.4	0.9	4.1	0.5	9.3	0.9	20.1	1.5	21.1	1.3	25.3	1.5	28.5	1.6	22.0	0.9	35.1	1.3	30.3	1.0	262.9	1.0
Belgium	190.7	2.4	18.5	2.1	14.1	1.7	12.0	1.2	19.3	1.4	52.2	3.1	30.2	1.8	38.4	2.1	30.4	1.3	40.4	1.5	32.5	1.1	478.7	1.9
Canada	209.5	2.6	10.3	1.2	11.6	1.4	13.0	1.3	18.6	1.4	23.5	1.4	30.4	1.8	33.7	1.8	23.6	1.0	62.3	2.3	78.4	2.7	514.9	2.0
Denmark	32.3	0.4	4.0	0.4	4.8	0.6	5.5	0.5	5.0	0.4	10.3	0.6	19.3	1.1	14.4	0.8	12.4	0.5	18.2	0.7	16.2	0.6	142.4	0.6
Finland	5.4	0.1	2.1	0.2	1.5	0.2	0.9	0.1	1.1	0.1	12.2	0.7	4.0	0.2	3.1	0.2	4.5	0.2	8.3	0.3	7.4	0.3	50.5	0.2
France	441.4	5.5	54.7	6.1	51.1	6.0	72.3	7.1	126.1	9.4	151.5	9.0	121.7	7.0	144.9	7.9	220.9	9.6	215.9	8.1	195.5	6.7	1,796.0	7.1
Germany	1,007.5	12.4	121.9	13.7	108.1	12.8	130.1	12.8	215.5	16.1	276.3	16.5	266.0	15.4	276.8	15.1	340.5	14.8	428.7	16.0	314.9	10.8	3,486.3	13.8
Iceland	-	-	0.3	*	*	*	0.1	*	0.2	*	0.4	*	-	-	0.3	*	*	*	-	*	*	*	1.3	*
Ireland	0.9	*	*	*	0.5	0.1	0.7	0.1	1.8	0.1	0.5	*	0.3	*	0.8	*	2.4	0.1	4.5	0.2	8.6	0.3	21.0	0.1
Italy	547.7	6.8	74.1	8.3	69.5	8.2	98.9	9.8	120.4	9.0	129.5	7.7	109.0	6.3	117.7	6.4	139.6	6.1	208.4	7.8	200.6	6.9	1,815.4	7.2
Japan	584.5	7.2	141.8	15.9	186.0	22.0	212.3	21.0	204.4	15.2	346.2	20.6	410.0	23.7	405.3	22.1	477.9	20.8	383.3	14.3	508.0	17.4	3,859.7	15.2
Kuwait	0.7	*	0.3	*	1.3	0.1	3.9	0.4	3.9	0.3	3.2	0.2	2.3	0.1	1.4	0.1	3.6	0.2	6.3	0.2	4.1	0.1	31.0	0.1
Luxembourg	7.9	0.1	0.9	0.1	2.2	0.3	1.7	0.2	1.9	0.1	0.2	*	0.5	*	0.2	*	1.5	0.1	2.7	0.1	1.2	*	20.9	*
Netherlands	91.7	1.1	11.4	1.3	15.6	1.8	20.6	2.0	24.7	1.8	27.7	1.7	34.3	2.0	27.0	1.5	68.2	3.0	87.0	3.3	45.3	1.6	453.5	1.8
New Zealand	3.4	*	0.1	*	1.3	0.1	2.2	0.2	1.6	0.1	1.3	0.1	1.2	0.1	1.4	0.1	2.8	0.1	2.3	0.1	5.7	0.2	23.3	0.1
Norway	17.5	0.2	2.9	0.3	2.4	0.3	3.3	0.3	6.3	0.5	5.6	0.3	10.4	0.6	3.6	0.2	3.7	0.2	4.4	0.2	12.2	0.4	72.3	0.3
South Africa	17.6	0.2	4.7	0.5	8.0	0.9	7.8	0.8	1.5	0.1	2.0	0.1	3.2	0.2	34.5	1.9	9.2	0.4	4.4	0.2	11.0	0.4	72.9	0.3
Sweden	222.8	2.8	25.6	2.9	22.3	2.6	33.9	3.3	42.7	4.2	45.1	3.4	51.2	3.1	46.9	2.7	69.4	3.8	130.1	5.7	129.6	4.9	591.6	2.3
Switzerland	251.2	3.1	34.9	3.9	43.1	5.1	42.7	4.2	45.1	3.4	51.2	3.1	46.9	2.7	69.4	3.8	130.1	5.7	129.6	4.9	114.8	3.9	959.0	3.8
United Kingdom 2/	1,204.9	14.8	109.4	12.3	76.0	9.0	87.1	8.6	107.3	8.0	98.7	5.9	98.2	5.7	112.1	6.1	162.5	7.0	171.0	6.4	162.9	5.6	2,391.1	9.4
United States	2,861.7	35.3	193.9	21.7	162.4	19.2	173.7	17.1	258.8	19.3	292.2	17.4	315.6	18.2	374.7	20.4	386.7	16.8	458.0	17.2	643.8	22.1	6,121.5	24.2
Subtotal Part I Countries	7,785.3	96.0	826.1	92.5	796.4	94.1	945.8	93.3	1,229.2	91.6	1,546.7	92.1	1,586.5	91.7	1,702.6	92.9	2,109.2	91.7	2,345.7	87.9	2,461.0	84.4	23,334.5	92.1
Subtotal All Other Countries	319.5	4.0	66.9	7.5	49.3	5.9	67.8	6.7	111.3	8.4	131.3	7.9	143.5	8.3	129.8	7.1	189.7	8.3	325.0	12.1	456.4	15.6	1,990.5	7.9
Total All Supplying Countries	8,104.8	100.0	893.0	100.0	845.7	100.0	1,013.6	100.0	1,340.5	100.0	1,678.0	100.0	1,730.0	100.0	1,832.4	100.0	2,298.9	100.0	2,670.7	100.0	2,917.4	100.0	25,325.0	100.0
All Procurement From All Supplying Countries																								
FOREIGN	8,104.8	72.0	893.0	75.5	845.7	71.7	1,013.6	66.1	1,340.5	67.2	1,678.0	67.9	1,730.0	65.6	1,832.4	65.8	2,298.9	63.8	2,670.7	61.2	2,917.4	57.6	25,325.0	66.5
LOCAL	838.7	7.5	186.5	15.8	207.3	17.6	385.0	25.1	503.6	25.3	663.0	26.9	792.1	30.1	851.2	30.5	1,082.2	30.1	1,415.8	32.4	2,050.2	40.5	8,975.6	23.6
UNDETERMINED	2,308.3	20.5	102.7	8.7	126.7	10.7	134.1	8.8	150.5	7.5	128.7	5.2	213.8	4.3	103.4	3.7	220.3	6.1	277.0	6.4	95.5	1.9	3,761.0	9.9
TOTAL DISBURSEMENTS	11,251.8	100.0	1,182.2	100.0	1,179.7	100.0	1,532.7	100.0	1,994.6	100.0	2,469.7	100.0	2,635.9	100.0	2,787.0	100.0	3,601.4	100.0	4,363.5	100.0	5,063.1	100.0	38,061.6	100.0

IDA	Cumulative Through June 30, 1971		FY1972		FY1973		FY1974		FY1975		FY1976		FY1977		FY1978		FY1979		FY1980		FY1981		Cumulative Through June 30, 1981	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Foreign Procurement from Part I Supplying Countries																								
Australia	23.5	1.5	7.0	3.1	10.6	2.8	8.5	1.5	12.9	1.6	16.8	1.9	16.0	1.8	11.6	1.9	20.8	3.2	9.6	1.5	10.2	1.3	147.5	1.8
Austria	12.4	0.8	3.6	1.6	3.0	0.8	2.4	0.4	2.5	0.3	4.9	0.5	10.3	1.2	10.9	1.8	5.8	0.9	3.3	0.5	4.2	0.5	63.3	0.8
Belgium	39.5	2.4	7.5	3.3	11.4	3.0	14.0	2.5	20.6	2.6	15.4	1.7	15.4	1.8	17.7	2.9	17.7	2.7	15.4	2.4	18.8	2.4	193.4	2.4
Canada	53.0	3.3	2.0	0.9	4.4	1.1	7.5	1.3	13.1	1.6	7.8	0.9	11.0	1.3	5.0	0.8	7.5	1.2	6.2	0.9	11.6	1.5	129.1	1.6
Denmark	4.6	0.3	1.3	0.6	0.8	0.2	0.6	0.1	2.7	0.4	5.5	0.6	6.9	0.8	4.8	0.8	8.2	1.3	7.6	1.2	5.2	0.7	48.2	0.6
Finland	4.0	0.2	0.7	0.3	0.7	0.2	0.8	0.1	0.9	0.1	0.3	*	1.0	0.1	0.5	0.1	0.6	0.1	2.5	0.4	5.0	0.6	17.0	0.2
France	91.9	5.7	25.4	11.3	41.0	10.7	42.4	7.5	71.2	8.8	93.4	10.3	82.5	9.4	63.4	10.6	61.6	9.5	77.7	11.8	99.7	12.6	750.2	9.3
Germany	248.0	15.3	27.2	12.1	41.0	10.7	63.9	11.4	110.2	13.6	140.3	15.5	148.9	17.0	72.0	12.0	82.9	12.8	69.1	10.5	59.1	7.4	1,062.6	13.2
Iceland	-	-	-	*	-	*	-	*	-	*	-	*	-	*	-	*	-	*	-	*	-	*	-	*
Ireland	0.1	*	*	*	*	*	0.1	*	0.2	*	0.5	0.1	1.0	0.1	1.2	0.2	0.4	0.1	0.3	*	0.6	0.1	4.4	0.1
Italy	69.4	4.3	11.6	5.2	9.6	2.5	18.8	3.4	32.2	4.0	33.1	3.7	37.4	4.3	42.0	7.0	33.8	5.2	52.8	8.1	58.2	7.3	398.9	5.0
Japan	181.0	11.2	44.0	19.6	86.8	22.8	136.8	24.3	140.0	17.3	139.3	15.4	148.8	17.0	93.8	15.6	89.8	13.9	92.6	14.1	97.2	12.2	1,250.1	15.5
Kuwait	0.1	*	0.4	0.2	0.6	0.2	2.5	0.5	8.4	1.0	0.2	*	1.8	0.2	-	-	0.2	*	0.4	0.1	-	-	14.6	0.2
Luxembourg	0.6	*	0.7	0.3	2.7	0.7	1.0	0.2	0.4	0.1	1.6	0.2	0.4	*	0.2	*	0.3	*	0.3	*	0.1	*	8.3	0.1
Netherlands	17.8	1.1	2.7	1.2	6.5	1.7	12.0	2.1	13.0	1.6	15.2	1.7	20.5	2.3	16.3	2.7	10.2	1.6	11.7	1.8	19.7	2.5	145.6	1.8
New Zealand	0.2	*	*	*	0.4	0.1	1.6	0.3	0.3	*	0.8	0.1	1.1	0.1	0.6	0.1	0.3	*	1.0	0.2	1.8	0.2	8.1	0.1
Norway	2.4	0.1	0.2	0.1	1.9	0.5	1.1	0.2	0.9	0.1	0.4	*	3.6	0.4	0.7	0.1	*	*	0.2	*	0.6	0.1	12.0	0.1
South Africa	4.0	0.2	0.8	0.4	0.5	0.1	0.6	0.1	1.7	0.2	1.7	0.2	1.6	0.2	1.1	0.2	6.2	1.0	6.8	1.0	5.9	0.7	30.9	0.4
Sweden	38.1	2.4	2.7	1.2	6.9	1.8	9.3	1																