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CGFPI - Correspondence w/ World Bank,

Feb. 1975 - Jun. 1976



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Consultative Group on Food Production and Investment in Developing
Countries (CGFPI) - Correspondence with the World Bank -

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OFFICE MEMORANDUM

TO: Mr. R.A. Clarke, Director, Personnel
Department

FROM: Moise C. Mensah, Vice Chairman and Executive Secretary, CGFPI

SUBJECT: Overseas Meetings for the CGFPI

DATE: June 25, 1976

I refer to Ms. Brenda McEvilly's memorandum to me dated June 23, 1976, in connection with overseas meetings of the CGFPI, with particular reference to point 3.

Whilst I fully appreciate that the Bank has policies and procedures for short-term missions, the nature of the CGFPI meetings are such that the secretary must be fully conversant and knowledgeable with the workings of the CGFPI as she is required to assist the Chairman, myself, other members of the CGFPI Secretariat and numerous delegates of the governments and organizations attending the meetings. Contrary to most short-term missions, her primary duties will not be shorthand/typing but she will be required to sit in on the whole proceedings of the meetings to be ready to answer questions which may be directed to her by the Chairman, myself or delegates, pertaining to matters which have occurred within the CGFPI. In addition, she must be able to face any organizational problem which may occur at any time, without mentioning the protocol which is involved in all our meetings.

All the secretaries within the CGFPI work closely together and are expected to attend the meetings in Washington. They are all fully-experienced to accompany the Group on overseas meetings; indeed, it would be an advantage to the CGFPI to take them all on an overseas meeting, but budgetary constraints limit us to the use of one secretary with the understanding that our host country or organization would provide us with additional secretarial assistance through their local staff.

Because of the above, it would be extremely difficult for the Chairman and myself to function effectively at meetings using a secretary from another World Bank Department who is not acquainted with the day-to-day activities of the CGFPI. We, therefore, propose to rotate the secretaries within the Group for overseas meetings instead of following the normal Bank procedure referred to in Ms. McEvilly's memo.

Attachment.

cc: Ms. Brenda McEvilly
Mrs. Elizabeth Devey

OFFICE MEMORANDUM

TO: Mr. Moise Mensah, Vice Chairman & Executive
Secretary, CCFPI
FROM: Brenda McEvilly, Personnel *BM*
SUBJECT: CCFPI Third Meeting, Sept. 22-24, Manila

DATE: June 23, 1976

1. I refer to your memo dated 5/27 addressed to Mrs. E. Devey in which you informed her of CCFPI's decision to utilize the services of Ms. G. Odam for the above meeting in Manila.
2. According to the policies and procedures for the selection of secretarial assignments to short term missions as outlined in Personnel Manual Statement No. 5.05, Ms. Odam is now eligible to go on a mission at this time and therefore Personnel has no objection to her attending CCFPI Third Meeting.
3. Any future requests would be reviewed in light of the policies and procedures in existence at that time.

cc: Mrs. Devey

017 -4:30pm

OFFICE MEMORANDUM

TO: Mr. Edwin Martin

DATE: May 27, 1976

FROM: *WCB*
Warren C. BaumSUBJECT: CGFPI

1. I refer to your memoranda of May 21 regarding the "CGFPI and National Food Plans" and "The Future of the CGFPI".

2. With regard to the CGFPI and Food Plans, I am sure you are familiar with the sequence of events. First, Mr. Yudelman, representing the Bank's position, argued for a focus on food plans at the second meeting of the CGFPI. Following this, there was a co-sponsors' meeting at which the future position of the CGFPI was raised; the representatives of the co-sponsors drew up an aide memoire, which was subject to clearance by their principals. This aide memoire said nothing about food plans as such, but suggested that the next meeting of the CGFPI focus on its future and a future work program.

3. A subsequent draft position paper was prepared within the Bank to represent the views of sponsors as reflected in the meeting and sent to the President for clearance. You were given a copy and discussed it with the President. After our discussion with him, a further draft was prepared which was sent to the heads of the co-sponsoring agencies for their consideration. This draft took into account a number of the concerns you expressed with respect to earlier drafts and recommended that food plans be one of a limited number of elements in any future work plan of the secretariat.

4. This draft is the only substantive document that has been sent out of the Bank. It represents the Bank's position. It endorses the notion that the secretariat should work on four items including food planning. Had you seen only this document there would have been no confusion in your mind, but I assume you are not suggesting that in future we send you only "final" documents.

5. The same situation seems to apply to the last point in your memorandum. Your proposal regarding food plans was sent to a wide spectrum of staff members within the Bank, because you requested our comments. It is the practice in the Bank to solicit views of interested parties. The answering comments were copied to you and were used as a background for a tentative proposal - put forward by Mr. Bruce and Mr. Belai in a departmental memorandum to Mr. Yudelman - a copy of which went to you. This proposal was that it might be useful to shift the emphasis to developing national food strategies rather than detailed planning per se. This proposal has not yet been formally submitted to you as the Bank's position.

*No other / from
management*

May 27, 1976

6. With regard to your memorandum on the future of the CGFPI, I do not feel that much is to be gained from reinterpretation of what constitutes duplication. The three criteria that you use in your memorandum of May 4 to determine whether there is duplication involve a great deal of subjective judgment, especially the criterion of "effectiveness". This is particularly sensitive since several of the items discussed at your first and second meeting are also discussed in the forum of one of the co-sponsors.

7. We believe that the final draft sent by the President to the co-sponsors covers the points raised in your memorandum. First, the draft points to the possibilities of organizational overlap. Everybody agrees that this exists. After examining the various topics discussed in the first two meetings, this section concludes: "Clearly, these various topics merit continued consideration and a focus on their investment aspects may prove to be the unique contribution of the CGFPI. But very careful choice of a work program is necessary in order that the Group complement rather than duplicate efforts elsewhere".

8. The memorandum then goes on to indicate the Bank's preference, which is that the secretariat focus on the flow of resources, projections of the foodgrain gap and work on country food plans (or some variant of this) and their implementation.

9. The next act, I presume, is to await the views of the other co-sponsors and their response to the Bank's memorandum. If they subscribe to our view then the memorandum will be circulated and I presume you will go ahead as planned with the meeting in Manila, the agenda presumably focusing on the four items: the food gap; resource flows; food plans (or strategy) and the future of the CGFPI, with a further review one year from now. If there is no agreement among the co-sponsors then I presume we will have to review our position.

10. I do not think any useful purpose would be served by going into detail on the "dissatisfaction" with the role of the CGFPI, which has been expressed to us from various sources. But I would emphasize that these comments in no way reflect on the performance of the Chairman, about which there is unanimous praise; they reflect a growing doubt as to the wisdom of the original concept.

Mr. Warren C. Baum

May 21, 1976

Edwin M. Martin

CGFPI and National Food Plans

I find the five-act structure of Shakespearian drama convenient for describing one of our current problems.

- ACT I Strongly encouraged by the Bank representative, Yudelman, the CGFPI at its February meeting urged, without dissent, that National Food Plans be put on the September Agenda and that the Secretariat distribute an outline of what they should cover.
- ACT II The Bank representative, Yudelman, joined the UNDP and FAO representatives in urging the heads of the sponsoring agencies to reject National Food Plans as a subject for the CGFPI and therefore to be excluded from the September Agenda.
- ACT III President McNamara of the Bank sent a memo to his colleagues proposing that National Food Plans be the major item of substance on the September Agenda.
- ACT IV We have just received comments from 8-10 Bank experts on the draft outline of National Food Plans which we sent to the sponsors for comment. Apart from some useful suggestions for changes, they are pretty well unanimous in throwing cold water on the whole idea as neither useful nor necessary.
- ACT V Can you write the crucial last Act - the denouement? I am lost.

EMMartin:gbo

Mr. Warren C. Baum

May 21, 1976

Edwin M. Martin

Future of the CGFPI

You were correct in saying in your memo to President McNamara, transmitting a memo to the heads of FAO and UNDP on the future of the CGFPI, that it probably still contained some things with which I would not agree.

Two seem to me of some importance. It still is not precise as to the location of the growing dissatisfaction with the CGFPI to which reference is made twice. Nor have any precisions been given to me.

However, of much more operational importance is the retention, with only minor qualifications, of the series of charges of duplication. No facts have come to my attention refuting the comments on these charges contained in my memo of May 4. In fact, since it was written, the Secretariat of the World Food Council has proposed that its third meeting focus on nutrition and on agricultural trade, neither involving any overlap with the CGFPI's investment role.

If the discussion in the next CGFPI meeting on our future program of work seems likely to be influenced by these allegations of duplication, I would feel bound to seek an appropriate way to make available our reasons for disagreeing, as stated in the memo referred to above, supported as appropriate by documents in our files, as well as the transcripts of our first two meetings.

I would wish to do this because I have worked actively for a number of years to secure a reorganization of UN development activities to reduce duplication and hope to be able to continue to do so with a defensible personal record. But even more important is my belief that important leadership is not being given on a global basis in a number of the cited areas, that greater progress on them is crucial to progress on the world food problem, that the mandate given the CGFPI by the World Food Conference covers them, and that the CGFPI is at present in the best position to encourage appropriate action by all involved parties.

EMMartin:gbo

Mr. Montague Yudelman

May 4, 1976

Edwin M. Martin

Draft Memo on the CGFPI

As I see it, the proposal to review the future of the CGFPI at the Manila Meeting is based in your draft on three related considerations: unexpected extent of duplication, increased dissatisfaction, and lack of operational linkage. I shall comment on each in turn and then make several minor points of fact.

1. Duplication

Paragraph 18(b) is devoted to instances, not foreseen initially, of duplication between the work of the CGFPI and other public agencies. I suggest that the existence of duplication must be measured in terms of three criteria: working on the same subject, with the same type of representatives, and performing effectively.

I think we must examine each case of alleged duplication on this basis.

(a) Fertilizer Investment

The list of agencies working on fertilizer suggests that no one is capable of taking an overall view. That this was the case is suggested by the fact that the Second meeting of the Fertilizer Commission formally requested the CGFPI to put investment in fertilizer production and distribution on our agenda. The World Food Council at its first meeting also asked us to take this up in paragraph 54 of its final report. It is further confirmed by the fact that none of the listed agencies objected to our doing so but rather cooperated with the Secretariat in preparing our papers and participated constructively in our discussions.

This welcoming attitude may also be taken as a reflection of attitudes toward the effectiveness with which existing agencies were dealing with this question in a coordinated manner.

I believe also that the CGFPI had a wider participation by donors, including the three regional banks, and one more representative of investment decision makers, than any of the other bodies.

Having brought out the key issues, and made all action bodies aware of them, it has now been decided to leave follow-up for the present to the FAO Fertilizer Commission. Whether it may be necessary to put this subject on our agenda at some future date should depend on what happens over the next year or so.

(b) Seed Production and Distribution

I know of no body in which an overall look at investment in this sector is being examined. The agencies listed are operators, each plowing its own fields and without direct access to aid policy makers generally. FAO has the broadest outlook but its program has been of very limited impact - two countries a year is all they can help prepare seed programs for. And even modest programs produced by them have failed to get donor support.

FAO, the other Sponsors, and a number of country representatives agreed at our first meeting that this was a key subject, not receiving adequate attention from governments or overall direction in a body in which action people from donors and recipients could be reached like the CGFPI, in particular, to give more support to the efforts of FAO. FAO welcomed the opportunity to prepare the paper for our discussion and introduced it to the meeting.

(c) Post-Harvest Losses

The main point here is that the world community, as reflected in the Seventh Special Session of the General Assembly, felt that not enough was being done and called for cutting such losses in half by 1985. Very few donor projects have incorporated this as a project objective. FAO's efforts have been frustrated by the lack of widespread interest. A number of countries, as well as FAO staff, welcomed a CGFPI initiative to highlight courses of action through investment and technical assistance to achieve more progress. The CGFPI alone, as of now, includes the people who need to be reached on this subject.

I see no overlap with the CGIAR unless it plans to step out of its normal research role and become operational from an investment standpoint in this field. We have kept in closest touch with them and they spoke on their activities at our second meeting when inclusion of this item on our third agenda was under discussion.

The OECD Development Center is a research institution and can hardly duplicate our participation or approach.

(d) Shortages of Skilled Personnel

I am surprised to see this item chosen for objections since countries and the Sponsors have stressed its importance as a constraint to larger investment flows at both our meetings and urged us to work on it for the third meeting.

They obviously have felt that existing work was inadequate as have the senior officials in FAO and the ILO whom we have contacted to prepare a paper for our third meeting on training of agricultural managers. They jumped at the chance to work together to seek support for a better effort, commenting pointedly on how little was now being done. No one has complained of duplication.

(e) Resource Flows and Food Deficits

Given the track record of the World Food Council so far, I am a little surprised at proposals to turn important work over to them yet. Moreover, heads of delegations to the World Food Council's first meeting were seldom investment oriented. Many came from Foreign Offices or Ministries of Agriculture. By the final, controversial day, 25 of 36 were local heads of delegations to FAO.

Certainly they must report to their members on the state of food deficits and on resource flows and needs as they must on all major developments related to carrying out the World Food Conference Resolutions. But that doesn't mean they have or intend to take action responsibilities in every field. They clearly cannot and it is my understanding do not intend to do so in these cases. And, in fact, WFC/20 for their second meeting, just out, recommends support for expanded CGFPI work on these subjects. In fact, Walters has said that the main action points for their Second meeting are to be, they hope, food reserves and food aid.

Nor did they do the basic work as is suggested - we and IFPRI did that. On resource flows we have used both OECD and World Bank reports, but secured a number of special sets of data from OECD and others and added them for our reports.

Various institutions are increasingly turning to us to obtain or compare data on resource flows to LDC agriculture. We take this as a recognition of our being at least a useful source of information.

If it is thought useful to cite my comment about the CGFPI still seeking for its unique role as evidence of possible duplication, I request that the full text be used. It reads as follows:

"I certainly share, and I think we all do here in the Secretariat, the feeling that has been expressed that we are still groping for what is the unique role we can play and how can we make it a really useful one in the complex of organizations in this field. Perhaps one of the things I think I do feel, and I think my colleagues share this view, is that on this subject that we have been discussing this afternoon, the discussion at this meeting has been very much more sophisticated and profound than it was at the first meeting. This is perhaps a measure of some progress in our attack on this issue."

It should also be noted that "we" in this context clearly referred to the Group. My own views of the role are set forth in Document A on "The Role" discussed at the second meeting and not objected to by any participant or Sponsor.

I suggest that the real problem of duplication may be with what some agencies hope to do well in the future, not with what any of them are doing well now.

2. Increased Dissatisfaction

The transcripts of our two meetings do not reflect this. Few appraisal statements have been made. As noted previously, several of the donors who have indicated scepticism opposed any new bodies at the World Food Conference and their views can hardly be considered as evidence of "growing concern." Denmark, not one of these donors, was hesitant at the first meeting but silent at the second; Mexico was silent at the first, but positive at the close of the second. Subsequent to the second, the African group at FAO registered support for our efforts. If there is other evidence to show an increase in concern by participants which has not come to our attention, it should be cited, chapter and verse.

3. Absence of Operational Linkage

As you have noted, this issue was raised at the second meeting in specific terms, especially by the Canadians, supported by one or two others and in response to this interest, a paper has been prepared by the Secretariat. A debate on this paper at the Manila meeting would be highly desirable as this is, in my mind, the central issue for the usefulness or not of the CGFPI. It could well be the focal point for the review of its future potential at that meeting, including an opportunity for everyone to present additional suggestions as to how linkages might be improved.

It is also, of course, an issue on which one year is too short a time to reach a final judgment and the best justification for your proposal to give us another year.

To sum up, it strikes me that, after the historical material, the only essential or valid point that needs to be made to support your recommendation is that on operational linkages.

The minor points, in addition to those contained in my two earlier memos are:

- (a) I suggest that the footnote on page 3 have added to it "in a document which has been circulated to the Sponsors for comment."
- (b) The idea for a Technical Committee came from the Germans, not a recipient country. I suggest the following language for my response to it:

"The Chairman explained to the meeting why the Sponsors and the Secretariat had rejected the idea initially but agreed to look at it again."

I might add that I did so as a courtesy to the German delegate and still find the idea impractical.

- (c) The summary of representation at the First meeting might mention the three Regional Banks as they do not participate directly in a number of other bodies dealing with food production issues.

cc: Mr. Warren Baum

EMMartin:gbo

CONSULTATIVE GROUP ON FOOD PRODUCTION AND INVESTMENT IN DEVELOPING COUNTRIES

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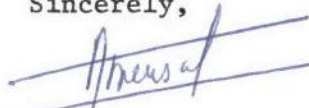
May 6, 1976

Dear Mr. McNamara:

Enclosed is the Report on the Second Meeting of the Consultative Group on Food Production and Investment in Developing Countries (CGFPI) held in Washington, D.C., February 10-12, 1976. The text reflects comments received from participants.

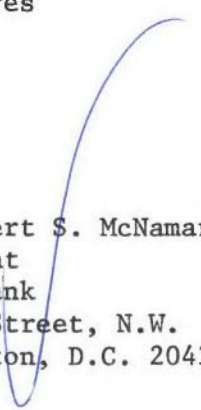
The Third Meeting of the CGFPI will be held September 22-24, 1976, in Manila, Philippines. A draft agenda is being prepared in consultation with the Sponsors and will be forwarded to you as soon as possible.

Sincerely,



Moise C. Mensah
Vice Chairman and
Executive Secretary

Enclosures



Mr. Robert S. McNamara
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

May 3, 1976

TO: Mr. Montague M. Yudelman
Director, Agricultural & Rural
Department, World Bank

Dr. Jan P. Huyser
Director, Investment Center, FAO

Mr. Gordon Havord
Senior Technical Advisor
Technical Advisory Division, UNDP

FROM: Moise C. Mensah, Vice Chairman and Executive Secretary, CGFPI

SUBJECT: National Food Plans

Following a request of the Second Meeting of the CGFPI, we have taken a first step in preparing an outline for National Food Plans.

You will find enclosed a draft document consisting of three parts: Part I deals with the purpose and scope of the Plan, Part II presents a summary outline, and Part III provides a more detailed framework.

We shall be very grateful for your comments and suggestions for further improvement of the document before submitting it to the Third Meeting in September.

If time permits, we would like to test the final version of the outline in at least one of our developing member countries and we do hope that you will give us your support in that exercise.

Enclosure

*was referenced with
3RD Meeting*

MCM/db

NATIONAL FOOD PLANS

PART I. PURPOSE AND SCOPE

The Second Meeting of the Consultative Group on Food Production and Investment in Developing Countries (CGFPI) requested the Secretariat to prepare in collaboration with the sponsors an outline of National Food Plans. A National Food Plan is a document that would focus the attention of the Group on needs to be met in a specific country as far as food supply and related investments are concerned.

The basic justification for a Food Plan is that unless a country can clearly identify and spell out in both qualitative and quantitative terms its own food problems, it can hardly tackle those problems effectively by proposing adequate measures to solve them. Furthermore in the absence of a reasonably clear picture of a country's food situation and the domestic capacity to face it, the CGFPI would find it difficult to discuss investment requirements and make suggestions for additional resource transfers.

More specifically the purpose of planning for food production is to identify and design a coordinated set of activities which will yield permanent and self-sustaining improvements. The proposed exercise is meant for (i) developing a comprehensive understanding of the current food situation and how it has come about, (ii) developing a realistic set of targets to be achieved by the end of the plan period, (iii) determining the means required to reach the targets, and (iv) the methods through which proposed measures can be brought into action.

A well formulated National Food Plan could offer among other advantages that of facilitating program lending or, at least, simplifying considerably project lending procedures, thereby accelerating resource transfers for increased food production.

A Food Plan would normally be an integrated segment of the country's Agricultural Sector Plan which itself is a part of the overall Economic and Social Development Plan. Some developing countries have attempted to build up development plans which could provide at least the essential ingredients for the kind of Food Plan recommended by the CGFPI.

Other countries do not have such development plans or programs. It is realized that they will request a significant amount of assistance in as much as it would need a "project" to help them collect basic data, analyze them and build them up into the set of coherent proposals that constitute a plan. Although a Food Plan formulation is basically a national effort, it is hoped that the sponsors will find it possible to allocate resources to such Food Plan Preparation "Projects." Donor countries might wish to help by providing extra-budgetary resources (funds or short-term expertise), it being understood that the preparation of Food Plans will not involve new surveys or field work but will rather be based on existing data and studies.

In many instances, reliable estimates of important variables will not be available. In such instances where estimates are necessary to satisfy the requirements of a logical framework, it will be useful to provide tentative estimates of those variables. In such a context, it must be contented that when the magnitude of an important variable is not known, some estimate however tenuous is better than none.

It is realized that the formulation and monitoring of a Food Plan is a continuing exercise. Therefore, the institutional capacity to carry out the task might have to be strengthened or even created.

In the development of a National Food Plan, it is essential to maintain certain standard time-horizon (long-term period, five-year period, annual budgets, etc.). The present exercise addresses itself to time-horizon 1985 which is a target year for World Food Conference recommendations. Proposals to change the food situation by that year can still be validly made in the proposed Food Plans, while achievement of any shorter-term targets may prove rather difficult. However, while preparing the horizon-1985 plan, possibilities for effective measures to increase output between now and 1985 should be carefully examined together with the implications of the plan for actions beyond 1985 as a number of proposals might come to full fruition only after that target date.

From the standpoint of the CGFPI, a National Food Plan has to go beyond market demand in determining the levels of food needs and take into account the nutritional requirements of the population as a whole. Only this approach would be consistent with the ambition of the World Food Conference as expressed in its "Universal Declaration on the Eradication of Hunger and Malnutrition." Therefore, supply/demand projections and analysis should give adequate treatment to requirements to feed the people across various socioeconomic borders and in different geographic areas within a given country.

There is no illusion about the quasi-impossible task of meeting the WFC's objective of eradicating hunger and malnutrition at global level, but at national level this should be possible in a number of countries under

certain circumstances which the Food Plans would have to discuss. In any case, even at the global level there is a need to give at least a rough idea of what the World Food Conference objectives mean in quantitative terms in order to be able to measure progress made in relation to those quantified targets.

It is expected that vis-à-vis donor participants in CGFPI, carefully prepared National Food Plans will make a good case for increasing the flow of concessional aid to developing countries concerned. Actions taken by both donors and recipients as a follow-up to the National Food Plan presentation to CGFPI will have to be reported to the Group even though formal pledges or details about financial arrangements might not be items for this Group's discussion.

In the outline which follows, an attempt has been made to specify only the essential information. The outline is intended to be comprehensive in the sense that it covers at least the highlights of all important areas (present state of food and nutrition - 1985 food needs - related production programs - policy implications - domestic and external investments). A tentative appraisal of the Plan will also be part of the exercise to ensure that the Food Plan proposals remain as consistent as possible with the overall socioeconomic targets.

An important appendix to the Food Plan will consist of proposals for investment programs which deserve urgent attention.

If relevant, detailed statistics and other background information could be provided in annex form.

PART II. SUMMARY OUTLINE

I. INTRODUCTION

II. STATE OF FOOD AND NUTRITION

- A. Food Production Sector
- B. Food Availability
- C. Population
- D. Nutritional Status of Population
- E. Causes of Food and Nutrition Deficiencies

III. 1985 FOOD NEEDS

- A. Increase of Population
- B. Growth in Demand
- C. Nutritional Requirements

IV. PRODUCTION PROGRAMS

- A. Land Development
- B. Water Development
- C. Agricultural Labor Force
- D. Improved Cultural Practices
- E. Institutional Measures
- F. Reduction in Post-Harvest Losses
- G. Food Processing
- H. Food Distribution

V. POLICY IMPLICATIONS

- A. Desired Degree of National Food Self-Sufficiency
- B. Food Production Policies
- C. Food Distribution Policies
- D. Nutritional Programs
- E. Population Policies

VI. DOMESTIC AND EXTERNAL INVESTMENTS

- A. Past and Present Activities
- B. Future Requirements

VII. APPRAISAL

- A. Rural Employment
- B. Agricultural Income
- C. Food Consumption
- D. Economic Feasibility

APPENDIX - Proposals for Investment Programs

PART III. DETAILED FRAMEWORK

I. INTRODUCTION

Outline the importance of and urgency attached to the formulation and implementation of the National Food Plan combining the objectives of setting nutrition planning targets with those of the conventional economic development plans. While 1985 is being proposed for considering future food requirements and investment needs in relation to production potentials, it is desirable to have a general indication of the lines along which the country would wish to advance on the food and nutrition front beyond that date.

Describe the importance attached to the food plan as a priority national program to be implemented as a coordinated effort of various government departments, private institutions, farm organizations and individual farmers with assistance from external sources. Based on the analysis of requirements for implementing the National Food Plan developed in later sections indicate proposals for: (a) assuring the desired degree of inter-ministerial cooperation; (b) increasing domestic investments in both public and private sectors for expanding and improving the food production/distribution system and for mobilizing available human, technical and financial resources for this purpose; and (c) seeking greater international collaboration to achieve the objectives of the National Food Plan and to increase the country's capacity to absorb larger amounts of economic and technical assistance.

Indicate how it is proposed to relate the National Food Plan to the country's overall economic development plan in general and to its agricultural sector plan in particular during current and future plan periods.

II. STATE OF FOOD AND NUTRITION

The main purpose of this section is to provide information on the present status of food production/distribution system and nutritional level of the population with an indication of how this has come about. Focus here should only be on that part of the immediate past which is useful in explaining the present. It will provide the basis for considering future needs under Chapter III and production programs in Chapter IV.

A. Food Production Sector

Briefly describe the pattern of agriculture, cropping intensity and the nature of activities, particularly in the food production sector, during various seasons, differentiating between peasant subsistence farming and commercial farming for the market. Technical input-output coefficients will be developed here and will constitute the basis for the formulation of future production programs. Inputs to be considered are as follows:

1. Land Use

Total land area divided into area under annual crops, perennial crops, pastures and range land, forest land, potentially cultivable land and all other built up or waste land.

2. Soil and Water Management

Magnitude and nature of various practices such as irrigation, flood control, drainage, land rehabilitation, etc.

3. Production Areas and Yields

Areas under various food and nonfood crops in different seasons with an indication of the extent of multiple cropping. Crop yields and

production under irrigated and unirrigated cultivation. Long-term trends in areas, yields and production of principal food crops.

4. Improved Seeds

Use of high-yielding varieties of different food crops, domestic programs for production, multiplication and certification of recommended seeds.

5. Fertilizers and Pesticides

Application of chemical and organic fertilizers on major food crops and areas fertilized. Domestic production and imports of fertilizers together with a description of the fertilizer distribution system. Use of pesticides and herbicides.

6. Mechanization

Use of different kinds of agricultural machinery, farm equipment and hand tools for various operations of food crop farming, e.g., land clearance, sowing or planting, intercultivation, harvesting, transportation, etc.

7. Manpower

Size and distribution of agricultural active population and labor force per unit of land during different seasons.

8. Structure of Agriculture

Approximate number of food crop holdings and size distribution with geographical variations where appropriate - fragmentation of holdings - systems of land tenure with indication of mode of payment for rented holdings.

9. Institutional Support

Various supporting services in the food production sector such as food processing, agricultural credit, extension and research, marketing, price and subsidy policies for providing incentives to farmers, etc.

B. Food Availability

Detailed information on the various components affecting food availability is to be supplied in the individual sections below. What is desired here is a general statement on the availability of major food commodities in different areas at various times and the relative importance of domestic production, imports, industrial use, animal feed, human consumption, waste, etc., bringing out major problems and identifying habitually deficient or surplus food production areas.

1. Domestic Production

Production of main food crops in principal areas at various times of the year with particular reference to those regions having large annual fluctuations.

2. Imports

Quantities and value of imports of major food commodities including aid shipments and concessional imports. Foreign exchange expenditure and impact on balance of payments.

3. Utilization

Amounts of major food commodities used for seed, animal feed, industrial processing, changes in stock and quantities available for direct human consumption making allowance for losses and wastages - make special reference to large seasonal and region-to-region variation in food availability.

C. Population

Latest estimate of national population and the percentage engaged in agriculture; an indication of the principal characteristics such as age distribution and urbanization; current and expected rates of growth;

distribution of population over the main geographical areas of the country with particular reference to densely populated areas, remotely situated areas and other areas with transport difficulties; population in large cities, other urban centers and in rural areas with an indication of the current rate of urbanization; income distribution of various categories of urban and rural population; pattern of household expenditure particularly on food by different socioeconomic classes of the population and available information on income elasticities of demand for different foods differentiating between subsistence and commercial farming sectors.

D. Nutritional Status of Population

In this important section general information is to be given on the magnitude and nature of prevailing hunger and malnutrition based on internationally accepted nutrition requirement standards for different sections of the population. Indicate the distribution of population suffering from nutritional deficiencies both quantitative and qualitative.

1. Food Consumption

Levels and patterns of food consumption and dietary habits of the population in various urban and rural areas according to different income classes, occupations and other socioeconomic characteristics.

2. Nutritional Problems

Identification of areas and groups of population suffering from inadequate food availability during different times of the year - special problems of vulnerable groups of population and difficulties arising out of lack of nutritional education, dietary habits, social taboos, etc. - prevalence of debilitating diseases directly connected with malnutrition.

E. Causes of Food and Nutrition Deficiencies

Describe the major causes of food and nutrition deficiencies leading to the above problems.

1. Insufficient Availability

Physical insufficiency due to inadequate domestic production - inability to meet recurrent cost of imports - amount of overall shortage at the national level or in specific regions - seasonal shortages.

2. Inadequate Internal Distribution

Problems of storage losses, marketing, distribution and transportation of food to needy areas - operation of food subsidy schemes, rationing, fair price shops, etc., including the requirements of urban population.

3. Lack of Purchasing Power

Inability of different sections of the population to procure or purchase the required food inspite of its physical availability due to relatively high prices compared to disposable incomes and expenditure on nonfood items, existence of unemployment, underemployment and seasonal unemployment - special problems of landless laborers.

III. 1985 FOOD NEEDS

Provide an estimate of the total food requirements of the population in 1985 to be met from vegetative sources, e.g., cereals, grain legumes, roots and tubers, taking into account not only the growth in population and rise in per capita income but also the unfulfilled nutritional needs of the population. It should take account of not only the requirements for direct human consumption but also the needs for animal feed, industrial processing,

seed requirements, building of grain reserves and normal losses in storage and distribution. These requirement figures are to be used in working out attainable food production targets subject to the realization of various production programs in Chapter IV, implementation of policy measures in Chapter V and availability of resources in Chapter VI.

A. Increase of Population

Projection of the size of population in 1985 broken down by various factors affecting food requirement - population distribution by climatic zones, food habits, occupation, income groups, age, sex, urban-rural, etc.

B. Growth in Demand

This is to be estimated by the traditional approach of projected income growth and income elasticities of demand for different foods. Precision of the overall projection will depend on the number of population subgroups for which appropriate and reliable estimates are available for the two factors.

C. Nutritional Requirements

Going beyond the projection of economic demand, an estimate of the total future food demand is to be presented here to take account of desired improvements in the level and pattern of food consumption of the future population and its nutritional status. A number of alternative projections for future food requirements may be presented on the basis of nutritional standards to be achieved so as to make it easier to relate these targets to the production potentials and resource availability considered in later chapters.

IV. PRODUCTION PROGRAMS

This chapter brings out the country's potential for increasing food production and improving the food distribution system for the benefit of its population. It constitutes the central core of the National Food Plan in terms of the ways and means of achieving higher domestic food production levels and an improved food distribution system. Implementation of various programs enumerated below will need to be coordinated under an overall production strategy, emphasizing the employment and income aspects.

To begin with an estimate should be given of the level of food production expected to be achieved in 1985 on the assumption that the various development projects currently initiated will be completed on schedule, external aid commitments disbursed in accordance with agreed schedules and that the level of new commitments will be in line with current trends and expectations. One or more realistic alternative estimates may be presented of a higher production level which could be attained with greater domestic effort supported by a larger flow of external assistance.

The contribution of projected changes in the major inputs toward the postulated 1985 food production level should make full use of the physical input-output coefficients developed earlier. This procedure enables to quantify and to cost additional input requirements.

Obstacles and constraints in the way of achieving higher production under the various assumptions should be spelled out together with specific proposals for overcoming them. These should include not only the financial shortcomings but also the technical problems of production, distribution and storage together with appropriate proposals for research - institutional,

organizational, administrative and infrastructural weaknesses and suggestions for improvement. Particular attention needs to be given to the problems of personnel shortages for project formulation, management and implementation with proposals for the training of national staff.

A. Land Development

Bringing new land under cultivation by clearance, land leveling and preparation, terracing, soil conservation and other measures - land settlement and consolidation - opening new areas through improved roads and transportation - increasing cropped areas through double and multiple cropping - changing land use and cropping patterns - reduced allocation of land for nonfood crops, livestock and forestry.

B. Water Development

Increasing area under major and minor irrigation systems, river valley development projects, flood control measures, drainage schemes, pumps, wells, reservoirs, etc., and completing previously started irrigation projects by constructing, clearing and maintaining secondary and tertiary canals - improving water utilization through supplemental irrigation and more efficient system of irrigated agriculture particularly for food production.

C. Agricultural Labor Force

Improvement in productivity and total food production through greater and more efficient use of agricultural labor in different areas at appropriate times.

D. Improved Cultural Practices

Under this section include the various techniques of increasing crop yields through improved cropping patterns, introduction and selection of new food crops, crop diversification, etc.

1. Improved Seeds

Promotion of more nutritive and high-yielding varieties of appropriate maturity period, resistant to pests and diseases, responsive to various production inputs and considered suitable under different agro-climatic conditions in the country - programs for research, production, testing, multiplication, certification and distribution of recommended seeds.

2. Fertilizers and Pesticides

Increased and more efficient use of chemical and organic fertilizers taking advantage of other improved cultural practices and the development of land and water resources; programs for domestic fertilizer production and supplementing with imports to meet total requirements; increasing the efficiency of operation of existing fertilizer plants and distribution systems - also include measures for greater use of pesticides and herbicides.

3. Mechanization

Use of appropriate farm machinery, equipment, small hand tools and animal power for land clearance, tilling, sowing, intercultivation, harvesting, etc., for extensive and intensive food production, for increasing crop yields, for coping with local and seasonal labor shortages and for making food farming more attractive - fuller and more efficient use of available energy through all sources.

E. Institutional Measures

Impact on production of various institutional measures such as extended and liberalized agricultural credit programs; agrarian reforms; improved extension and research services for food production; more efficient use of available manpower; provision of price incentives and crop insurance; marketing and storage facilities; building of feeder roads; etc.

F. Reduction in Post-Harvest Losses

In addition to the various production programs outlined above, include in this section the appropriate postproduction activities aimed at reducing crop losses and wastages.

G. Food Processing

Use of appropriate techniques for the preservation and processing of various foods including optimum use of by-products so as to make available at all times larger amounts of domestic production, efficiently and without excessive additional cost, to all sections of the population including those in urban zones and places away from production areas - means of increasing rural incomes.

H. Food Distribution

Describe the proposed social and economic measures to ensure that the larger quantity of food at the national level will be made available more equitably to the entire population and that it will in fact go to those most in need of it - meeting the requirements of special and vulnerable groups of the population.

V. POLICY IMPLICATIONS

Even under reasonably optimistic assumptions of production capacity in Chapter IV, it may in many cases become obvious that the total food needs of the country in 1985 cannot be met fully through domestic production alone. Under these circumstances it becomes necessary to adopt appropriate national policies to accept, at least in the short run, a somewhat lower level of food availability on the average or arrange for supplementary food imports on commercial terms or as food aid or a combination of all three. Implications of these policy measures are to be considered under various sections below together with an indication of the government's population policies.

A. Desired Degree of National Food Self-Sufficiency

Indicate the level of food self-sufficiency to be attained in 1985 for individual major food commodities taking into consideration the relative costs of increasing domestic production and of importing food from abroad. State in particular the percentage of dietary energy requirements to be met from nonvegetative sources. Describe the impact of commercial food purchases on the country's foreign exchange and balance of payments situation and bring out the requirements for handling and storing the additional food imports at ports, and transporting food grains to distant areas of the country.

B. Food Production Policies

Past production trends and growth potentials related to future requirements will have a direct bearing on the types of production policies to be encouraged, altered or introduced. These need to be indicated

here with identification of priority areas and sectors including rural development and integrated agricultural development projects combining several input factors mentioned earlier.

C. Food Distribution Policies

Describe the operation of food-for-work labor-intensive projects such as World Food Programme projects, food subsidy schemes, fair price shops, food rationing particularly in urban areas, special feeding programs, etc., for the distribution of available quantum of food among different sections of the country's population and for meeting the requirements of livestock production sector, industrial processing, etc.

D. Nutritional Programs

This should include special nutritional programs such as those for school lunch, institutional feeding, food fortification, nutrition education, etc.

E. Population Policies

Where relevant outline the government's policies and programs for reducing the rate of growth of population. Also include measures for better utilization of manpower through appropriate geographical distribution.

VI. DOMESTIC AND EXTERNAL INVESTMENTS

One of the major objectives of the National Food Plan is to promote larger flows of investment to the food production sector specially from external sources. It is important in this respect to provide as complete a picture as possible of the various ongoing and already committed

domestic and external investment activities in this field both in the public and private sectors. Optimum use of manpower at all levels, including where appropriate the use of community-work projects, is also an important factor in mobilizing human resources for investment purposes.

A. Past and Present Activities

Outline various investment activities in completed and ongoing food production projects in different parts of the country bringing out as clearly as possible the relation between investment inputs and project outputs in terms of increased food production at the end of the stated time period.

1. Domestic Efforts

Internal investments of all types made by both the public and private sectors including the use of human resources at various levels, and financial outlays in current and development budgets.

2. External Assistance

Technical and financial assistance including long-term credits and the provision of fertilizers and other agricultural inputs as well as food aid and food provided for partial payment of wages in labor-intensive projects - magnitude of current and future debt repayment problems - services provided by international agricultural research and development institutions - marketing facilities and technical know-how such as those provided by multinational corporations.

B. Future Requirements

For the implementation of various production programs outlined in Chapter IV and based on the past investment experience described above, it should now be possible to indicate the total future investment

requirements. Taking into account the country's capacity to increase its own domestic efforts, an estimate should be given of the supplementary external aid requirements.

It would be preferable to provide, wherever possible, the relative share of foreign investment for individual components, e.g., the recurrent cost of supporting services such as for extension, management, distribution system, etc.; the cost of farm inputs and equipment including investment for fertilizer industry, farm machinery, etc.; on-farm fixed investment such as for irrigation facilities; off-farm agricultural investment such as for buildings and vehicles; and nonagricultural investments such as for feeder roads and other infrastructural development.

Under a coordinated framework provided by the National Food Plan donor agencies and institutions will be encouraged to consider their contributions for sector lending forming an integral part of the plan. At the same time it will be useful for countries to list in the appendix, in order of priority, the various investment programs in the food production sector.

VII. APPRAISAL

The purpose of this section is to provide estimates of the National Food Plan's contribution towards the country's key socioeconomic objectives. It also includes an assessment of the general validity of the various estimates and the underlying assumptions.

A. Rural Employment

An estimate of the aggregate effect on employment; and estimates of indirect employment effect. When these are made, a comparison with estimates of agricultural labor force can be made and estimates of "underemployment" completed.

B. Agricultural Income

Estimates of the impact on producer incomes for selected major producer categories; and estimates of the number of beneficiaries and approximate locations.

C. Food Consumption

Impact of increased production on food intake of the population with emphasis on the lowest income rural areas and groups.

D. Economic Feasibility

A conventional economic rate of return analysis of a highly aggregate nature may be useful as an indicative instrument to test the overall feasibility of the entire food plan. This analysis will include sensitivity testing of the estimates of those key variables which are considered to be most uncertain.

APPENDIX

Give a list of the priority proposals for investment programs describing very briefly the objectives, benefits to be derived, time period involved, total cost, domestic investment and external financial requirements.

Mr. Montague Yudelman

April 30, 1976

Edwin M. Martin

Agenda for the September CGFPI Meeting

1. In accordance with your request, I do not propose to make detailed comments on the first draft of the option paper. However, I must call attention to a difficult timing problem with respect to the agenda for the September meeting.
2. We are committed on the basis of a recommendation from the June 1975 meeting of the FAO Council to circulate a draft agenda to all countries, members of one of the sponsoring agencies, for their comment. We did so for the Second Meeting.
3. To make it plausible that comments might be reflected in the final agenda, though of course we retain full control of what to include, we should send it out before May 15 at the latest. In fact we had planned to send it with the final Report on the Second Meeting, going out next week, to save mailings. This is what we did the last time.
4. Therefore, I urge that sponsor agreement on this point be accelerated and not held up for action on the option paper. In any case the agenda will have to be a separate document for the Manila meeting and not a part of the option paper.
5. In addition ILO is working actively on the paper on training of agricultural managers, a subject which we were pressed to include on the next agenda by the US initially, supported by a number of other countries. They should be stopped promptly if it is not to be included.
6. If you feel sponsor agreement is apt to be much delayed, I think we must send out our proposed agenda without the post-harvest waste item.
7. I hope you can advise me promptly on this.

EMMartin:cfh

cc- Mr. Warren (Burm)

Mr. Montague Yudelman, Director, Agriculture
& Rural Department

April 30, 1976

Edwin M. Martin

Attendance at CGFPI Meetings

At our meeting a month ago with you and Huyser, you stressed that the majority of country representatives at CGFPI Meetings came from Washington Embassies. I objected that this was not true.

I did not think it necessary to pursue the matter until I saw it repeated as fact for the First Meeting in the first draft of the options paper (para. 13). I fear it may have influenced the views of some of our superiors, I would like to see the record put straight.

At the first meeting, sixteen Heads of Delegations were not from Washington or New York Embassies, seven were and one was but has representatives from his capital under him. At the Second Meeting again sixteen were not, eight were and two were mixed.

It was also suggested at one point by Jan that most of our participants came from FAO missions: there were only two such at First Meeting and three at Second.

cc. Mr. Warren C. Baum, Vice President, Projects Staff

Mr. Montague Yudelman

April 30, 1976

Moise C. Mensah

CGFPI Consultancies

During our telephone conversation today, I mentioned that the exact terms of reference of the CGFPI Consultant missions related to Water Development were as follows:

- Analysis of pros and cons of three or four major projects for better water management for use in food production (Roger Revelle).
- Study of possible impact of major agricultural development projects within the Senegal River and the River Niger development schemes in terms of increasing food production; investment implications (Vu Van Thai).

I should have added that CGFPI consultancy funds were also used to co-sponsor a study which you did not mention on your list, i.e., "Possibilities of a Regional Fertilizer Industry in Southeast Asia."

It was contracted for through the Bank Fertilizer Unit and done by them in cooperation with the International Fertilizer Development Center at Muscle Shoals. Its report was discussed at our Second Meeting

cc. Mr. Edwin M. Martin

Mr. Jim Goering

Mr. Warren C. Baum

April 28, 1976

Edwin M. Martin

The Future of the CGFPI

Jan Huyser tells us that Saouma is meeting tomorrow at 5 o'clock to decide his position on the future of the CGFPI. They are unhappy that they know of the McNamara proposal only by telephone and have no document. I could not reach you or Yudelman, but I hope that it is on its way or will be gotten there before the Saouma meeting, which is taking place two weeks after the McNamara decision.

cc: Mr. Yudelman

EMMartin:gbo

(draft)

April 30, 1976

2nd draft

1st draft was not sent

4/27
(in CGFPI file)

THE CONSULTATIVE GROUP ON FOOD PRODUCTION AND INVESTMENT (CGFPI)

Introduction

1. A summary review of the CGFPI, carried out by the co-sponsors in April 1976, suggested that the future of the Group should be discussed and determined by participants at the forthcoming meeting of the CGFPI at Manila. This was to be done after taking into account the views of the co-sponsors and the Secretariat. The purpose of this memorandum is to provide information relating to the establishment of the CGFPI, a summary of its activities to date and assessments by the co-sponsors.

Background

2. The World Food Conference. The CGFPI was one of several organizations proposed at the time of the World Food Conference in November 1974.^{1/} The proposal by the United States called for the immediate formation of a "coordinating group," comprised of representatives from "traditional donors, and new financial powers, from multilateral agencies and from developing countries," to encourage larger and more effective flows of domestic and external resources for food production in deficit countries.

3. The proposal, embodied in WFC Resolution XXII, was widely supported by participating members of the Conference. This resolution requested the Bank, FAO, and UNDP to serve as sponsoring agencies for a Consultative Group on Food Production and Investment in developing countries. Membership was to be composed of bilateral and multilateral donors and representatives of developing countries, chosen as in the case of CGIAR. Staffing was to be provided by the sponsoring agencies.

^{1/} Others are the World Food Council (WFC), the International Fund for Agricultural Development (IFAD), and the Committee on World Food Security (CWFS).

4. The resolution recommended that the main functions of the CGFPI be:

- "(a) to encourage a larger flow of external resources for food production;
- (b) to improve the coordination of activities of different multilateral and bilateral donors providing financial and technical assistance for food production; and
- (c) to ensure a more effective use of available resources."

5. The resolution invited the CGFPI to keep the World Food Council informed of its activities. It also requested the Development Committee "to keep under constant review the adequacy of the external resources available for food production . . . and to consider in association with the CGFPI new measures which may be necessary to achieve the required volume of resource transfers."

The Chairman's Prospectus

6. During January and February 1975 representatives of the three sponsoring agencies met in Washington to develop general operating procedures for the CGFPI. It was agreed that the Secretariat would be provided with office facilities at World Bank headquarters and that administrative support costs of the group would be shared equally by the sponsoring agencies. A product of those meetings was the Chairman's Prospectus, a comprehensive statement of envisaged membership, scope of work and modus operandi.

7. Among donors, participation was expected to include traditional bilateral and multilateral aid donors and aid institutions; 'new donors,' namely OPEC members and CAPEC aid agencies; and, ex officio, the sponsoring agencies. Representation by developing countries was to be based on the FAO system of five Regional Conferences, each of which nominates two member countries as their representatives. Participation by other UN agencies, non-UN inter-governmental agencies (OECD, Arab League, etc.), private industry and representatives of other countries was to be invited by the Chairman on an ad hoc basis.

8. Scope of work. The prospectus suggested for consideration by CGFPI membership listed a wide range of possible topics related, in one way or another, to investment or technical assistance for food production:

A. Investment Policies and Programs

1. Investment Flows for Food Production
2. Resource Transfers
3. Investment Strategies
4. Rural Development and Food Production

B. Production Inputs

1. The World Fertilizer Situation
2. Credit
3. Seed Multiplication and Distribution
4. Land and Water Development
5. Other Agricultural Inputs

C. Institutional Development

1. Rural Development and Agrarian Institutions
2. Storage Marketing, Processing and Transportation

D. Other

1. Fisheries Development
2. Health and Education

9. In September 1975 the CGFPI was given another responsibility when the Ad Hoc Committee of the UN General Assembly Seventh Session requested that the Group "should quickly identify developing countries with potentials for most rapid and efficient increase in food production, as well as the potential for rapid agricultural expansion in other developing countries, especially the countries with food deficits."

10. Modus operandi. As an informal, consultative body, no resolutions are passed by the CGFPI and its deliberations are not binding upon participants. In contrast to procedures of the Consultative Group on International Agricultural Research (CGIAR), no pledging of resources by donors was envisaged.^{1/} It was expected that its objectives related to investment flows

^{1/} While the prospectus states categorically that no pledging is contemplated, a more recent statement by the Secretariat raises the possibility of donor pledging in support of country food plans.

would be achieved through "an exchange of experiences, . . . the expression of their views by participants, and the examination of factual reports submitted by its Secretariat. By such a process of free discussion . . . it is hoped that participants will be led to adopt policies and take measures . . . which will accelerate . . . food production in the developing countries."^{1/}

11. Most of the discussion papers were to be prepared by the Secretariat, although it was expected that the sponsoring agencies would assist in this regard. This has been the case. Budgetary provisions also were made to employ consultants to examine specialized issues. Consultants have been employed to analyze: (1) food production implications of selected Bank projects; (2) water management and food production in the Gangetic plain; and (3) food production potential of the Senegal River Basin.

First Meeting of the CGFPI

12. The first meeting of the CGFPI (July 21-23, 1975) was attended by the three sponsoring agencies and affiliates, 28 member countries and agencies and six agencies with observer status. Substantive (non-procedural) topics for discussion related to investment needs and external resource transfers for food production, effectiveness and constraints to resource flows and investment needs for fertilizer production and distribution systems.

13. The level of representation among delegations varied widely, ranging from Assistant Secretary (US), Permanent Secretary (UK) and Financial Counselor (France) to section heads in development/aid or foreign affairs ministries. Typically, country representation was through a member of the economic staff of a local embassy. Among OPEC countries the official list of participants included the Saudi Arabian Ambassador to FAO, the First Secretary in the United Arab Emirates mission to the US and delegates from Indonesia. No Arab financial agency was represented.

^{1/} Chairman's Prospectus, provided as Background Paper A (FPI/75/2) to the first meeting of the CGFPI.

14. Discussion was far-ranging. Some valuable information was presented, particularly that arising from the Secretariat's efforts to compile detailed data on external capital and technical assistance flows to LDC agriculture. There was general consensus that the CGFPI should limit its activities to those which relate directly to investment in LDC agriculture. One view, expressed by several major donors, was that the range of topics outlined in the prospectus was unduly numerous and frequently overlapped with work of existing organizations. A common concern was the extent and manner by which deliberations of the Group could be expected to influence investment decisions by either donor or recipient countries.

Second Meeting of the CGFPI

15. The Second Meeting of the CGFPI (February 10-12, 1976) was attended by the three sponsoring agencies and affiliates, 30 member countries/agencies and nine agencies with observer status. Major topics discussed included the role of the CGFPI, means to generate a rapid increase in food output, external resource flows, planning for fertilizer industry development, personnel shortages for agricultural development and seed production and distribution in developing countries.

16. Papers dealing with fertilizers, seeds and agricultural personnel were presented along with more current information on resource flows to LDC agriculture. The future role of the CGFPI remained a prominent topic during the meeting. Concern over the operational linkages between CGFPI discussion and food production investment decisions was voiced frequently by both donors and recipients. The suggestion for a "TAC-like" ^{1/} arrangement whereby a panel of independent experts would guide the Group was made by an aid recipient,

^{1/} The Technical Advisory Committee (TAC) provides guidance on technical matters to the CGIAR.

supported by several donors and accepted by the Secretariat for additional consideration. The need to further narrow the CGFPI work and couch it in terms of a comprehensive analytical framework, starting with the world food gap, then moving to national food plans and investment requirements, was suggested by several participants. The suggestion that the CGFPI Secretariat prepare a paper on operational linkages between the Group and external resource flows was widely supported. This has been prepared. A common view among participants, expressed by the Chairman in his concluding remarks, was that the Group was still searching for a role that was both unique and useful among the several organizations concerned with food production in developing countries.

17. The number of member country/agencies was slightly larger (by two) than were present at the first meeting. The level of representation among delegations appeared to be lower, a point noted with concern by some participants. Only one OPEC country was present, although others stated that they planned to attend but were prevented from doing so by last minute developments. The Kuwait Development Fund and the Arab Social and Economic Development Fund were absent but evidenced an interest in the meeting and an intent to attend subsequent meetings. India, Pakistan and Bangladesh attended by special invitation of the Chairman. The presence of several of the major food-consuming countries - not selected as the representative of their region - added to the quality of the discussion.

General Observations

18. To date two well-organized plenary meetings have been held and a wide array of interesting documents has been prepared, or commissioned, by the Secretariat. However, the question remains of how much new ground has been broken by the CGFPI. While assessment of achievements must take into

consideration the relative newness of the Group, there is increasing concern among participants regarding operations of the CGFPI and the extent to which its objectives will be attained. Several reasons exist for this concern:

- (a) Operating procedures. The CGFPI objectives of increasing the flow and effectiveness of resources for food production were to be attained almost entirely by the persuasiveness of Secretariat documentation and the free exchange of ideas among member donors and recipients. This approach has merit in fostering a relatively frank discussion of development issues but its effectiveness in terms of influencing investment decisions may be questioned. Experience to date raises the question of whether the CGFPI, as a deliberative body with voluntary membership, variable levels of representation, no voting procedures, or actions legally binding on participants and, most important, no resources to allocate, is well established to have the demonstrable impact on food production investment decisions desired by members. It seems plausible that the lack of clear operational linkages between deliberations of the Group and investment allocations is a major reason for the growing concern among donors and recipients regarding CGFPI effectiveness. However, it is also plausible to believe that discussion of soundly-conceived documentation such as country food plans, supported by the co-sponsors, can have a bearing on investment decisions by donors.
- (b) Organizational overlap. The question is whether the CGFPI can play a role not already carried out by, or perceived as the responsibility of, existing organizations. This may be proving more difficult than originally expected. The two topics common to both the first and second meetings, viz., financial flows for food production and

investment in fertilizer production, demonstrate this difficulty. For several years the Organization for Economic Cooperation and Development (OECD) has collected and published information on resource flows to developing countries. That work continues and is being expanded, although the focus is not exclusively on agriculture and food production. The World Food Council is also producing data on resource flows and the "food gap." With respect to fertilizer investment, the FAO Fertilizer Commission, the United Nations Industrial Development Organization, the World Bank's Fertilizer Unit and industry groups collaborate in the exchange of information and analysis of policy issues.

Issues relating to trained manpower in agriculture are examined by the FAO, the International Labor Organization and other UN agencies, as well as bilateral and multilateral aid agencies. Problems in the production and distribution of high-quality seeds have been addressed by FAO, the World Bank and other aid donors. Questions of pre- and post-harvest crop losses have been a long-standing concern of the FAO. More recently, the OECD Development Center and the CGIAR have taken up this problem.

More generally, the FAO, the United Nations Development Program, other UN specialized agencies, the World Bank and the regional development banks have broad mandates pertaining to investment in developing country agriculture and food production. These topics also are discussed, although not always comprehensively, in aid consortia or consultative groups. A comparison of agendas for the second meetings of the CGFPI and the World Food Council also suggests a similarity of roles not envisaged at the time these organizations were established.

Clearly, these various topics merit continued consideration and a focus on their investment aspects may prove to be the unique contribution of the CGFPI. But very careful choice of a work program is necessary in order that the Group complement, rather than duplicate, efforts elsewhere.

- (c) New donor participation. The expectation of active participation by potential new donors, presumably from OPEC, was a major reason behind the idea and early support of the CGFPI. Participation by this group has been limited, despite encouragement by the Secretariat. Some evidence of interest continues. However, the future of the CGFPI should not depend on this issue.

Options for the Future

19. A logical basis for evaluating the CGFPI and mapping its future is the extent to which its objectives, as set out in Resolution XXII, have been, or are likely to be, realized. An evaluation on that basis and at this time is difficult since the Group's influence on investment decisions can neither be measured quantitatively, nor will it be manifested within the short term. The co-sponsors are of the view that an impact convincing to participants requires a narrower work program than that considered heretofore, a high level of representation at plenary sessions and a closer focus on issues directly related to investment decisions in food production.

20. A promising role for the CGFPI may be to assist member countries with the preparation and review of national food plans. There is the question whether members would agree to have the plans examined in this forum. Nonetheless, the possibility exists that such plans, developed in collaboration with the Secretariat and co-sponsors, would provide the basis for a dialogue between donors and recipients which can contribute both to larger and better-coordinated resource flows for food production. Initial efforts in this regard could include

the preparation of a food plan for a developing country with a difficult food situation (e.g., India) and a country with significant food export potential (e.g., the Sudan). The merit of this proposal would rest on the validity of the food plans and their endorsement by co-sponsors. However, members may feel that such a task is beyond the purview of the CGFPI or should be undertaken only on a trial basis.

21. In light of the above, the sponsoring agencies invite member response to several options with respect to the CGFPI future. These include:

- (a) Continue the CGFPI as it is; or
- (b) Continue for one year beyond the Manila meeting, followed by comprehensive review; or
- (c) Abolish the CGFPI as soon as practical after the Manila meeting.

22. Variants of these options might be considered. Options to continue would assume a highly-focussed work program directly related to resource allocation in food production and consistent with the capabilities of the Secretariat and the need to avoid duplication with work elsewhere. It is in this context that we have urged the Secretariat to restrict the work over the next several months to:

- (a) The flow of financial resources to LDC agriculture;
- (b) Projections of the future foodgrains gap among developing countries; and
- (c) Country food plans and their implementation.

23. Despite concerns with progress to date, the co-sponsors support the objectives of the CGFPI and wish to provide an adequate opportunity for the Group to demonstrate its effectiveness. For these reasons, a decision to abolish the CGFPI immediately after the Manila meeting is considered premature and inadvisable. Option (b) would permit a judgment on the CGFPI's performance and future after some two and one-half years of existence and five plenary

meetings. This is considered as adequate time to establish OGFPI's impact and to permit an objective evaluation. It is the favored option of (at least one of) the co-sponsors.

24. The views of OGFPI members are requested on these alternatives. A firm recommendation with respect to the future of the OGFPI is desired at the Manila meeting to facilitate planning by the Secretariat. Uncertainty with respect to the Group's near-term future would prejudice its effectiveness.

BLIND COPIES TO: Mr. Baum
Mr. Wm. Clark

Mr. Yudelmann

(also to Mr. Huyser
Mr. Havord)

April 14, 1976

TO: Mr. Robert S. McNamara
President
World Bank

Mr. Edouard Saouma
Director-General
Food and Agriculture Organization of
The United Nations

Mr. Bradford Morse
Administrator
United Nations Development Programme

FROM: Edwin M. Martin, Chairman, CGFPI

SUBJECT: The Future of the CGFPI

This memorandum and its attachment have been prepared jointly by myself and the Vice-Chairman and Executive Secretary of the CGFPI, Mr. Moise C. Mensah.

We disagree with the conclusions and recommendations of the Aide-Memoire submitted to you by Messrs. Yudelmann, Huyser and Havord. Our views are spelled out in the attached memorandum, but may be summarized as follows:

1. The participation and the seriousness of the discussion at the first two meetings, as well as the expressions of interest from outside the Group, do not justify negative conclusions now about its future potential. It is not reasonable to pass final judgment on a new enterprise of this broad and informal character after only two meetings. It should have another year of full support from the three sponsors before they give up. In particular, it is too soon to write off OPEC participation. Their interest in our work is much greater than the sparse attendance record indicates (see paragraph 5 of the attachment).
2. We believe the extensive role debates of the first two meetings and the experience in them with the number of substantive issues discussed, indicate that useful work can be done in attacking at the policy rather than

Messrs. McNamara, Saouma and Morse

April 14, 1976

technical level the current flow of resources, evaluated from the standpoint of priority needs and overlooked bottlenecks like seed production and distribution, the constraints on larger and more effective resource flows such as skilled manpower shortages, agreed by all for our Second and Third Agendas, and stimulating and helping countries, especially the poorer ones with large food-deficits, to prepare and present to donors, in or out of the CGFPI, persuasive national food plans.

3. No case is made that these tasks are unimportant and yet no credible alternatives are proposed. The World Food Council has at least as many problems of role and effectiveness as we. If it is intended to propose merging with IFAD, that seems premature as it does not and may not exist and, if it does come into being, may or may not prove a suitable forum for a flexible and informal examination of the critical issues to be dealt with.
4. If the three sponsors agree that we should be abolished and are not ready to support us fully for another year, it would be better to take action now after informal consultation with participants as seems necessary, rather than risk sharp disagreements at the September CGFPI meeting, at least between the Secretariat and the sponsors, although there is reason for us to believe it would be wider than that. A difficult debate there could only do harm to the cause of food production and weaken, if not destroy, any prospect of the future success of the CGFPI, even if continued.
5. If we do proceed to a Third Meeting, less time should be spent on the "Role" than is suggested, and National Food Plans should be restored to the Agenda.

Attachment

Blind copies to: Mr. Jan Huyser
Mr. Montague Yudelman
Mr. Gordon Havord

COMMENTS ON THE CGFPI REVIEW TEAM'S AIDE-MEMOIRE

1. Two meetings over a one-year period is too short a time in which to test the usefulness of an informal operation such as that of the CGFPI. It should have at least four meetings devoted largely to substance before an appraisal can properly be made of its ability to influence decisions.
2. Already considerable time has been devoted in the first two meetings to discussions of its role and work program on the basis of Secretariat documents describing the possibilities. Discussing in detail the CGFPI role has already proved to be a theoretical exercise of limited value except when carried out in terms of specific programme proposals. It is extremely difficult to define any organization (old or new) role in terms of uniqueness of functions.
3. The extensive discussions of the CGFPI role and of the substantive agenda items which have taken place so far suggest three main lines of further work, although we would hope that the Group could maintain a flexible attitude toward its future work program to adapt to changing needs and evolving understanding of what it can and cannot do:
 - (a) Discussion of the Secretariat reports on the flow of resources, presented in considerable detail, so as to permit identification of needs for changed priorities as to countries, crops, sectors and types of farmers which will increase the efficiency of resource use in food production. Examples of sector matters have been the examination of the need for greater investment in LDCs in fertilizer production and in fertilizer distribution facilities at the First and Second Meetings, and of seed production and distribution at the Second Meeting. It would seem wise to review from time-to-time what effect, if any, these discussions have had on action by participants or other countries.
 - (b) Identifying and recommending action to remove constraints to larger investments in food production. Several were agreed to readily at the First Meeting and one, "skilled manpower," was selected for further discussion at the Second. From that discussion arose a request for action proposals on training agricultural managers, on which a paper has been prepared by the FAO-ILO for discussion at this meeting. The need for more flexibility in covering local currency costs is another with only the World Bank facing the issue squarely so far.
 - (c) Both to meet the request to the CGFPI by the UN 7th Special Session with respect to countries which can increase food production most rapidly, to permit a better idea of how adequate present resource flows are in relation to the size of the problem, and to give better guides to priorities in the use of these resources, the Second Meeting endorsed work on the preparation of national food plans by developing

countries as guides to investment and for subsequent discussion in the CGFPI. Specifically, the Secretariat was requested to prepare an outline of what a useful food plan should cover as a guide to national authorities. A draft will be ready for circulation for comment to the sponsors shortly. We will need their expertise to make it suitable for circulation to participants.

While there is no clear understanding, as yet, of exactly how such plans will be handled in the CGFPI, if it can succeed in encouraging the drawing up and steady refinement of such plans on reasonably comparable and sound bases, focussed on nutrition needs, by a number of developing countries, especially the poorer ones with major food deficits, this would represent a major contribution. We should try, of course, to go further and have some discussions in the Group of typical plans or of typical planning problems as they relate to investment needs. Several developing country delegations have indicated a willingness, in principle, to submit plans for such a discussion.

4. If, as we believe, these are useful functions, one must face the issue of where they would be performed in the absence of the CGFPI. The Aide-Memoire proposes that (a) and (b) go to the World Food Council. We wish it well, but cannot help but question whether that is a proven instrument, as yet, for handling new responsibilities. There have been suggestions that IFAD might perform the CGFPI role. This may be desirable, but we urge that one horse not be abandoned before the other has been born, let alone proven himself well-adapted to the task. In particular, one should know that a Board with formal voting procedures, allocated along bloc lines, can achieve the atmosphere of informality and flexibility we believe essential to achieve the CGFPI goals.

With respect to (c), no alternative is proposed but the whole enterprise condemned as impractical. The difficulties are no doubt great, but the stakes are high and we feel a major effort is justified.

5. OPEC participation has been disappointing, but their attitudes are not reflected in the attendance record. Saudi Arabia and the United Arab Emirates attended the First Meeting, but not the Second. Iranian instructions to attend the Second Meeting were delayed in transit and received after the meeting closed; the Saudi Arabian FAO Ambassador had made reservations to come, but family problems required him to cancel them on the day of his departure and go to London instead; the Agriculture Minister of Venezuela cabled me on the opening day that an unexpected emergency in Caracas had forced their head of delegation to stay at home; I received a similar message from the President of the Kuwait Development Fund; and the Agriculture Chief of the Arab Economic and Social Development Fund informed me, in person, that they would be totally occupied with their Sudan program in February, but would attend the next session. All asked to receive all documents.

6. Negative attitudes of the UK, Germany, Australia and France toward the CGFPI go back to the World Food Conference and do not reflect primarily their appraisals of the CGFPI performance to date.

7. They and one or two others have raised the question of whether and how the CGFPI can influence decisions. It is always hard in an operation like this to say, "We did this because the CGFPI thought we should," as motives are usually mixed and seldom spelled out. In any case it takes time to modify programs. This is another reason for suspending judgment for somewhat longer. An analysis of how the CGFPI program might change actions in the direction of each of the three policy goals given us in Resolution XXII, prepared recently at the request of the Canadian Delegate, is at Annex I.

8. Basic to progress in affecting decisions is, of course, the willingness of participants to accept criticism from the Secretariat and each other that is focussed solely on getting a better job done. If the sponsors are worried about this, it should be registered because without this kind of interchange the operation cannot be useful.

9. We do not quite understand the proposal that we keep off our Agenda technical questions like seed production and distribution, fertilizer production and distribution, post-harvest losses, etc. which participants themselves recommended for consideration. In implementation, they are technical, of course, and beyond our scope. But to call attention to their importance and the degree to which they have been overlooked by donors and recipients seems to us a vitally important role for any coordinating body. In this respect, we see no difference from manpower training programs, which has been accepted for our Third Agenda. Nor can they be overlooked in any detailed analysis of resource flows, also accepted for the Third Agenda, or in preparing National Food Plans.

10. As to future procedures, there are, as we see it, three alternatives for the sponsors:

- (a) To accept the substance of the Aide-Memoire and, after consulting informally with a number of key countries, abolish the CGFPI well before the September Meeting;
- (b) To accept the substance now and prepare to engage in what may become a very vigorous debate at the September Meeting, one in which we would wish to participate actively, before taking final action; and
- (c) To postpone any decision for one year and, during that period, give the CGFPI full support.

We prefer (c) with (a) as the alternative. We would deplore (b) which we interpret to be the proposal of the Aide-Memoire. Such a public controversy would destroy any possibility of an effective operation, no matter what the final conclusion.

The suggestion in the Aide-Memoire that the September Meeting might decide to continue the CGFPI with a much restricted agenda and with financial, and presumably other, support from the sponsors doubtful, we must reject as no alternative. If there is not to be full support from all the sponsors, even for another year, (a) is the only answer with the reasons made clear.

11. If (c) is chosen, we would not object to some further discussion of the role at the September Meeting, though it has already figured largely in the first two sessions. However, it should not be a major item. We would propose to add a discussion of national food plans on which we will have an "outline" paper to submit to the sponsors for comment shortly. We would also like to open up the serious local currency issue by inviting the Indian Government to submit a paper on why it is needed for agricultural projects and our hosts, the Asian Bank, to do one on the problems covering these costs present to donors. We would, as usual, conclude the meeting with a wide open debate on the future work program.

12. In terms of proceeding with preparations for the September Meeting, it would be helpful if we could receive guidance by early May.

April 14, 1976

1. The basic CGFPI objective is to increase food production in developing countries. An important related objective is to reduce malnutrition from which it follows that particular attention should be given to increasing food production in countries or on farms where otherwise there will not be enough foreign exchange to import the food needed, or income for the farm family to buy it, and to increase the cost-efficiency of delivering required foods to consumers with low incomes without reducing farmer economic incentives to produce more.
2. Its particular means to achieve these objectives is through investment in the food system of money and technical assistance. While investment of LDC resources is more important overall than foreign aid, and the two must work together in all projects, it is implicit in the discussion of the WFC in establishing the CGFPI that particular attention should be given to foreign aid flows.
3. The first specific goal set for the CGFPI in the WFC Resolution is to increase investment in food production. How can it do so?
 - (a) By keeping before countries and international institutions the prospects for food deficits globally and nationally and therefore the need to give food production a high priority in resource allocation decisions. A report from IFPRI on this is expected at the third meeting.
 - (b) By identifying obstacles to securing such a priority including difficulties in implementing larger programs effectively - personnel shortages, local currency shortages, absence of appropriate technology, lack of incentives to farmers to utilize new opportunities to be created by new investment, and by helping governments and international institutions to find the best ways to reduce their importance as obstacles. A paper on personnel shortages was discussed at the Second Meeting and follow-up action urged on the Secretariat. This has been started. The Secretariat has stated its intention to explore the local currency problem for the Third Meeting.
 - (c) By seeking opportunities for investment which will be especially attractive because of the prospective value of their results, especially bottlenecks which have tended to be neglected for one reason or another, such as shortages of the right seeds or fertilizers on farms, waste reduction, etc.
 - (d) By informing countries of each others experiences and the judgment of experts with respect to project design and implementation so that they will have more confidence that additional investments made will achieve their chosen objectives and thus be worth making. A paper of this sort prepared by the USAID on ways to increase fertilizer demand was discussed at the Second Meeting.

- (e) It is possible that if arrangements could be made for the discussion within a CGFPI framework of country food plans, such a discussion could be concluded by pledging by donors to undertake to fund certain parts of the plan with a possible stimulative effect on total volume of aid to food production. Whether donors would be willing to do so would have to be explored as would the willingness of recipients to accept the critical analysis of their food plans and their own proposed contributions to its implementation which would certainly be a required preliminary to a pledging session. Consideration would also have to be given to the impact of such a sectoral pledging operation on the overall pledging practiced in the existing Consortia and Consultative Groups. If formal pledging is not feasible, a more general exchange of this kind between donors and a recipient might encourage more investment. It was agreed at the Second Meeting that the Secretariat would make available to a number of developing countries before the Third Meeting an outline of what an acceptable food plan should include, which could be the basis for such a discussion. The World Bank hopes before the Third Meeting to have available tentative food plans for a number of key countries.

There is no way an international body of any composition can secure the authority to instruct a country or an international agency what it should do with its money. It can only by the above means supply the arguments which senior officials can take back to their political authorities when funds are being allocated. Since the fund allocation cycle usually takes several years, early results from CGFPI meetings cannot be expected.

It would be desirable to be able to secure even a rough measure of the impact of the CGFPI on investment volume in food systems. Unfortunately, there are so many other factors which control total investment volume and the portion devoted each year to food systems that no such statistical measure is possible. One can never tell whether the figure would have been more or less without the CGFPI.

- 4. The second specific goal in the Resolution is to coordinate better the flow of investment into food production. It is not easy yet to see clearly how this can be done. Probably it must be sought in different ways for different types of investment. For example:
 - (a) With respect to inputs, exchange of information among investors and consumers about the size, location and types of needs can produce more rational, because better coordinated, decisions. This process has been started in the CGFPI with respect to fertilizer production, especially the potential of regional investment programs.

- (b) With respect to some very large investment opportunities, often involving investments in more than one country, such as water management in the Gangetic plain, the CGFPI could discuss basic data on the investment needs and possible returns, on the basis of which interested donors and recipients might be persuaded to establish a special consortium or a similar body to proceed with the project as a joint one.
 - (c) With respect to well-worked out country food production programs, of the sort referred to in 3(e), of which there currently are none, through the encouragement of their preparation - as was done at the Second CGFPI Meeting - and providing an appropriate forum for their discussion with and among donors interested in each country, responses might be secured which would achieve better results in terms of food production by reason of their better coordination within the framework of the food plan than would otherwise be possible.
 - (d) It was suggested at the First Meeting that the CGFPI might be able to encourage closer cooperation in the capitals of recipient countries between the various donors making investments in food production in that country and with the appropriate host country officials in order to insure that the various efforts are as mutually supportive as possible in achieving national food production goals. The matter is being explored carefully in recognition of the fact that similar proposals applying to aid programs generally have been made over some ten years but always resisted by many donors and recipients. As a result, only one such formal operation, that in Thailand, is currently functioning. Perhaps the increased interest in the food problem would make an arrangement limited to that field more acceptable.
5. The third and final assignment in the WFC Resolution is to improve the efficiency with which resources are used to increase food production. As can be noted from the reference in 4(c) to 3(e), there are various linkages between the three assignments. This is especially true between 3 and this one, as an important incentive to the allocation of more resources to a sector is the belief that it will be well used and produce results to which a government can point with pride. 3(c) and 3(d) rely heavily, for example, on this motivation. In all the specific types of investment which have been discussed in the CGFPI thus far, emphasis has been placed on the best experience available on how the project should be carried out to avoid waste and improve results. Whether the transmittal of these practical suggestions will effect project design and implementation cannot be foreseen; that is up to the donor and recipient authorities. We can only lead the horse to water. At a quite

different level, it would seem reasonable to conclude that an allocation of investment in food production among countries, among crops and among classes of farmers, which produced the most basic foods where they are now scarcest would make the most direct contribution to solving the food and nutrition problem and would therefore qualify as a major improvement in the efficiency of investment provided recipient countries concerned commit themselves to suppressing those of the obstacles mentioned under 3(b) which derive from local policy decisions. The CGFPI has to this end discussed data along these lines, together with some so far rough comparisons designed to encourage investing authorities to ask questions of themselves about their past allocation choices. As more detailed data becomes available, this line of discussion will be pressed farther as a basis for challenging current practices.

As a final note, having to rely, as the CGFPI now does, on the persuasiveness of its documents and discussions in the councils of public bodies, it would seem that the greatest effect can be achieved if its discussions are as free, frank, and open as possible. Only in such a relaxed atmosphere can strong beliefs be fully expressed and minds opened to new ideas.

The fact that no voting procedures are required in the CGFPI because no formal decisions are made, helps greatly the development of such a climate for discussion. Its substantial flexibility as to participation also encourages informality. It is believed that in its first two meetings the CGFPI has made substantial progress in this direction.

March 4, 1976

April 8

1. Representatives of the three co-sponsors of the Consultative Group on Food Production and Investment (FAO, UNDP and the World Bank) met at UNDP Headquarters, New York on 8 April 1976 to review the progress made by the CGFPI.
2. Further analysis, based on events since the World Food Conference and experience gained to date, indicate that the original expectations about the role and impact of the CGFPI were too optimistic. It is now unclear what unique function the Group can perform. While it does provide an informal and non-political forum for the exchange of views on investment in food production in developing countries, the topics which it has discussed and is likely to discuss are already being dealt with in depth in other fora. More recently it has been suggested that, in addition to its original Terms of Reference, the Group should identify countries with potential for rapid increases in food production, and should review country food production plans with a view to encouraging and coordinating external investments. It is felt that the CGFPI does not have the substantive and political authority for these roles, which in any case require considerably larger resources than the CGFPI could command.
3. Developments arising from and subsequent to the World Food Conference have reduced the opportunity for the CGFPI to perform a significant role. The anticipated early establishment of the International Fund for Agricultural Development is expected to lead to increased investment in food production in developing countries, including additional resources provided by potential new donors. The latter, despite considerable efforts on the part of the Chairman, have not so far participated in the CGFPI. Also, the World Food Council can now provide a medium to review and bring to the attention of Governments the major obstacles to and opportunities for increasing food production.

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4. A further difficulty arises from the fact that the CGFPI was modeled to some extent on the CGIAR. The CGIAR has a different function in that it is dealing with a narrow and well-defined topic (international agricultural research), and is a pledging body which is contributing funds to specific programmes of research; whereas the CGFPI is a non-decision making consultative body.
5. Consequently, and despite the vigorous leadership which has been provided by the Chairman, it is felt that the Group is unlikely to have significant influence, either directly or indirectly, on actual investments in food production in developing countries.
6. For the above reasons, the meeting has serious misgivings about the usefulness of the CGFPI. While the co-sponsors have a direct responsibility for the CGFPI, it is recognised that it would be inappropriate if they alone were to propose its discontinuance. Any decision regarding the future of the Group should take into account the opinions of its members. It is therefore suggested that the principal item on the agenda of the Third Meeting of the CGFPI, scheduled to take place in September 1976, in Manila, should be a discussion on the future of the Group leading to a recommendation whether or not it should be continued. On this occasion the Group should be fully informed of the views of the co-sponsors.
7. In order to facilitate the above discussion, it is suggested that the co-sponsors should advise their governing bodies of the progress made by the CGFPI and their views regarding the usefulness of the role it can play. Consequently, the co-sponsors' joint position can only be determined after the meetings of the UNDP Governing Council and the FAO Council in June and July respectively.
8. If the CGFPI at its Third Meeting nevertheless comes to the conclusion that the Group should continue, then it is suggested that its Terms of Reference should be modified in order to narrow considerably the focus of

/...

its discussions, concentrating on a strictly limited number of topics which are not already under examination by other organizations or in other fora. The co-sponsors should then review the Group's revised functions in order to determine whether continued financial support is warranted.

9. In the light of the above considerations, it is suggested that the agenda of the Third Meeting should be confined to:

- a) The future of CGFPI;
- b) Analysis of resource ~~needs~~ to Food Production in Developing Countries;
- c) Manpower resources for food production with special reference to training in agricultural project management.

8 April 1976

Mr. Vittorio Masoni, IRD

March 25, 1976

Moise C. Mensah, CGFPI

Interagency Cooperation in FY76

Following is a very short summary of CGFPI activities requested in your memorandum of March 17 for inclusion in the FY76 Annual Report:

"The Consultative Group on Food Production and Investment in Developing Countries (CGFPI) established jointly by the World Bank, FAO and UNDP became fully operative at the beginning of the year with the completion of staffing of its Secretariat in Washington, D.C. The CGFPI held regular meetings in July 1975 and February 1976 attended by bilateral and multilateral donor agencies and representative developing countries. Major topics discussed at the meetings were: investment strategies for rapidly increasing food production in developing countries; analysis of capital and technical resource flows for investment in the food and agriculture sector; investment requirements for regional fertilizer production-distribution systems and for the development of seed industry; and personnel shortages in program formulation and implementation. With a clearer understanding of its role and scope, the CGFPI is now focusing its attention on specific investment activities and opportunities in major food deficit countries. These countries are therefore encouraged to prepare national food plans outlining policies and programs for increasing domestic food production and improving the nutritional status of their populations. CGFPI in consultation with interested international agencies is currently working on proposing a standard format for the preparation of national food plans."

SMazumdar:cfh
Cleared by EMMartin

(Memo signed by SMazumdar in absence of MCM)

OFFICE MEMORANDUM

TO: Messrs. Kalmanoff, Kalbermatten, Veraart and
 Ms. LeBlanc; Mr. Mensah, CGFPI
 FROM: Vittorio Masoni, IIR
 SUBJECT: Interagency Cooperation in FY76

DATE: March 17, 1976

This is to confirm that we need a brief description of the progress and status of the Cooperative Programs (and CGFPI) in which the Bank is engaged. The description is to be used for writing the Interagency Cooperation Section in the FY76 Annual Report. The length of the text needed for each Program is between one half and one page, double space. Since this is essentially an updating exercise we can simply follow last year's Annual Report. But there continues to be a premium on any possible new structural features, exceptional developments and glamorous implementation examples. The inevitable statistical blanks will be filled in after the closing of the current fiscal year and I will come back to you about that at the appropriate time. Could you please have the contributions of your department sent to me by March 26? Thank you for your cooperation.

cc: Miss Liechtenstein

1818 H Street, N.W. Washington, D.C. 20433, U.S.A.
Telephone (Area Code 202) 477-2041
Cable Address—INTBAFRAD

March 23, 1976

TO: Mr. Montague M. Yudelman
Director, Agricultural & Rural
Department, World Bank

Dr. Jan P. Huyser
Director, Investment Center, FAO

Mr. Gordon Havord
Senior Technical Advisor,
Technical Advisory Division, UNDP

FROM: Edwin M. Martin, Chairman, CGFPI

SUBJECT: Agenda of the Third CGFPI Meeting

It is now decided that the Third Meeting of the CGFPI will take place in Manila during the later part of September 1976.

The normal timetable for preparatory activities suggest that a draft agenda should be ready by April 15 for translation and then distribution for comment not later than April 30.

Since a tripartite review of the CGFPI activities has been planned by the co-sponsors for early April 1976, I think it appropriate for the review team to look into the agenda of the Third Meeting so as to make it consistent with the overall program orientations the co-sponsors might wish to suggest to the Group.

I, therefore, submit below a list of items I wish the review team to consider:

1. Progress Report on Analysis of Resources Flows.
2. Strengthening CGFPI Role in Influencing Investment Decisions.
3. National Food Gaps (World Bank - IFPRI Reports) and Plans for meeting them, possibly with special reference to key Asian countries (Outline for and Handling of Plans).
4. Training of Manpower in Agricultural Project Management.

5. Post-Harvest Losses (with emphasis likely to be on the Asian Region's problems, subject to further checking with CGIAR Group).
6. Standardization of Project Preparation Procedures (tentative).
7. Local currency financing (conditional on availability of supporting information which we are now soliciting).

The choice of these items has been guided by recommendations of the Second Meeting with particular reference to areas of priority underlined by the CGFPI participants themselves. However, any suggestions or amendments you may wish to make would be welcome.

March 23, 1976

TO: Mr. Montague M. Yudelman
Director, Agricultural & Rural
Department, World Bank

Dr. Jan P. Huyser
Director, Investment Center, FAO

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McMensah/EMMartin/db

Mr. Montague Yudelman

March 22, 1976

Edwin M. Martin

Local Currency Financing

1. As you will recall, the Second Meeting of CGFPI has asked us to collect further information on local currency financing of agricultural projects supported by bilateral and multilateral donors. We had hoped to interest the OECD Secretariat in preparing a suitable paper for us based on the experiences of DAC bilateral donors on this subject. Unfortunately, they are unable to help us out at this time and we are therefore obliged to address primarily the experiences of the multilateral donors.

2. In Document D (paragraphs 30 and 31, and Table C) prepared for the Second Meeting, we provided some information on the share of local currency cost met by the World Bank agricultural projects from 1970 to 1974. Annex Table 8 of Report No. 436, "Bank Policy on Agricultural Credit," provides some interesting data on local cost financing under the Bank's agricultural credit projects for 1964-68 and 1969-73 broken down by groups of recipient countries according to their per capita GNP. We shall be most grateful if our attention can be drawn to the availability of other such data in published or unpublished material, or better still if one of your staff can prepare for us a short paper on the Bank's experience on local currency financing of agricultural projects.

3. I look forward to your active cooperation in the preparation of our Third Meeting for which the documents need to be sent for translation by about the end of May at the latest.

SMazumdar:cfh

Cleared by: MCMensah

Mr. Montague Yudelman

February 25, 1976

Edwin M. Martin

World Bank and Palm Oil

Yesterday I spoke to the National Association of State Departments of Agriculture. I was preceded by Representative Tom Foley and by Julius Katz of State. In question periods both were attacked vigorously about the surge in US imports of palm oil and its alleged effect in lowering prices of soybean oil. While import controls on tariffs were mentioned, the main target was the World Bank for subsidizing this competition by making loans to Indonesia and Malaysia for palm oil plantations. One participant also accused the US of pressing the Bank to make such loans.

Katz professed unfamiliarity with the World Bank situation but said any US position reflected government-wide consultation under Treasury leadership. Foley said his Committee was watching the situation clearly, but trade policy was in the hands of Ways and Means.

Since my name tag had labeled me as being from the World Bank, it was expected that I would comment on this issue: so before getting into my speech I made the following points:

1. I was not part of the World Bank and could only speak personally on the basis of some knowledge of the Bank policies as an outsider.
2. The Bank made careful forecasts of long-term demand-supply prospects of basic commodities which provided guidelines as to loans to expand capacity.
3. Such forecasts of demand had to take account of probable cost relationships and if palm oil could be produced more cheaply than soybean oil, account had to be taken of this fact. US could hardly object as US agricultural exports, the largest in the world, were possible only as we could persuade other countries to accept this principle.
4. No World Bank loan made now would effect supply for about 10 years, so the Bank actions hardly held the key to their current problems.
5. I did not think the Bank was now making highly concessional loans to either country, but was charging over 8%.

6. I doubted if the US was pressing for such loans or, even if it was, would do much good. LDC's rather than donors were the main source of pressure on the Bank, and the US was often outvoted in the Bank - not a US instrument as they implied.

I got no questions on this after my speech.

After lunch I ran into John Bushnell of Treasury, much involved in Bank matters, and mentioned this exchange to him. He said he was responding constantly to Congressional complaints. He felt any substantial further expansion of palm oil exports to the US would be possible only at much reduced prices which might make future investment projects considerably less attractive than those now in operation. He also suggested that in the end soybean oil as by-product of meal production might be less vulnerable than rape, sunflower and sesame where oil is the only product. So far, however, their producers had not developed much political clout.

This all may or may not be useful background for those handling ~~the~~ IDA replenishment's thorny path through US Congress.

EMMartin:cfh

WORLD BANK GROUP

ROUTING SLIP		DATE Feb. 23, 1976	
NAME		ROOM NO.	
Mr. Martin			
	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	COMMENT		PER OUR CONVERSATION
	FOR ACTION		PER YOUR REQUEST
☒	INFORMATION		PREPARE REPLY
	INITIAL		RECOMMENDATION
	NOTE AND FILE		SIGNATURE
REMARKS			
FROM M. Yudelman		ROOM NO. D823	EXTENSION 5322

ATTE MEMOIRE

Co-operation between FAO and the World Bank

Introduction

The FAO Conference in November 1975 requested the Director-General to review the programmes, structures and policies of the Organization, and to prepare proposals which will be considered by the FAO Council in July 1976. This review necessarily covers certain fields of co-operation between FAO and the World Bank, and the Director-General wishes to consult the President of the World Bank before formulating his proposals in these areas.

Investment

The Director-General believes that the FAO/World Bank Co-operative Programme has worked well. In calendar year 1974, projects prepared by the Co-operative Programme accounted for 40% of the Bank's total lending to agriculture, and close to 75% in terms of new projects (i.e. excluding "repeater" projects for which relatively little preparation is needed). While the Director-General is anxious to maintain and, if feasible, increase co-operation between FAO and the World Bank in this field, certain new elements call, in his view, for a re-examination of the structures and modalities of collaboration between the two Organizations.

The most important new factor is the impact on FAO's investment work likely to result from the establishment of the International Fund for Agricultural Development. To a lesser extent, the Director-General expects the pattern of this work to be affected by requests for co-operation with new investment partners such as the Kuwait Development Fund, and possibly also by requests for stepped-up collaboration with the Regional Banks.

Although the Director-General recognizes the restricted role which FAO has hitherto played, and is likely to play in the near future, in the field of investment, he nevertheless believes that the Organization possesses a valuable store of a rare and precious commodity: expertise in the identification and preparation of viable agricultural projects. While the largest part of this expertise is contained in the FAO/World Bank Co-operative Programme, other sectors of FAO are also in a position to contribute. The Director-General envisages a systematic mobilization of all relevant knowledge and experience in the Organization, with a view to shifting the emphasis of much of FAO's work gradually towards the promotion of investment. As part of this pattern, he plans a major strengthening of FAO's country offices, which, in his view, should be able to make a significant substantive (and not merely administrative) contribution to the Organization's effort.

The work of the country offices will be backed up, under his proposals, by an operational fund financed out of the Organization's assessed budget, part of which will be available to assist in the preparation of investment projects.

In this perspective, the present arrangements governing the FAO/World Bank Co-operative Programme seem to the Director-General undesirably rigid from the point of view of both Organizations. The Bank should be able to benefit from all investment-oriented activities of FAO. And FAO should be able to use the expertise in the Co-operative Programme more flexibly than is at present the case.

The Director-General therefore tentatively proposes that, instead of taking the form of identified posts and specific amounts for consultants and travel, the FAO/World Bank Co-operative Programme should be crystallized in terms of specific work to be carried out by FAO, with payment by the Bank according to work actually accomplished. The exact financial formula and administrative arrangements would need to be worked out in detail. The findings of the recent FAO/World Bank Joint Management Survey could be taken into account. If agreement were reached on a new formula of this type, it might come into effect (subject on FAO's side to the approval of the Council next July) in 1977.

CGFPI

The Director-General believes that the results of the first two sessions of the CGFPI have been disappointing and he is anxious to re-examine the costs and benefits for FAO of co-sponsorship. However, he believes it would be more logical for such a re-examination to be made in the framework of a review of CGFPI by all three co-sponsors. If the World Bank and UNDP agree, he suggests that each of the co-sponsors nominate a senior official to participate in a tripartite review of the role, functioning and utility of the Consultative Group. This review should, of course, take into account the potential implications of the establishment of the International Fund for Agricultural Development.

The Director-General suggests that such a review be completed not later than mid-May, and that the question of the chairmanship of the Consultative Group be handled in the meantime on an interim basis.

CGIAR

While the Director-General believes that the CGIAR is fulfilling a valuable purpose, he has reservations as to the way in which the Technical Advisory Committee is functioning. To some extent, these reservations derive from a basic ambiguity in the role of FAO vis-à-vis TAC. Here again he is anxious to explore possible solutions with the co-sponsors, and suggests that the World Bank, UNDP and FAO each designate a senior official to carry out a tripartite review, which should be completed by mid-May.

OFFICE MEMORANDUM

TO: See Distribution Below

DATE: February 2, 1976

FROM: Hollis B. Chenery, Vice President, ^{for Mr} Development Policy

SUBJECT: Catalog of Significant Policy and Issues Papers

1. Attached is a catalog of significant policy and issues papers completed since 1970. This catalog will be updated periodically. The papers are grouped into seven policy areas, with some comments on the contents. Analytical memoranda prepared in response to the Pearson Commission are listed separately as Annex I. Completion dates refer to the dates of Management Review.
2. Please note that this catalog and some of the listed papers are for staff use only. It is indicated in the catalog which papers have been made available to the Board for information or discussion.
3. To obtain copies of the papers listed or additional copies of the catalog, please contact Mr. E. B. Wakhweya, Policy Planning Division, Ext. 4543, Room D-444.

(am) re them

R 74-83

R 74-87

EDL 74-12

Attachment

Distribution:
President's Council
Department Directors, IBRD and IFC
Regional Chief Economists
Division Chiefs
Mr. Burmester

DECLASSIFIED
OCT 30 2017
WBG ARCHIVES

CATALOG
OF
SIGNIFICANT POLICY AND ISSUES PAPERS SINCE 1970

For Internal Use Only

Policy Planning Division
Policy Planning and Program Review Department
February 2, 1976

SIGNIFICANT POLICY AND ISSUES PAPERS SINCE 1970

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SIGNIFICANT POLICY AND ISSUES PAPERS SINCE 1970

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
<u>I. Bank Group's Financial Policies</u>		
<u>A. Liquidity and Borrowing</u>		
1. IBRD Borrowing in the Intermediate Term Market Discussed by Board: 12/15/70	R70-203	10/70
2. Review of IBRD Capital Structure Discussed by Board: 12/9/75	R75-215	12/75
3. Bank Liquidity Policy Discussed by Board: 4/20/71	R71-64	3/71
4. Review of IBRD Borrowing Program Discussed by Board: 8/12/71	R72-192	7/72
5. Capital Market Prospects and IBRD Borrowing Program Discussed by Board: 12/9/75	R75-229	12/75
6. Bank Group Use of SDR Link Resources Distributed to Board for information: 5/8/73 <u>Contents:</u> Principles for the Use of Link Resources, Preferred Use of Link Resources, Illustrative Distribution of Link Resources.	Sec M73-272	5/73
<u>B. Debt</u>		
1. Staff Study of the External Debt of Developing Countries Discussed by Board: 8/10/71	R71/178	7/71

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
<u>C. Finance</u>		
1. President's Memo on the Bank's Lending Rate	R72-1	1/72
Discussed by Board: 1/18/72		
<u>Contents:</u> President's Recommendation on Changing the Interest Rate. Annexes - Policy re Standard Interest Rate, Lending Rate Policy Since December 1967, IBRD Borrowings July 1 through December 31, 1971.		
2. Review of IBRD Financial Policies	R73-55	3/73
Discussed by Board: 4/24-26/73		
<u>Contents:</u> Objectives of IBRD Financial Policies and Traditional Measures of Financial Soundness, Net Income and Its Uses, Lending Rate, Liquidity Policy, Bank Participation in Debt Reschedulings.		
3. Establishment of a Third Window: An Intermediate Financing Facility	R75-39	3/75
Discussed by Board: 3/25/75		
<u>Contents:</u> Need, Beneficiaries, Scale of Initial Operations and Financing Requirements, Organization and Procedures.		
 <u>II. General Lending Policies of IBRD and IDA</u>		
1. Note for the Committee of the Whole on the Procedure to Create the Proposed International Investment Insurance Agency	R70-245	12/70
Discussed by Board: 1/17/71		
2. Bank Policies with Respect to International Competitive Bidding and Preference for Domestic Suppliers	Sec M71-111	3/71
Distributed to Board for information: 3/1/71		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
3. President's Report to the Board on Supplementary Financial Measures	R71-54	3/71
Discussed by Board: 4/6/71		
4. Revisions to Draft Articles of Agreement on the International Investment Insurance Agency Designed to Eliminate an Express Institutional Line Between the Agency and the Bank	Sec M72-177	3/72
Distributed to Board for information: 3/31/72		
5. Policy on Expropriation	Sec M71-376	6/72
Distributed to Board for information: 7/26/71		
6. IDA Lending Policies	IDA/R73-7	2/73
Discussed by Board: 3/6/73		
<u>Contents:</u> Review of Major Elements of IDA Policies and Operations, including: Eligibility and Allocation, Terms and Conditions of Lending.		
7. Bank Lending to Higher Income Countries	PRC/M/73-3	7/73
8. Bank Group Lending to Least Developed Countries	PRC/M/73-14	12/73
<u>Contents:</u> Features of the "Least Developed" Countries, Volume and Terms of Bank Group Assistance to the Least Developed FY64-68, Bank Group Operations in the Least Developed and Technical Assistance Aspects.		
9. Export Financing for Capital Goods: Possibilities of IBRD Support for Financing Exports of Capital Goods by Developing Countries	Sec M74-670 (Report No. 531)	9/74
Distributed to Board for information: 9/26/74		
<u>Contents:</u> Existing Institutions, Nature of the Need, Financial Requirements, Alternatives for Bank Action, Implications for Bank Policy.		
10. Use of Bank Transfers to IDA	R74-244	12/74
Distributed to Board for information: 12/3/74		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
III. <u>Techniques and Forms of Lending</u>		
1. Financing Technical Assistance Discussed by Board: 8/13/70 (Also listed in Annex I)	R70-56	4/70
2. Retroactive Financing Discussed by Board: 7/12/73	R73-154	6/73
3. Preference for Domestic Contractors Discussed by Board: 1/22/74 (Also listed in Category V)	R73-291	12/73
4. Review of Co-financing Practices and Potential <u>Contents:</u> Forms of Co-financing, Sources of Co-financing, Lessons from the Bank's Co-financing Experience.	PRC/C/74-19	3/75
5. Bank Policy on Financing of Local Costs Discussed by Board: 5/20/75 <u>Contents:</u> Principles Underlying Bank Financing of Local Costs, Review of Recent Practice.	R75-66	4/75
IV. <u>Trade and Commodity Financing</u>		
1. Financing of Regional Trade Discussed by Board: 7/16/70 (Also listed in Annex I)	R70-69	4/70
2. Implementation by the Bank Group of the ED's Decision on the Stabilization of Prices of Primary Products Distributed to Board for information: 12/30/70	Sec M70-577	12/70

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
3. Development Policy for Countries Highly Dependent on Exports of Primary Products	R73-3	1/73
Discussed by Board: 1/30/73, 2/6/73, 2/13/73		
<u>Contents:</u> Slow Growth of Agricultural Exports, Associated Slowness of GNP Growth, Access to Markets of Developed Countries, Schemes to Compensate for Fluctuations in Export Earnings, Schemes to Organize Commodity Markets, Trade Between Developing Countries, Bank Policies.		
4. Bank Group Financing of Tea	R73-206	8/73
Discussed by Board: 9/11/73		
5. Mineral Resources and the Oceans	Sec M73-497	8/73
Distributed to Board for information: 8/27/73		
(Also listed in Category VI.C)		
6. The World Cocoa Market - Review and Outlook for Bank Lending	R74-36	12/73
Discussed by Board: 3/19/74		
7. World Beef Prospects	Sec M74-364	5/74
Distributed to Board for information: 5/21/74		
8. Comparative Analysis of Cocoa Production in Selected Countries	Sec M74-528	7/74
Distributed to Board for information: 7/25/74		
9. Commodity Price Stabilization	P31G76	8/75
10. World Bank Group Financing of Investments in Copper Production	IL0I76	7/75

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
<u>V. General Project Policies</u>		
1. Financing of Interest and Other Charges on Bank Loans During Construction: Review of Policy and Practice	Filed under: Financing of Interest During Construction, Vol. 1 (Records Center)	2/71
2. Preferential Tariffs and Bank Procurement Discussed by Board: 7/26/72, 8/1/72	R72-122	5/72
3. The Bank's Project Experience Distributed for information: 12/22/72	Sec M72-661	12/72
4. Review of Procurement	Filed under: OP-GOP Procurement 1972-74, Vol. II. (Central Files)	5/73
5. Promotion of Domestic Construction Industries in Developing Countries Discussed by Board: 8/7/73 (Also listed in Category VI.C)	R73-177	7/73
6. Preference for Domestic Contractors Discussed by Board: 1/22/74 (Also listed in Category III)	R73-291	12/73
7. Criteria in Employment of Department Forces (Force Account) in Bank Financed Civil Works	CPS Memo (Guidelines No. 7.11)	9/74
8. Environmental Aspects of Bank Operations Discussed by Board: 11/12/74	R74- 115	10/74
9. Project Cost Sharing Contents: General Considerations, The Data, Recent Experience. Reviews Bank experience regarding share of project costs financed in FY70-74 and examines the general considerations underlying the Bank's approach in determining what proportion of project costs to finance.	FRC/C/74-19	1/75

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
10. Economic Analysis of Projects	Staff Working Paper No. 194	2/75
<u>Contents:</u> Basic Notions of Cost-Benefit Analysis, Derivation of Shadow Prices, Estimation of Shadow Prices, Technical Derivation of Shadow Prices (Appendix).		
11. Pricing and Cost Recovery Policies for Public Sector Projects	PRC/C/74-11	5/75
<u>Contents:</u> Pricing and Efficiency, Cost Recovery. Focuses on the efficiency objective as it relates to the policy for pricing the products and services of a project; introduces the objectives of savings generation and income distribution; discusses cost recovery policies in terms of both product pricing and benefit taxes.		

VI. Sector Lending

A. Agriculture and Rural Development

1. Research and Technical Assistance in Fields Involving Agriculture	Sec M70-92	3/70
Discussed by Board: 7/23/70, 7/30/70, 9/3/70		
(Also listed in Annex I)		
2. Sector Program Paper on Agriculture	R72-100	5/72
Discussed by Board: 5/30/72		
3. Bank Policy on Agricultural Credit	R74-83	2/74
Discussed by Board: 5/28/74		
4. Bank Policy on Land Reform	R74-87	5/74
Discussed by Board: 6/4/74		
5. Fertilizer Requirements for Developing Countries	R74-109	5/74
Distributed to Board for information: 5/21/74		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
6. Report on Fertilizer Requirements of Developing Countries - Revised Outlook in 1975	Sec M75-600	8/75
Distributed to Board for information: 8/12/75		
7. Issues in Rural Electrification	Sec M74-636	9/74
Distributed to Board for information: 10/29/74		
8. Attacking Rural Poverty - How Nonformal Education Can Help	(EDL) 74-12	1974
9. Rural Development - Sector Policy Paper	R74-245	2/75
Discussed by Board: 1/14/75		
<u>Contents:</u> Nature and Extent of the Problem, Policies and Programs for Rural Development, the World Bank's Program.		

B. Education

1. Educational Systems in Developing Countries	Sec M73-391	6/73
Distributed to Board for information: 6/27/73		
2. Education Sector Policy	R74-217 (IBRD Report No. 561)	10/74
Discussed by Board: 11/26/74		
3. Attacking Rural Poverty - How Nonformal Education Can Help	(EDL) 74-12	1974

C. Industry

1. Sector Program Paper - Industry	R72-11	1/72
Discussed by Board: 2/29/72, 3/7/72		
2. Promotion of Domestic Construction Industries in Developing Countries	R73-177	7/73
Discussed by Board: 8/7/73		
(Also listed in Category V)		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
3. The Non-Fuel Mineral Industry Discussed by Board: 1/29/74	R73-258	11/73
4. Mineral Resources and the Oceans Distributed to Board for information: 8/27/73 (Also listed in Category IV)	Sec M73-497	11/73
5. Financing the Development of Small-Scale Industries Distributed to Board for information: 12/11/74	Sec M74-822 (Staff Working Paper No. 191)	11/74
6. United Nations Revolving Fund for Natural Resources Exploration: A Status Report Distributed to Board for information: 10/15/75	Sec M75-722	10/75
 <u>D. Population, Nutrition, Health</u>		
1. Four Papers on Population Planning Delivered at Bellagio Conference Recommended to Board by President at Board meeting: 4/14/70	SSM/A/70-10	4/70
2. Sector Program Paper - Population Discussed by Board: 2/15/72	R72-23	1/72
3. Population Growth: Implications for Economic and Social Development Distributed to Board for information: 2/18/72	Sec M72-102	2/72
4. Sector Program Paper - Nutrition Policy Discussed by Board: 11/27/73	R73-247	10/73
5. Population Policies and Economic Development Distributed to Board for information: 7/17/74	Sec M74-507 (Report No. 481)	7/74
6. Health Policy Paper Discussed by Board: 12/5/74	R74-221 (Reports Nos. 554 and 554A)	10/74

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
<u>E. Public Utilities</u>		
1. Power Sector Program Paper Discussed by Board: 8/10/71	R71-152	6/71
2. Water Supply and Sewerage Sector Working Paper Distributed to Board for information: 11/8/71	Sec M71-521	11/71
3. Nuclear Power: Its Significance for the Developing World Distributed to Board for information: 4/19/74	Sec M74-266 Sec M74-266/1	4/74
4. Economic Evaluation of Public Utility Projects Discussed at Executive Directors' Seminar: 3/6/75 <u>Contents:</u> The Demand Forecast, the Least Cost Solution, Measurement of the Benefits of Public Utility Projects, Pricing Policy and the Investment Decision, the Internal Economic Return.	Sec M75-146 (Public Util- ities Dept. Guideline Series No. 10)	3/75
5. Village Water Supply Distributed to the Board: 6/30/75	Sec M75-491	3/75
<u>F. Transportation</u>		
1. Transportation Sector Program Paper Discussed by Board: 11/16/71	R71-244	11/71
2. Bank Lending for Aviation Projects Discussed by Board: 5/16/72	R72-88	4/72
3. The Private Automobile - Considerations for Urban Transport Project and Study Preparation Distributed to Board for information: 7/23/73	Sec M73-428	7/73

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
4. Urban Transport Sector Paper	R74-265 (Report No. 603)	12/74
Discussed by Board: 1/28/75		
Contents: Current Urban Transport Conditions in Developing Countries, the Prospectus for Urban Transport, Rationalizing the Use of Transport Facilities, the Promotion of Efficiency and Coordination Among Transport Agencies, Transport and Urban Form, Bank Activities in the Urban Transport Sector.		
5. Highway Sector Lending	Sec M75-487	6/75
Distributed to Board for information: 6/27/75		
G. <u>Telecommunications</u>		
1. Telecommunications Sector Program Paper	R71-100	5/71
Discussed by Board: 8/10/71		
2. Telecommunications Projects: Standardization and International Competitive Bidding	Sec M73-432	7/73
Distributed to Board for information: 7/24/73		
H. <u>Tourism</u>		
1. Tourism Sector Program Paper	R72-78	4/72
Discussed by Board: 5/16/72		
I. <u>Urban Projects</u>		
1. Urbanization Sector Working Paper	R72-93 R72-93/1	5/72
Discussed by Board: 5/23/72		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
2. The Challenge of Urban Growth to Governments and Private Enterprise	Filed under: 1972/74 Trans- portation and Urban Develop- ment, Vol. IV (Central Files)	2/73
3. Sites and Services Projects	Sec M74-239	4/74
Distributed to Board for information: 4/11/74		
4. Housing Policy Paper	R75-25 (Report No. 617/617A)	2/75
Discussed by Board: 1/28/75		

J. Development Finance Companies

1. Some Reflections on the Bank's Experience with Development Finance Companies	Economic (Staff Working Paper No. 145)	2/73
2. The World Bank Group's Role in Financial Development	PRC/s/M/74-6	5/74
3. Criteria for Economic Appraisal of DFC Sub-projects	(I01D74)	6/74
4. World Bank Assistance to Public DFCs	PRC/s/C/74-20	10/74
5. Bank Policies on DFCs	R75-172	8/75

Discussed by Board: 9/23/75

VII. General Economic Papers

1. Development of African Private Enterprise	Sec M71-574	12/71
Distributed to Board for information: 12/15/71		
2. The Employment Problem and Bank Operations	R72-94	4/72
Discussed by Board: 5/25/72		

<u>Title</u>	<u>Document Code Number</u>	<u>Date of Completion</u>
3. Development Policy for Countries Highly Dependent on Export of Primary Products	R73-3	1/73
Discussed by Board: 1/30/73, 2/6/73, 2/13/73		
<u>Contents:</u> Slow Growth of Agricultural Exports, Exports, Associated Slowness of GNP Growth, Access to Markets of Developed Countries, Schemes to Compensate for Fluctuations in Export Earnings, Schemes to Organize Commodity Markets, Trade Between Developing Countries, Bank Policies.		
4. Bank/ECLA Study on Income Distribution	Sec M73-279	5/73
Distributed to Board for information: 5/9/73		
5. Prospects for the Developing Countries - An Analysis of the Effects of Recent Changes in the World Economy on Growth Prospects and Capital Requirements in the Developing Countries	Sec M74-489 (Report No. 477)	7/74
Discussed by Board: 7/23/74		
<u>Contents:</u> Changes in the World Economy 1960-1980, Development of OPEC Countries, Adjustment Problems of Developing Countries, Effects of Price Changes on Capital Requirements, Sources of International Capital.		
6. Economic Integration Among Developing Countries	PRC/s/C/74-14	9/74
7. Prospects for Developing Countries: 1976-1980	Sec M75-505 (Report No. 802)	7/75
Discussed by Board: 7/31/75		
<u>Contents:</u> Changes in the World Economy, Prospects of the Oil Exporting Countries, the Adjustment Process in Developing Countries, Prospects for External Trade, Flows of External Capital, Development Policies for 1976-1980.		

Annex I - Analytical Memoranda Prepared in Response to Pearson Commission
Recommendations

<u>Recommendation Number(s)</u>	<u>Title (Board Discussion Date)</u>	<u>Document Code Number</u>	<u>Completion Date</u>
7	IFC Policies Board discussion: 9/10/70	R69-232	12/69
9	Project Identification and Investment Promotion Work Board discussion: 9/10/70	R69-232	12/69
10	Advice on Industrial and Foreign Investment Policies Board discussion: 9/10/70	R69-232	12/69
15	Assistance to Development Banks, Industrial Parks and Agricultural Credit Institutions Board discussion: 9/3/70	R69-232	12/69
16	Joint or Parallel Financing Board discussion: 8/13/70	R69-232	12/69
31	Need for Organizational Changes in IDA Board discussion: 8/6/70	R69-232	12/69
-	Summary Analysis of Joint Financing Arrange- ments Referred to in R69-232 Distributed to Board for information: 12/12/69	Sec M69-541	12/69
12	Aid Co-ordination Board discussion: 7/30/70, 8/4/70	R70-16	2/70
25	Population Problems Board discussion: 9/3/70	R70-16	2/70
26	Education Board discussion: 9/8/70	R70-16	2/70

<u>Recommendation Number(s)</u>	<u>Title (Board Discussion Date)</u>	<u>Document Code Number</u>	<u>Completion Date</u>
28	Country Economic Reports Board discussion: 7/30/70, 8/4/70	R70-16	2/70
29	Blending of Loans and Credits for Single Projects and Programs Board discussion: 7/30/70, 8/4/70	R70-16	2/70
19, 22, 24, 27	Research and Technical Assistance in Field Involving Agriculture Board discussion: 7/23/70, 7/30/70, 9/3/70	Sec M70-92	3/70
11	Early Warning System Board discussion: 7/23/70	R70-56	4/70
20, 21	Financing for Technical Assistance Board discussion: 8/13/70	R70-56	4/70
4	Financing of Regional Trade Among Developing Countries Board discussion: 8/16/70	R70-69	4/70
5	Refinancing of Export Credits Board discussion: 8/16/70	R70-69	4/70
8	Bank Assistance in Appraising the Terms of Export Credits Board discussion: 7/23/70	R70-69	4/70
3	Financing of Buffer Stocks Board discussion: 8/16/70	R70-69	4/70
1	Impact of New Productive Capacity on World Market Prices Board discussion: 8/16/70	R70-69	4/70
14	Debt Relief Operations Board discussions: 8/4/70	R70-69	4/70
30	Bank/Fund Collaboration Board discussion: 8/3/70	R70-85	5/70

<u>Recommendation Number(s)</u>	<u>Title (Board Discussion Date)</u>	<u>Document Code Number</u>	<u>Completion Date</u>
6	Multilateral Investment Insurance Board discussion: 6/17/70	R70-117	6/70
13	Plans for Reaching Official Aid Targets Board discussion: 6/17/70	R70-117	6/70
32	Criteria for the Allocation of IDA Credits Board discussion: 6/17/70	R70-117	6/70
23	Research in the Field of Human Reproduction and Fertility Board discussion: 7/30/70	R70-137	7/70
2	Supplementary Finance Board discussion: 8/13/70	R70-155	7/70
33	Creation of Evaluation Machinery Board discussion: 8/6/70	R70-134	7/70
17, 18	Financing of Local Currency Expenditures and Program Lending Board discussion: 1/19/71, 2/2/71	R70-234	12/70

Annex II - Papers for the Development Committee

<u>Title</u>	<u>Document Code Number</u>	<u>Completion Date</u>
Prospects for the Special Trust Fund: Report to the Development Committee	R75-45	3/75
Discussed by Board: 4/8/75		

Annex III - IFC Papers

<u>Title</u>	<u>Document Code Number</u>	<u>Completion Date</u>
Industrial Protection	IFC/ Sec M72-21	7/72
Distributed to Board for information: 7/21/72		

Mr. Robert S. McNamara

December 23, 1975

Edwin M. Martin

Cuban Missile Crisis

I enclose the article from the December issue of the Foreign Service Journal to which I referred during our luncheon Friday, as well as a note I have written to the Editor calling attention to several omissions.

Enclosure

EMMartin:cfh

Dr. Hollis B. Chenery

December 17, 1975

Edwin M. Martin

Some Policy Issues Before the Second Meeting of the CGFPI

I think you may be interested in glancing at the proposed agenda for our Second Meeting and three short papers we have prepared for it. Documents A and B were done in response to requests by several participants at the first meeting and C in response to a paragraph in the Resolution of the recent Special Session of the General Assembly.

Your comments would be welcome.

Enclosures

cc: Mr. Yudelman

OFFICE MEMORANDUM

TO: Mr. Edwin M. Martin

FROM: G.F. Darnell

SUBJECT: Bank Organization of Agricultural Credit and DFC Divisions

✓ *in case*
one point I was exploring was
more agric credit lending without
detailed other measures, having it
move to credit institutions or local bodies
DATE: November 19, 1975
to do other things as increase of industry
credits.
Σ.

With regard to your memorandum of November 14, 1975, the following points are relevant.

- (i) The evolution of agricultural credit projects was within the old Agriculture Department. The origins of the DFC structure was earlier and subject to different evolutionary forces in terms of both development thinking and Bank organization.
- (ii) Not all Regions have a DFC Division nor DFC staff, thus a Central Projects Division exists to undertake project work for DFC's. *refrain why*
Many DFC's provide credit for agriculture.
- (iii) Where DFC Divisions exist in the Regions they are located under the same Assistant Director Projects as the Agricultural Credit Division. In some cases, the two are in the same Division - e.g., in South Asia Region.
- (iv) At the time of the Bank's re-organization in 1973, all staff units (including the agricultural credit group) were divided into five (now six) regionalized groups. It was considered that this was advantageous at that time; the reasons are outlined in the re-organization documents.
- (v) The Agriculture and Rural Development Department, CPS, has responsibility for coordination and information exchange regarding farm credit within the Bank. This Department also prepared the Bank's Agricultural Credit Sector Policy Paper. There is a Senior Adviser on Agricultural Credit and several others in this Department who take an interest in all aspects of credit provision for agriculture. We review all agricultural credit projects.
- (vi) Mr. G. Alter in the Senior Vice Presidents office takes an overall interest in the institutional arrangements and lending conditions for both types of credit projects.
- (vii) The commonality of country experience may not be as strong as you suggest. The USAID Spring Review and the recent FAO/CARIPLO study both reveal distinct regional differences in traditional credit forms, institutional arrangements and credit needs or uses.

- (viii) We have always, but increasingly in recent years, seen credit as one component in an overall agricultural package rather than something to be regarded in isolation. As the trend toward providing shorter term credit grows, the scope for treating farm credit in isolation has further declined. Consequently, the point of splitting off agricultural credit from agricultural projects in general is not strongly apparent at this time.
- (ix) The Rural Development strategy being pursued by the Bank is specifically concerned with integrating various sub-sectors and sectors. Institutional separation would seem to be counter to this.

cc: M. Yudelman
C. Bruce

GFDonaldson:mt

Mr. Montague Yudelman

November 14, 1975

Edwin M. Martin

Provision of Agricultural Credit

I am curious as to why it has been considered desirable to have a special unit in the Bank dealing with industrial credit projects - The Development Finance Company section - but not one for agricultural credits.

I would suspect that by now, through either agricultural credit projects or through the credit component which is included in most product or area agricultural projects, the Bank is putting more credit money into the agricultural sector than the industrial one.

No one would dare to suggest, I would think, that the handling of an agricultural credit program involves fewer problems than an industrial one. In fact, as one gives more attention to the credit needs of the poorer farmers, the difficulties increase enormously.

Finally, I would gather that institution building is just as important in the one case as in the other. Certainly most of the recent appraisal reports that I have read pay a lot of attention to this subject. Moreover, if progress can be made in creating effective institutions, more responsibility can be delegated to the local credit institution in choosing borrowers, types of financing and the objects for which credit is to be granted, thus adding greatly to the necessary flexibility to meet changing local requirements without an excessive buildup of the special staff which is so difficult to recruit.

From all these standpoints it would seem that a central staff which could become the repository of the Bank's wide experience with agricultural credit and provide guidance and help to the regional bureaus would be even more useful in this case than in that of industrial lending.

We hope to take up the credit question at the third CGFPI meeting, drawing upon the work of last month's world conference on agricultural credit, sponsored by the FAO. Is this kind of institutional specialization by donors a useful idea? Or has the Bank already dealt with the problem adequately in other ways?

EMMartin:gbo

Mr. Montague Yudelman

November 4, 1975

Edwin M. Martin

Food Investment Policy

First I wish to thank you and your colleagues for the comments on my memo of October 3, 1975. They helped greatly with my education, my object in reading appraisal reports and putting before you some of my questions. Your responses, plus reading some 20 additional reports, including several of the IDB and ADB, leads me to put before you some further questions and observations that may serve to start discussion at the meeting you proposed and which I welcome.

1. I apologize for not reading my memo carefully enough to catch the result of my poor handwriting. "Waali" should have been "Mali."
2. One of the most useful comments was in para 4(e) when you said the Bank and CGFPI objectives were not identical. Each international institution and government naturally has its own purposes and role to play. Moreover each must in an aid transaction be ready to make concessions to the other to reach the necessary agreement. As I see the role of the CGFPI Chairman and Secretariat, it is to try to extract from the World Food Conference Resolution policies and priorities relevant to investment decisions (the Concepts paper is a start on this) and press them on all parties in a pretty uncompromising fashion in the hope of persuading the operators to make fewer compromises with "reality." Naturally project processors, burdened with more than enough daily headaches, may find these positions impractical and dogmatic in nature. But I see this needling role as one of our possible contributions while accepting fully that the application of these general concepts and priorities will have to be adjusted to a variety of local physical, social, economic and political limitations.
3. I am glad to get guidance on the pre-appraisal nature of project selection and broad design. I have started reading the documents on this stage of the operation. I hope I may also see examples of the new document Warren referred to at lunch. I don't know how much the Board gets into this operation, but it strikes me as far more important policywise than judging whether a given project meets certain rather artificial financial criteria although even in them I have not yet found much discussion of alternatives. Perhaps this is in the Sector Studies which I hope to get to later.

Mr. Montague Yudelman

November 4, 1975

4. Do you think I exaggerate the unreliability of the price forecasts used in appraisal calculations?
5. Further thought about project selection leads me to propose two points. The first is that it is a far more important decision when scarce IDA funds are involved than when it is an IBRD loan. How much it is an issue in the latter case I am not sure, but there must be some limit on the amount of such loans available for agriculture if not for all purposes. I am aware of the 50-50 policy on loans for the rural poor. I don't know how such a neat division was reached as the wisest one, but as of now I am disposed to argue that for IDA money it is indefensible. For IBRD loans it may have more justification though I can't help but cringe a little at a \$40 million loan to Greek farmers to grow more peaches after describing them as having quite satisfactory living levels. That's a lot of money. In some cases might not skilled local personnel be a serious limiting factor and require a rigorous set of priorities even for IBRD money?
6. With IBRD loans so plentiful, I am still curious about why more villages didn't get new water supply systems in the Turkish project, especially if, as you say, there is no trade-off between electrification and water. It can hardly be because one product is saleable and the other not as this is no obstacle to education projects which normally have no direct payback. Did the Turks just not want it as in the case of the educational etc. components of the Northern Nigeria projects?
7. I am afraid I didn't follow the statement that added on-farm consumption came from expanded local output generated by the additional purchasing power resulting from the project and hence did not affect project surpluses or foreign exchange savings. This follows insofar as increased consumption is met by purchases from non-project sources. But if some of the larger crops grown by project participants are eaten by the farmers who grow them, as would usually be their tendency as well as a cost efficient means of meeting their nutritional deficiencies, I would think crop surpluses as well as foreign exchange savings would be less by that amount. Are we in any position to estimate how much of increased output would probably be consumed on the farm even if we wanted to pay more attention to this use? Would this be handled in the nutrition impact statement that is being added, I hear, to Appraisal Reports?

Mr. Montague Yudelman

November 4, 1975

8. I undoubtedly overstated the case against cattle and milk projects. Insofar as their output can be increased by feeding on range that cannot grow crops or by eating otherwise waste products, they are of course justified, provided that they do not take concessional money or skilled personnel away from projects that would produce crops with more calories for the same investment other than in sugar, cassava or plantain. So long as necessary resources are scarce, it seems to me that one must press to take care of malnutrition, insofar as food production investment can do it, ahead of satisfying the desire of some to have a more varied diet.
9. I would dispute the need to choose between projects focussing on reducing malnutrition and those promoting development. The added efficiency of the well-nourished person and the reduction in unproductive expenditures for health and education are of major developmental importance in many countries.
10. Is there a rule-of-thumb on what percentage of Bank funds in a project must go for foreign exchange? I was somewhat surprised at the high proportion of the cost of these projects which is spent abroad, especially in a country like India with a pretty sophisticated industrial sector and great need for small irrigation improvements that must be quite labor-intensive.
11. What is the Bank tactic in pulling the subsistence farmer out of his isolation from monetary economy so that he can buy inputs necessary to increase his productivity? Selling and borrowing are by definition both largely new concepts for him to say nothing of new production technology. Often his low nutrition level will prevent him from putting in the additional man hours of hard work that new technology requires. He may need a year or two to build up both his strength and skills, even with good weather and perfect input flow and marketing outlets - neither easy to arrange from the outset - before he can harvest and sell a surplus which would enable him to repay money borrowed for inputs. How does one bridge this gap? Are free inputs like a package of seed, pesticides and fertilizer, feasible or better, perhaps, low interest, multi-year credits? Or are there just too few really subsistence farmers of the type I have assumed to make it a real problem?

Mr. Montague Yudelman

November 4, 1975

12. Are comparisons of investment required by different projects per hectare or per family or per ton of increased output useful comparisons? Has the Bank made them? Would the average for sample of projects by various donors give any guideline to the total financial effort acquired to meet a given production target or to improve the condition of a given percentage of farm population of a country?
13. Does Bank have a doctrine or rule-of-thumb or set of criteria which are taken into account in evaluating national grain self-sufficiency goals? Is there any advice the Bank could offer other donors and recipient countries on this? Is it a subject Hathaway's Institute might study?
14. Insofar as availability of expert project preparation personnel may tend to influence the types of projects selected for appraisal, and it has been suggested to me that it does sometimes, what can be done to alter staff qualifications as priorities among various types of project changes?
15. Am I unduly concerned about what seems to be three somewhat related conflicts? First is the shortage of implementation personnel, especially local, and the point made by a good many students of help for poorer farmers that greater effort is required than now is usually employed to analyze on almost a narrow village-by-village basis the nature of constraints they face and to help them overcome them, as often attitudinal as physical. The other is the long lead time, averaging 10 years perhaps, between project identification and project maturity, the feeling by these same students that not enough time is now being taken to analyze local attitudes and institutions and insure that they are permanently changed and not just for duration of the project, and the need to increase output at a faster rate than now seems likely between now and 1985, especially by 1980, a period in which fewer projects will be maturing than later on. A further problem is raised by the view of some observers that only relatively small projects - under \$1 million - have had permanent good effects, reflecting in considerable part a feeling that many current efforts are dollar heavy and brain short, faced by the enormous increase in manpower required to prepare and implement a vastly increased number of independent projects and the pressure from LDC's to invest greatly increased volumes of concessional funds in food production projects. Do we muddle through these issues or is someone analyzing them or can they be treated except on a case-by-case basis?

Mr. Montague Yudelman

November 4, 1975

16. In a letter to me responding to my question about how to implement the UNSS Resolution, Guy Hunter, for whose judgement I have great respect, concludes that rapid increases in grain supply must come from larger farms. Partly, he based this on his conclusion that only such farms can use efficiently the heavy fertilization and substantial amount of mechanization required. But he adds that smaller farmers - 2-4 hectares - must go in for high value per acre crops rather than grains. Those he lists are export crops or those supplying domestic, middle-class urban markets. This reflects an attitude I have noticed occasionally in the project appraisals. Is it inevitable that a market pricing system makes grain uneconomic for a small farmer? Is it net as well as gross income that is being referred to? Is it because of high labor inputs for the "high value" crops which on small farms can be provided by family labor but on larger farms is too expensive to do with hired labor? Or is it all just a question of really adequate price for grains? As a minor footnote, I seldom found grain referred to in the Appraisal Reports as a "cash" crop. I never found this explained, even when it did not appear likely that the bulk of it would be consumed on the farm.
17. Why should not appraisal criteria, whether price-based cost-benefit ratios or some physical measure like calorie output per scarce input, be designed and applied to reflect the high social value of adequate supplies of basic foods at reasonable market prices or production costs to the total population of each country and the advantages of increasing independence of fluctuations in supplies and prices of such basic staples in world markets? Directing investment in this way might make a contribution to the difficult task of preventing purchasing power of middle and upperclass consumers, whether as individuals or nations, from diverting scarce agricultural resources to the production of other products so long as the basic food staples are not being produced in volume and at locations and costs necessary to eliminate malnutrition. Thus it would supplement government price policies affecting farm inputs and outputs as well as research concentration on basic foods in encouraging farmers to grow the right things from a national and global viewpoint.

Mr. Montague Yudelman

November 4, 1975

18. To put the above another way, how tightly is Appraisal Report analyses forced by Bank Charter or Rules to show favorable dollar cost-benefit and foreign exchange ratios? Or is it Executive Directors? Could a project stating no foreign exchange benefit get by as certainly many, like education projects, must do?
19. Has anyone ever tried to devise a project limited to normally free inputs like extension and in some places water and aiming only to increase output enough to meet local nutritional needs but covering a much larger number of farms because of its low financial cost per farm? Is it a crazy idea, particularly in view of the usual skilled manpower constraints?
20. In seeking rapid increase in food production in compliance with UNSS Resolution, how much weight should or can we put on government policies, especially with respect to price?
21. In the same connection, should or can we confine ourselves to countries with substantial food deficits rather than comply strictly with the resolution and look at LDC grain exporters as well, even though increases by them would not help poorer food deficit countries?
22. Should we for the February meeting limit ourselves to listing conditions likely to produce rapid increase such as existence of basic infrastructure, adequate water with only minor investments like tubewells, availability of high quality seeds, good extension services and input marketing organization, proven ability to handle credit programs, substantial acreage in farms of moderate to larger size on which productivity is still relatively low, farm population known to be receptive to change, etc.? Presumably all these conditions could not exist any one place as if they did productivity would not be low. The object would be to identify which of a list like this is most often missing and locations with the fewest missing would be the best candidates. The first discussion would try to refine the list and the procedure for applying to countries, plus of course, agreeing on how to treat the key country price policy issue.

RMartin:gbo

INTERNATIONAL BANK
RECONSTRUCTION AND DEV
INTERNATIONAL DEVELOPMENT
ASSOCIATION

MENT

INTERNATIONAL FINANCE
CORPORATION

4/14/51

Moise

at lunch with Buchanan
and Baum just after I wrote this.
They urged I await the broad
review of the CGIAR role now
under way with a fall 1946
target. I am impatient but
guess we must hold off.

ANSWER
IN JULY 76
2/15

Σ. at least
will Feb 76 when
we know more about
CGIAR/IFC views
then

OFFICE MEMORANDUM

TO: Messrs. Yudelman, Havord, Huyser

DATE: November 14, 1975

FROM: Edwin M. Martin

SUBJECT: Support for National Food Production Research

There seems to be widespread agreement that the World Food Conference was right in stressing the need to strengthen national food production research capabilities of developing countries. Effective research programs, working closely with extension services, must develop the packages of seeds, ~~inputs~~ and cultural practices most appropriate for specific, often rather small, localities within each country, drawing heavily, of course, on the more basic research findings of the international networks.

The question of the role that the CGIAR might play in encouraging external help for national research in this field, without engaging in pledging, has been under discussion in the TAC for some time without any conclusion being reached. I am informed it will come up again at its February meeting. I gather that, while recognizing the considerable expertise which the International Centers have acquired on the strengths and weaknesses of the various national research systems through their outreach and similar activities, there is considerable reluctance within TAC to adding this new task to their agenda.

I feel it is important that some international leadership be given to this matter promptly. It seems to have been recognized informally that if the CGIAR did not choose to take it on, it would be an appropriate subject for the CGFPI. To avoid unnecessary delay, I ~~intend~~ to propose to the February CGFPI meeting that if the CGIAR has not decided to include the subject in its work program in the interim, it be put on the agenda for the third CGFPI meeting with the Secretariat producing an initial paper on the problem in close collaboration with the sponsoring agencies and the Secretariats of the CGIAR and the TAC. This would be the substance of the oral report on this subject called for under Item 9(d) of the Draft Agenda for the second meeting which was circulated a month ago for comment.

May I have your views?

EMMartin:gbo

WORLD BANK GROUP

ROUTING SLIP		DATE November 3, 1975	
NAME		ROOM NO.	
Mr. M. Yudelman		D823	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
Professor Hopkins called on me in connection with a paper he is doing on Project 80s for the CGF and left this. It may be of interest to you and some of your colleagues. (Attachment -- Paper World Food Institutions: Challenge and Response - A Proposal)			
FROM Edwin M. Martin		ROOM NO. G1069	EXTENSION 2041

Baum - Yudelman Lunch, October 24, 1975

1. Basbous on World Data Bank. Should McPheeters and I seek McNamara's support for World Bank cooperation. EMENA V.P. cool.
2. Going to Manila for ADB meeting and then to Bangkok in December; India and Kuwait in January.
3. Going 29th to Yriart meeting - no problems emerging.
4. Three professionals and not recruiting remaining two until after meeting 2. May save money for consultants.
5. Received Donaldson memo - now looking into Regional agencies - Yriart for LA; if not there, may have to contact countries directly through CGFPI reps, or take up at Regional FAO conferences. DAC doing more and expecting OPEC details. Mazumdar to Paris, Geneva and Rome.
6. Pessimistic about finance gap - what happened to Asia study. Looking forward to Walters' meeting. Hannah out?
7. Awaiting response on use of CG's. Phone from East Asia.
8. No comments from anyone on Role or Concept papers yet, except Enders. How to get action?
9. US paper on financial aspects of increasing fertilizer demand.
10. Seed work proceeding - Applewhite to Rome for FAO arranged session.
11. Furtigh of FAO making survey on post-harvest waste - report orally to meeting 2 with agenda item meeting 3. Description Egbert project?
12. UNSSGA assignment - provided focussed on deficit countries good idea as now up to 80's bad period with low grain investment in early 70's. Brief response from Paul-Marc, good one from Guy Hunter, Birnbaum oral reaction - dry land farming. Unfinished water projects, big price jumps two ideas.
13. Still little puzzled on personnel shortages but working at it. On the other hand for poor farmers Morss survey for AID, Hunter and Pere de Farcy of Bureau pour le developpement de la Production Agricole (BDPA) all argue that need take longer than even now to identify constraints and to really change farmer attitudes and institutions and that must operate on small scale. Contrasts with assumption of some Bank projects like Lofa County, Liberia, that no constraints except availability of means, based on Sierra Leone experience. Are any generalizations possible?

14. Puzzled by project identification procedure - so seemed to be some at South Asia meeting. How many dropped out after identified? If any, at what stages and are reasons substantive problem of project itself?
15. Not clear about how to get subsistence farmer into cash economy so can repay credits for inputs. New game for him. Apt not to catch on immediately. How to brake ice? Gets lots other things free - food, education, health. Extensions (usually), why not first inputs? Lot cheaper than food. Will he waste them?
16. Why isn't grain looked on as "cash crop" in deficit countries? Talk about export crops and industrial raw materials and horticultural as "intensive" or "high income" and therefore chosen for farmers with small holdings. Are they so much more profitable? Don't market forces operate to equalize profits? Is this due to controls on grain prices?
17. Is it feasible to put nutrition values in a more central position with respect to project selection and design? Do we or can we learn enough in course of project preparation or sector studies to do so intelligently? Do I distrust 1985 forecasts of input and output prices too much? Do Bank rules or Executive Board attitudes or what else dictate emphasis in appraisal documents on financial criteria, especially foreign exchange impact? Could project wholly to cover increased domestic consumption made possible by it or it plus government distribution scheme based on it, and hence involving no foreign exchange benefit, pass? Is it true as appears that increased project area consumption is never deducted from foreign exchange calculation? Or farmer cash balance? Or included in cost-benefit analysis? Are shadow prices for output consumed in project area, like those for labor, feasible?
18. Do we ever have an idea of how much output increase in an essentially grain project would be needed to meet local deficiencies?
19. Are there any averages of costs per unit of additional output or hectare or family on which to base guesses about requirements to meet some accepted goal or to guide us to most productive types of projects?

Edwin M. Martin
Chairman, CGFPI

OFFICE MEMORANDUM

TO: Mr. Edwin M. Martin

DATE: October 24, 1975

FROM: Montague Yudelman *WY*SUBJECT: World Bank Appraisal Reports

Your memorandum on this subject has been circulated for comment to the specialist project advisers in this Department. Your points raised a number of interesting issues and caused some spirited responses - which coloration this reply will not attempt to convey. It is fair to say, however, that there is some feeling you have not fully understood the Bank "project cycle" nor the defined purpose of appraisal reports.

In the order you raised them, the comments on your points are as follows:

1. ✓ Recent projects may not reflect Bank policy on rural development not only for the reason you gave (time lag in project preparation), but also because it is not expected that all agricultural projects will be "rural development" oriented. It is expected that at least half of our agricultural lending will go to the target groups as defined in the Rural Development Policy Paper. Projects do not need to be focussed on "area development" in order to be rural development projects.
Gravid this too in P.L.
 2. ✓ The "justification for approving a project in a particular country" is not given because this decision is made separately and usually long before a particular project is identified. Such a justification may be seen in country economic reports or the Country Program Paper (CPP).
Do half good enough? But is not important priority
I noted this with 'fence'
 3. ✓ The "justification for selecting a particular area within a country" is often incomplete, again, because this is not decided at appraisal. This would normally be determined at the preparation of the CPP. This in turn may be based on an Agricultural Sector Survey or Review, an Economic Report, Reconnaissance Report, or any combination of these. The choice of location will reflect country preferences, the activities of other development agencies, as well as development priorities as we see them.
 4. ✓ A "discussion of the comparative advantages of possible alternatives" is not found in appraisal reports because the assessment of alternatives is normally a pre-appraisal activity. The choice of location or target group is based on country and sector considerations and is usually determined in concert with the client country long before appraisal. Other alternatives such as the choice of technology to be used, are assessed by the project preparation or appraisal team, but such assessments are normally regarded as being a pre-appraisal activity. In order to keep the appraisal report down to a manageable size, there is no "history of the project" included in it, and issues not directly affecting the financial, economic and institutional viability of the project are
- Useful info but leaves the in & out with limited note*

usually not reported. An exception is made where the decision is judged likely to be controversial or the justification for the choice not clear cut. The need to do this will usually have emerged at the decision meeting held after the appraisal team returns from the field.

4 (a) ✓ There was some difficulty in identifying the ^{local} ~~local~~ livestock project". However, it is true that biases of individual appraisal teams are often reflected in the project appraisal reports, and there are errors in logic made in drafting. The Bank procedure is not perfect, though the review procedure usually removes most of the quirks.

The possibility of setting prices above world market levels in cost-benefit analysis is not disavowed, but it would also be necessary in such a situation to consider the cost in terms of opportunities foregone in undertaking this investment.

4 (b) There are sound ecological reasons for not attempting foodcrop production in zones where cocoa can be grown. Such areas have a comparative advantage (i.e. least disadvantage) for cocoa. Cocoa trees planted now are judged likely to produce export earnings for 30 years or so - by which time oil revenues are likely to have dried up. *But oil will have permitted much greater progress by then than in other cocoa exporters without oil.*

4(c)+(d) Fresh milk production is a priority of the Government of Sri Lanka. Dried milk is not a full substitute for fresh milk. Livestock and crop production are complementary (and not competitive) activities in the agriculture of many countries. Nutrition factors are important. A not insignificant part of the population has a largely milk diet in most countries - viz. those under 2 years of age. Further, does a production deficit justify putting the whole nation on a subsistence diet without variety? As incomes increase, the demand for non-staple foods expands. Demand, through price, generates supply. The availability of non staple foods provides an incentive to increase income. This is fundamental to development. Should the broader goal of development be subjugated to the narrow one of food production? Milk products, as in yoghurts and sweet puddings, are a cultural tradition on the Indian sub-continent. *OK but must be a price incentive*

4 (e) Particular exception is taken to your comment on "unconscious thinking" (sic). The goals of the Bank and CGFPI, it is noted, are not wholly coincidental. It is suggested that a more serious aberration of thought is manifested in the belief that food production - in subsistence conditions, with given ecological constraints and many different cultural contexts - can be orchestrated through the development of a global or even regional physical plan. *not plan but price is to be*

4 (f) It is standard practice, and appropriate, that the total output of a project is valued and not just the marketed output. Thus increased household consumption is appropriately valued at its opportunity cost; whether it reduces exports or saves imports the logic is the same. In most cases, the increased consumption that occurs comes from local sources - as a supply response to increased demand - and does not in fact reduce the exportable surplus. Where foreign exchange is being shadow priced, the amount of added output consumed locally should, of course, be deducted before foreign exchange earnings are calculated.

disregarded only with exceptional justification

Price not only guide to policy, esp. world price.

OK - not a case of much need for intervention, yes, and not whole pop. - few can afford milk

agreed - I must make it clear

why not - project data reflect supply response

OK 4 (g) The questions of "seed production and farm level storage" should, indeed, be broached in all crop production projects, or reasons given if they are not.

OK 4 (h) "Village health, education and development components" were not included in the Northern Nigerian area development project because the Government of Nigeria did not want them at that time.

OK 4 (i) The lack of increase in cattle slaughterings in Paraguay during the 1960's is explained in terms of exports-on-the-hoof across the borders to Argentina, Brazil and Uruguay. These countries have ports and prices which reflect world market prices and tend to be above those in Paraguay.

OK 4 (j) Assessment of regional priorities for food production does take place, but not usually in a project context. This type of consideration has usually been addressed in sector studies or economic surveys. It is widely accepted, however, that this is not always done very adequately.

OK 4 (k) The Bank has supported rural electrification only rarely. This is not because of a lack of preparedness to do so; rather because countries have preferred to finance such development from their own resources. Electricity can be easily metered and charged for to recover costs and provide funds for further expansion. Water supplies are not self-financing in this way. Further, these two components of development are not mutually exclusive, nor do they substitute for one another and they would not normally be considered as counterpart or competing components in a project.

OK 4 (l) The Rural Development Policy Paper defines the target group (somewhat arbitrarily) as those with incomes less than \$50 per year or less than 1/3 of the national average income. Were the US a Bank client country, it is likely that there would be a target group, so defined, in this country. And, indeed, they do have rural development programs in Iowa, as in several other States! We are working on a conceptually more rigorous criteria for delineating the target group/rural poor.

OK 4 (m) Undoubtedly, project appraisal reports do contain interesting data. Responsible economists in the Bank are, on the other hand, very cautious about the use of such data for purposes other than they are used for in appraisal. We are continually trying to improve the data used in appraisals. It is still true, however, that data from developing countries are extremely unreliable and must therefore be regarded with circumspection. Appraisal reports are not public documents and may not be released from the Bank without approval of the client country.

The "gaps in analysis" in Bank reports are often a reflection of the paucity of reliable data.

cc: G.F. Darnell, D. Pickering, D. Stoops, C. Bruce, G. Donaldson

GFDonaldson:mt

all the more reason to
include project.
OK if no limit on
funds available
Ready to think
C & F P
why - admin. info.

would hardly be helping the point

10/16
cc to Mr. Martin
Mr. Donaldson

OFFICE MEMORANDUM

TO: Mr. Edwin M. Martin, CGFPI

DATE: October 15, 1975

FROM: Graham F. Donaldson *GFD*SUBJECT: Data on LDC Investment in Food Production

In response to your memorandum of September 25, concerning data on investment in agriculture and food production, we have made a review of Bank sources. As we had anticipated, the outcome is not very satisfactory.

A review of Bank documents including sector survey reports and country economic reports, and of incoming information such as UN National Account Statistics and FAO Country Data, as well as our own Economic and Social Data Division tables, reveals virtually no useful information other than government statistics on public investment in agriculture. In most cases, this was merely the budget of the Ministry of Agriculture and took no account of other institutions contributing to agricultural investment.

Discussions with country economists and loan officers in the Bank, and with senior staff concerned with economic work, confirms that information on private investment in agriculture is not available for any less developed countries that we are aware of. Further, public investment in food production is obtainable for only a few countries, delineated then on a very arbitrary basis, and this information is not readily available.

It is perhaps significant that this kind of data, is also either not available or of relatively poor quality for most Western countries. Some data of an historical nature are available for Japan and Taiwan. The best data are available for West European countries where capital subsidies have been paid to farmers on production investments.

cc: M. Yudelman
C. Bruce

GFDonaldson:mt

OFFICE MEMORANDUM

TO: Messrs. Yudekman, Haynes and Harkness
FROM: E.M. Martin
SUBJECT: U.N. Special Session Assignment to GCFPI

DATE: October 7, 1975

I enclose a tentative outline of an approach to this request on which I feel the GCFPI must make a response at the February meeting.

Given the assumptions set forth in my memo, what are the possibilities of identifying countries? Can your agency prepare a suggested list on the understanding that it will not be attributed or used without further discussion between us? Or would you suggest a wholly different approach to meeting this request?

Attachment:

cc: Harry Walters

EMMartin:db

cc. Dr. Hathaway

DRAFT
ENMartin:cfh
October 8, 1975

Identifying developing countries with the potential for the most rapid increase in food production requires three steps. They are to choose the food products, whose production most needs increasing, the means by which their production can be increased most rapidly, and then identifying the countries in which these means are most readily available.

Assuming, as was done by the World Food Conference, that the accepted ultimate goal is to reduce the number of malnourished people in developing countries, attention should be focussed on production of cereal grains. Only they are of global significance in the battle against malnutrition and are everywhere capable of being substituted for other foods in temporary short supply.

In this first exploration of the implementation of the assignment given to the CGFPI, it seems also an appropriate priority to concentrate attention on increasing the degree of self-sufficiency of the poorer food-deficit countries. Increasing the export capacity of a developing country or converting importers into exporters would require that additional measures be examined such as transport and storage investments and the capacity of grain importers to finance such imports. This can be treated later, if necessary, when the more urgent problems of the food-deficit countries have been handled successfully. Nor is it appropriate to treat all food-deficit countries alike. There is little justification for special treatment for OPEC countries, all with food-deficits.

The means to accelerate the increase in cereal grain output of importing developing countries are various but not all of them are rapid. Collaboration between donors and developing countries to increase crop production by substantial new investment tend to require a minimum of ten years between project identification and full production with two to three years for project preparation, four to six for project execution, and several more to reach full output. If major irrigation works are required, going beyond tubewells or extension or rehabilitation of irrigation systems at the farm level, several more years must be added. These are clearly needed projects but new efforts are not able to help much before 1985. This hardly could qualify as "rapid" if there are any alternatives.

At the other extreme, quite rapid increases in output of cereal grains might be feasible in a number of food-deficit poor countries by drastic measures such as government directives as to what should be grown or by price differentials. The latter can be powerful instruments. It seems preferable however to try initially to increase output by increasing yields rather than by relying primarily on shifting crop patterns.

The outstanding example of rapid increase in output on a significant scale, achieved largely through increasing yields, was the doubling of Indian wheat output in the six years between 1965 and 1971. What were the means? Essentially they were six:

1. Because of short crops due to bad weather in 1965 and 1966, prices of wheat, somewhat helped by government actions, were high.

2. Fertile soil and groundwater supplies capable of supporting an extensive system of tubewells for irrigation existed in areas with a substantial existing economic infrastructure and populated by peoples open to new technology, willing to take risks to increase their incomes.
3. New high yielding wheat varieties had been developed through research which were suitable for the area.
4. The government expanded substantially its extension services to acquaint these people with the use of the new technologies.
5. The government helped farmers get the new seeds, together with the inputs necessary to make them yield well, especially the credit for fertilizers and tubewells.
6. Productivity was open to rapid increase because it had been relatively low up to the mid-sixties. This made doubling the output much easier.

Where can we find a repetition of these conditions? Essentially there are three general requirements to be satisfied. Reference is not made here to availability of external aid as the purpose of identification of countries is stated in the UN Resolution to be to encourage more assistance to the identified countries. It is therefore taken for granted that once identified they will receive the help they need.

1. The government must be prepared to commit itself for a decade to make a major effort to provide farmers with the incentives and means to increase his yields.

2. In areas populated with people who have shown some interest in and ability to increase yields or who seem open to reasonably prompt persuasion to do so, the physical conditions, natural and man made, favorable to a rapid increase in output, must be available without the need for substantial new public investment (i.e., major irrigation schemes, land clearing or reclamation) being a prerequisite for production increases.
3. Suitable technologies must exist which will increase yields markedly if applied under substantially existing physical conditions.

It is impossible for the CGFPI Secretariat to forecast with certainty which of the governments of developing countries will follow the policies over the next decade which are called for by point 1. Each country in which the other prerequisites exist must decide for itself and announce what position it is prepared to take with respect to priorities for cereal grain production and then be tested year by year on its performance.

We can give some general indications of where in food-deficit countries the situation corresponds to conditions 2 and 3.

10/7-9.30

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

October 3, 1975

Ambassador Edwin M. Martin:

This is to confirm our date for lunch with Mr. van der Meer and the Departmental staff meeting on the 17th. I'll pick you up in your office around 12:45 pm. if agreeable. Is the attached ok?



R. Picciotto

41233



October 17

OFFICE MEMORANDUM

TO: All South Asia Projects Department Staff

FROM: S.M.L. van der Meer, ^{1/2}Director, ASP

SUBJECT: Department Meeting

DATE: October 3, 1975

There will be a Departmental meeting on Friday, October 17, 1975, at 2:30 pm. in the Board Room (A1100). Ambassador Martin, Chairman of the Consultative Group for Food Production and Investment (CGFPI) has agreed to address the meeting. He will talk about the objectives and the work program of CGFPI.

RPicciotto/cta

cc: Messrs. E. Stern, Street

OFFICE MEMORANDUM

TO: Mr. Montague Yudelman

FROM: Edwin M. Martin

SUBJECT: World Bank Appraisal Reports

DATE: October 3, 1975

This memo contains questions and observations stimulated by reading the substantive material - not that on organization, financial control, etc. - in 15 appraisal reports on agricultural projects on which the Bank made commitments in FY75. I hope to be able to do the same for several other donors as part of my education.

1. Many of the projects were selected for appraisal and the work well under way several years ago or do not fall into the category of area development projects which may explain why they do not always seem to reflect current Bank policy with respect to rural development.
2. The justification for approving a project in a particular country is not, of course, given and a one-year sample would be unrepresentative in any case.
3. The justification for selecting a particular area within a country is often incomplete but presumably has to reflect priorities of the recipient country as well as Bank judgments. This seems probably not so important in itself as in its effect on crops whose output was to be increased.
4. The latter represents my main query. At least in the appraisal reports, I found little discussion of the comparative advantages of possible alternatives. Usually a pattern of output increase was described and justified by an examination of the future market and probable price. Sometimes the project output was quite different from stated national priorities. Perhaps alternatives were looked at and discarded at an earlier stage. Some puzzling examples were:
 - (a) The Waali livestock project gave me the feeling that rice producers in the Niger Middle Delta were looked upon as intruders, taking good grass from cattle farmers, though the report earlier had stressed the new Government policy of becoming more self-sufficient in grains including an increase of 100,000 tons in rice output by 1985, whereas 50% of the cattle was for export. The Mexican Government policy described in the Bajo Rio Bravo etc. Report is described as reducing growth in grains imports then proceeds with the project largely for export crops. The question of self-sufficiency versus exports to pay for larger imports is not treated for individual countries or in a global context. Increased self-sufficiency may be a local or national goal which justified pricing outputs above world levels in calculating cost-benefit ratios.

- (b) Nigeria was also noted as a grain importer and the need for expanded output stressed in the reports on the Northern Region projects, but the possibility of grain production instead of cocoa was hardly mentioned in the Second Cocoa Project, an omission made more curious by the fact that cocoa is an export crop, and additional foreign exchange earnings are hardly a high priority for Nigeria in the foreseeable future. The point is made that with crops land has to remain fallow too long. This may be valid, though I note that Sierra Leone and Turkey projects rely largely on reducing time in fallow for their production increases. If grain is not possible in this area, one wonders why the money should not have been spent elsewhere.
- (c) In the Sri Lanka Dairy Project, the need to replace imports of dry milk was used to justify the project. Relative costs were not estimated but I wondered if rice production was not a higher priority on this or on other areas, since it is an even more burdensome import.
- (d) Both this and the India dairy projects justified the use of resources for this particular output in part on nutritional grounds, the only time this was done. However, the arguments used were less than persuasive. Reference is made in the Sri Lanka report to a minimum daily per capita nutritional requirements of 150-200 g. of milk and in the India case to the requirement for milk to provide an acceptable animal protein supplement to the diet of vegetarians. I can find no nutrition experts who agree with either argument and there is abundant practical evidence from countries like France and Japan that one can survive quite well without drinking any milk. A similar nutrition theory I wondered about was put in the Mexican Bajo Rio Bravo, etc. Report in terms of a growing future market for livestock because of so many presently malnourished people. Consuming more meat is seldom the first step for the poor.
- (e) As a general point, justifications for both fodder and forage crops and for coarse grains are made as a matter of course in terms of animal feeding for which there are markets without discussing in the reports relative contributions of alternative uses of land to reducing malnutrition. One evidence of a pattern of unconscious thinking on this is in the Northern Nigeria Reports which justify a shift to cereal production in part on increased demand in the south created "by intensive livestock industries and urban populations." Note the order. In Indonesia Research Report too there is

reference to increased maize production as largely for human consumption but particular stress seems to be put on the fact that it can also be fed to animals. In a similar vein, the Mexican Bajo Rio Bravo etc. Project refers to increasing Mexican output of "major staple (grains, oilseeds, dairy products)."

(Underlining mine.) There seems to be a Western and US mentality that the "mixed family farm" is the ideal production unit and that the faster they can copy our pattern of direct and indirect crop consumption the better. If they follow these paths, or before they do, we shall be in for deep trouble.

- (f) Except in the case of the dairy and livestock projects with respect to milk, there were no references to increases in on-farm consumption. Paraguay Livestock Report even states specifically an assumption of no increase in consumption even in entire country as basis of export earning estimate. In part, this presumably reflects the absence of knowledge of the farm family nutrition situation and therefore of what of added output he might consume. But it seems also to reflect a concentration on cost-benefit analysis in terms of marketed crops. But are not the two related in the sense that the more the farmer consumes the less he has to market. This can become especially important, I should think, in calculating foreign exchange savings. In the case of the Nigerian Northern Region projects and the Senegal project among others, I wondered if that latter figure took account of probably considerable increases in local consumption with a corresponding reduction in export savings. In fact, whether this way or by purchasing more food in the market with the increased income projected for the families reached by each project, food consumption will rise, probably in most cases by half or more of the income increases. Is this brought into the calculation on foreign exchange savings?
- (g) Only in the Northern Nigeria Projects did I see reference to both seed production and village storage as project objectives. Shouldn't the latter figure in all crop production projects?
- (h) I wondered why, in contrast with others, the Northern Nigerian area development projects had no village health, education or development components.

- (i) I was puzzled by the favorable view of the first three livestock projects in Paraguay as a justification for the fourth since the Report said their object was "largest impact of production in shortest time at minimum cost" and that "cattle slaughtering had not risen significantly since 1960." Why were not earlier projects failures?
- (j) Perhaps this is post-Sahel drought question, but Upper Volta Livestock Project stresses markets in Ivory Coast as does that for Mali. But Ivory Coast is also a net importer of grain and surplus grain production in wetter regions of Sahel would be major asset in case of certain future dry spells in more arid areas. Does this kind of weighing of alternatives go on? I might add that the fact that in the project area crop production is stated to be the most important activity and the highest national priority raises further questions about the use of priorities for this zone and for the country.
- (k) The Turkey Project was the only one, I think, that included area electrification investments as an essential component. This surprised me a little especially as a desirable alternative use of money seemed to exist in providing more villages with a pure drinking water supply in view of the health problems attributed to its widespread absence. Is this a matter of country dictation or is there an unstated reason for electrification in the Turkish environment?
- (l) I suppose this is a non-agricultural issue but the Turkish project was the only one which was justified as "helping the poorest" on the ground that they had incomes below 1/3rd the national average. Does that rule apply everywhere? I bet I could develop an agricultural project in Iowa that would qualify under that rule.
- (m) I am impressed with the value of these reports as sources of basic data, including for us price policies in relation to output. There is an especially striking illustration with respect to beans in the Bajo Rio Bravo one.

To conclude, if the pattern of appraisal reports for other donors that I can get my hands on is anything like that in this sample, I may wish to try to summarize some of the preconceptions and gaps in analysis, without identifying donors or recipients, that seem still to plague both donors and developing countries with particular emphasis on nutrition and self-sufficiency in grains as factors in choice of crops. These might serve as illustrative material alongside the Basic Concepts Paper.

I am at your disposal for clarification of the points I have raised.

OFFICE MEMORANDUM

TO: Mr. A. H. Boerma, Mr. R. S. McNamara
THROUGH: Mr. F. Yriart, FAO; Mr. W. Baum, World Bank
FROM: J. M. Keating, Director, WB Organization Planning Department
and Chairman, Joint Steering Committee
SUBJECT: Report of the Study on Cooperation Between FAO and the World Bank

DATE: October 1, 1975

Attached are (1) the report of the Joint Task Force on Cooperation Between FAO and the World Bank and (2) the task force's proposed implementation plan and schedule. The first twenty-three pages summarize the findings and recommendations of the study; the annexes discuss alternatives and provide supporting data and detail useful in implementation.

The Steering Committee is in broad agreement with the main lines of the report's findings and recommendations although some differences remain on specific points. There is consensus that these specific disagreements are unlikely to be narrowed by further discussion within the Steering Committee and there is wide agreement that implementation broadly along the lines of the proposed implementation plan should begin as soon as possible. During implementation, some of the recommendations will inevitably evolve further or be modified.

The principal areas of doubt are as follows:

1. Creation of a Third CP Service (Paragraph 87 and Section II.B of Annex 4). The CP members of the Steering Committee disagree with this recommendation of the joint task force. They weigh heavily the loss of "critical mass" it would entail at the service level and the drawbacks they anticipate of a possible one-to-one relationship between a CP service and a Bank Region. The Bank members recognize that they cannot dictate details on internal CP organization but feel strongly that an increase in the number of intermediate CP managers at least to the extent recommended is essential to enhance CP's capacities to be responsive to Regional needs and to give the requisite intensity of management attention to its own activities.
2. Bank and CP Preappraisal Planning (Paragraphs 62, 63, and 75 and Section II.A and Attachment 1 of Annex 5). There is concern expressed in some Bank and CP quarters about the capacity successfully to plan agriculture preappraisal work in the manner proposed. There is wide agreement, however, that the attempt must be made (with the plans, of course, treated as best -- and changeable -- estimates rather than binding commitments) and that the process should be reviewed and modified as necessary by Messrs. Yudelman and Huyser after a year of experience. The proposed implementation plan now provides for such a review.

Mr. A. H. Boerma
Mr. R. S. McNamara

- 2 -

October 1, 1975

We recommend that after reviewing the report and proposed implementation plan and holding such discussions as you consider necessary you approve the report and request implementation of agreed actions along the lines indicated in the proposed implementation plan. Messrs. Yudelman and Huyser should be assigned the primary responsibility for implementation in the Bank and FAO. The plan does this and provides for a formal progress report by them encompassing all aspects of the recommendations in June 1976. During implementation, the Bank's Organization Planning Department would be available to advise and assist as necessary.

Attachments

Cleared with and cc. Joint Steering Committee Members:

Mr. J. Huyser (Vice-Chairman), Director, FAO Investment Center
Mr. M. Yudelman, Director, WB Agriculture and Rural Development Department
Mr. M. Hoffman, Director, WB International Relations Department
Mr. D. Haynes, WB Regional Assistant Projects Director, EMENA
Mr. R. Picciotto, WB Regional Assistant Projects Director, S. Asia
Mr. H. Casati, Chief, CP Service I
Mr. A. Jones, Chief, CP Service II
Mr. J. Cohen de Govia, Director, FAO Management Services Division
Mr. H. Quaix, Chief, FAO Development Research and Training Service
Mr. J. Abbott, Chief, FAO Marketing and Credit Service
Mr. M. Veraart, WB/CP Coordinator

JCPR:JMK:b1

PROPOSED IMPLEMENTATION PLAN
for Recommendations contained in the
REPORT TO THE JOINT STEERING COMMITTEE
of the
JOINT TASK FORCE
on
COOPERATION BETWEEN FAO AND THE WORLD BANK

Joint Task Force

September 16 1975

PROPOSED IMPLEMENTATION PLAN

The tables which follow are our proposed plan for implementing the recommendations of the report, assuming they are accepted. For each major action, they contain proposed allocations of responsibility and deadlines for implementation. While all the major recommendations have been referred to in the Report, some subsidiary or consequential actions are listed only in these tables.

We have proposed assigning implementation responsibilities principally to the Directors of the FAO IC and the WB CPS (ARD), but we expect they will delegate much of the authority to get the work done. In the tables, a large "X" indicates major responsibility for implementation; a large "S" secondary responsibility.

As proposals for the timing of implementation have been expressed in terms of "deadlines" rather than "target dates," it is expected that many recommended actions may be implemented before the dates listed. A few with September deadlines will have slipped into October.

The detailed recommendations for improving CP administrative support services -- described in the Task Force's separate "Working Papers on Administrative Support for the Investment Centre" -- are not included in the proposed implementation schedule. IC Management should determine its own schedule for these actions.

PROPOSED IMPLEMENTATION PLAN

STEP	RECOMMENDATIONS/IMPLEMENTING ACTIONS	RESPONSIBILITY							DEADLINE	COMMENTS	REFERENCE: ANNEX AND PAGE
		Director IC	FAO Service Chief	Other	Director ARD OPS	Division Chief	Other				
A	<u>DISSEMINATE RESULTS OF STUDY AND MONITOR IMPLEMENTATION</u>										
1	After review by Steering Committee and overall approval by Messrs. Boerma and McNamara, distribute report in FAO and WB.	X			X				Sept. 1975	Circulation to be decided by respective Directors. Recommend distribution of full report to CP and Bank Agriculture managers; report without annexes to other Bank agriculture staff, CP staff and indirectly affected managers.	
2	After distribution, hold seminars for FAO Service and WB Division Chiefs and all CP staff on report's implications.	X			X				Sept. 1975		
3	Coordinate with UNDP and WFP.	S		X				X	Nov. 1975	Covering letter from FAO DG to WFP and UNDP (prepared by Director, IC) and W President to UNDP (prepared by Director W-IRD)	6. Att.1 7.
4	Revise the summary descriptive pamphlet about IC/CP for client agencies and Governments to reflect changed name, structure, relationships.			X					June 1976	FAO-IC Information Officer	
5	Report on status of implementation effort.	X			X				1) Jan. 1976 2) June 1976	1) Directors IC and ARD to report to each other 2) Directors to prepare joint report for DG (FAO) and President (WB)	
6	Review success of revised operating procedures and planning systems.	X	S	S	X	S	S		Dec. 1977	Directors IC and ARD to report to each other; agree, as necessary, on appropriate adjustments. OPD to advise, if requested, re proposed adjustments.	
B	<u>INCREASE BUS-STOPPING AND STREAMLINE BANK/CP OPERATING PROCEDURES</u>										
	<u>Bus-stopping</u>										
1	Agree upon opportunities for bus-stopping style preparation assistance in project pipeline, and programme missions to accommodate these.		X		S	X			Dec. 1975 (or 1st semi-annual review)	Timing partially contingent on initiation of proposed WB Project Generation Planning System.	2. p.5
2	Prepare and issue instructions to IC staff on bus-stopping methodology and recommended procedures.	X							March 1976	Also address resident offices' role re bus-stopping.	2. p.5
3	Plan and assign responsibility for developing sub-sector guidelines on project preparation especially for use by national preparation teams.	X							March 1976	CP to develop programme for guideline preparation, clearance with Bank, and publication.	4. p.12 4. p.16
	Programme CP staff assistance to FAO (and possibly EDI) project preparation training courses for developing country nationals.	X	S	S					Dec. 1975 (or 1st semi-annual review)	In conjunction with Director, ESP, and Director, EDI -- subject to limitation on direct FAO support	2. p.6

* X denotes major implementation responsibility;
S, delegated or secondary role.

PROPOSED IMPLEMENTATION PLAN

PROPOSED IMPLEMENTATION PLAN		RESPONSIBILITY						DEADLINE	COMMENTS	REFERENCE ANNEX AND PAGE
STEP	RECOMMENDATIONS/IMPLEMENTING ACTIONS	F.A.O.			World Bank					
		Director IC	Service Specialists	Other	Director ASD (PS)	Division Chief(s)	Other			
5	<u>Concept Definition Procedures</u> Design guideline for "project definition" report and clear with Bank	X			X			Nov. 1975		2. p.7
6	Institute "project definition" reports and stop preparation of "identification" reports.		X			X		Jan. 1976		2. p.7
7	Institute routine service-wide debriefings for project definition and final preparation missions.		X					Oct. 1975	Senior Specialists and selected FAO staff to attend, as appropriate.	2. p.7 2. p.8
8	<u>Preparation Procedures</u> Prepare CP preparation "issues paper" guidelines and clear with Bank.	X			S			Nov. 1975	To be reviewed by WB (CPS)	2. p.8
9	Institute "issues paper" procedures.		X	S		X	S	Jan. 1976	With CP Coordinator (with WB ASD assistance) to determine procedure regarding telex arrangements	2. p.8
10	Send CP preparation reports direct to country with disclaimer and to Bank with covering memorandum.		X					Jan. 1976	Dependent on initiation of "issues paper" procedures. CP may wish to examine its internal reports review procedures first.	2. p.9
11	Make "bridging" missions (i.e. overlapping with appraisal) routine.		X			X		Dec. 1975 (or 1st semi-annual review)	Also encourage greater personal CP/WB interchange where appropriate.	2. p.4
12	Transmit to CP project briefs, appraisal mission issues papers and decision memoranda, and Loan Committee summaries.			S		X	S	Sept. 1975	CP Coordinator and IC Information Officer to expedite	2. p.5 4. p.17
C. IMPROVE EFFECTIVENESS OF THE CP-FAO RELATIONSHIP										
<u>Information</u>										
1	Appoint IC Information Officer and establish IC Information Center to replace IC Documents Unit.	X						Nov. 1975	Functions defined in Annex 3.	3. p.9
2	Develop Information Center procedures, methods; ground-rules re confidentiality			X				Jan. 1976	Information Officer to do; WB/CPS to approve latter.	2. p.9
3	Circulate in FAO, IC mission schedules, debriefing meeting notices, newsletter, etc.		X	X				Jan. 1976	Responsibility of Information Officer to coordinate.	3. p.9
4	Routinely furnish appropriate material to CP staff before mission.			X				Jan. 1976	Responsibility of Information Officer.	3. p.9
<u>Interaction</u>										
5	Designate IC Senior Specialists and notify FAO Divisions and WB Senior Advisers.	X						Oct. 1975		4. p.16
6	Designate IC "contact points" in FAO Divisions.	S		X				Nov. 1975	IC Director to ask FAO Division Directors to designate staff.	3. p.8
7	Develop proposals for CP time exchange with FAO.	X						Nov. 1975	Letter to Division Directors (possibly supported by IC's bulletin indicating that investment promotion is implicit purpose of FAO's program).	3. pp.6-8

PROPOSED IMPLEMENTATION PLAN

RESPONSIBILITY

F.A.O. Staff

STEP	RECOMMENDATIONS IMPLEMENTING ACTIONS	Director IC	Director F.A.O.	Director Staff	Director AGO	Director CPS	Director Division Chiefs (IC, F.A.O., AGO, CPS)	Other	DATE	COMMENTS	REFERENCE ANNEX AND PAGE
7	Negotiate time exchange programme for CY1977, and schedule assignments.	X	X	X					Jan. 1976 after 1st semi-annual review.	Negotiations between Directors.	3. pp.6-8
8	Establish additional FAO IC Joint Groups and designate staff.	X	S	X					Mar. 1975 (1st group)	Negotiations between Directors.	3. p.10
9	Instruct CP staff to reciprocate, where possible, informal FAO input and to acknowledge FAO services in CP reports.	X							Nov. 1975	IC Director's memorandum, establishing principles and limitations.	3. p.6,10
D	<u>STRENGTHEN IC MANAGEMENT, ADMINISTRATION AND STAFF DEVELOPMENT</u>									See also C.1.	
	<u>Management and Administration</u>										
1	Create 3rd CP Service, appoint service chief and reassign staff.	X							Nov. 1975	Recommendation at issue	4. p.13
2	Appoint an operations officer in each CP Service.	X	S						Nov. 1975	Service Chiefs to screen candidates.	4. p.13
3	Reorganize CP Programme Coordination and Administration Office.	X							Nov. 1975		4. p.19
4	Redefine in writing functions and responsibilities of key CP posts.	X							Nov. 1975	Base on job descriptions proposed in Annex 4, Attachment 3.	4. Att. 3
X	Clarify role of "Educators" in CP and reintegrate in Programme.	X							Sept. 1975	IC Director's memorandum.	4. Att. 4
6	Assign out-stationed personnel officer to IC.	S		X					Nov. 1975	Primary responsibility: FAO Director of Personnel.	4. p.19
7	Set up word processing unit and reassign secretarial staff.			X					Jan. 1976	Responsibility of Head of PCAO.	4. p.19
8	Implement other proposals in "Administration Report."	X		X						Schedule to be prepared by IC Management	4. p.19
9	Examine need for separate units for secretarial work.	X		X					June 1976	Dependent on extent of Director's other responsibilities.	4. p.10
	<u>Staff Development</u>										
10	Establish IC "Policy Advisory Committee" of Senior Specialists.	X							Oct. 1975	See C.4.	4. p.12 4. p.16
11	Develop and approve a Staff Development Programme for CY1976 and programme assignments (including appraisal/supervision work, seminars, guidelines to be prepared, etc.).	X	S	X					Dec. 1975	Senior Agricultural Adviser to prepare with Senior Specialists and service chiefs; IC Deputy Director, RPL, and Director to approve.	4.pp.15-16
12	Design and introduce into CP a Staff Performance Evaluation System.	X							June 1976		4. p.17

PROPOSED IMPLEMENTATION PLAN

STEP	RECOMMENDATIONS/IMPLEMENTING ACTIONS	RESPONSIBILITY						REFERENCES OTHER NO. PAGE
		Director IC	CP Services P.L.	Other	Director ADG (PS)	Division Chiefs (AG, ES, EC, etc.)	Other	
E	<u>STREAMLINE CP BANK PROJECT GENERATION PLANNING AND CONTROL</u>							
1	Institute Project Generation Planning System, including designation of staff for following specific projects through preparation.				X		Initial: Dec. '75 Final: June '76	Or sooner, at option of managers. 4. p.3 5. Att. 1
2	Institute CP Project Preparation Timetables and cease to send individual mission TORs and staffing proposals for Bank clearance.	X			S		Initial: Dec. '75 Final: June '76	Or sooner, at option of managers. 5. p.9 5. Att. 1
3	Institute modified time-recording system in CP.	X		S			Initial: Dec. '75 Final: June '76	Complete design and instruction with FAO/ARM and WB/P&S help; Director brief CP team on new system. 5. p.11 5. Att. 3
4	Bank commence routine dispatch to CP of P&S's IVA and IVB Tables, agriculture project and sector work time-tables, and project generation reports.			S	X		Oct. 1975	CP Coordinator to ensure transmission. 4. p.18; 5. p.2
5	Agree on provisional limits for staff exchange, planned overheads and FAO support for CY1976.	X		X	X		Dec. 1975	5. p.10
6	Review experience on 2 (above), and revise allocations if necessary.	X			X		Jan. 1977	Based on analysis of CP timesheet data.
F	<u>STRENGTHEN DIRECT LINKS BETWEEN WB AND FAO</u>							
1	Assign IC Deputy Director, PPL, responsibility for stimulating direct Bank/FAO interaction.	X			X		Oct. 1975	Issue announcement to Bank and FAO outlining services to be provided. 4. 9.12 5. p.3
2	Designate and notify Bank of "contact points" for Bank matters in ADG's Offices in FAO.	X		X			Oct. 1975	Director IC to (i) request ADG's (AG, ES, EC, EC) to designate staff and (ii) inform Bank as well as FAO Divisions. 5. p.3
3	Survey ongoing and proposed WB and FAO programmes for mutual interest.						June 1976	IC DD/PPL to coordinate. 6. p.3
4	Establish budget allocation in FAO to permit staff to respond to Bank invitations to occasional meetings/seminars in WB (e.g. CPS Rural Development, Irrigation seminars).	X		X			Next FAO Budget	FAO-AF (in consultation with Director IC and "contact points") 5. p.10
5	Clear within FAO and UNDP and issue circular to FAO field staff facilitating their collaboration with WB.			X			Jan. 1976	FAO Directors (AGO and DDF) to finalize draft circular to be sent as DG's Bulletin. 6. Att. 1
6	Prepare and issue complementary circular to Bank staff.			X			Mar. 1976	To be drafted by CP Coordinator cleared with FAO and distributed with copy of FAO directive to all Bank agriculture staff. 6. Att. 1

PROPOSED IMPLEMENTATION PLAN

RESPONSIBILITY

FAO

WB

STEP	RECOMMENDATIONS/IMPLEMENTING ACTIONS	Director IC	CP Service Units	Other	Director AGU (CPS)	Division Chiefs	Other	CHARTLINE	COMMENTS	REFERENCE ANNEX AND PAGE
7	Prepare proposals to provide incentives for staff exchange between WB and FAO (including CP, Commodity Specialists, etc.) (e.g. sabbatical arrangements, overseas allowances, etc.).			X				June 1976	WB to be assisted by CP Coordinator and in consultation with Personnel Division and staff in FAO and WB.	4. p.13
8	Arrange exchange.	X	S	X	X	S	X	Sept. 1976	Directors of involved units via IC DD/2PL	
G	<u>APPLY IC's EXPERTISE TO UNDP, WFP AND TRUST FUND TECHNICAL ASSISTANCE PROJECTS</u>								See A.3.	
1	Negotiate with UNDP, WFP and IF sources on funding and procedures for bringing IC's investment expertise to bear.	X						Dec. 1975	WB also to consider communicating to UNDP on subject.	7. p.3 7. p.6
2	Finalize agreements.			X				Jan. 1976		
3	Appoint (or transfer) staff and institute procedures.	X						March 1976	Timing dependent on feasibility of budgetary arrangements.	7. p.4
4	Define basis for determining "special interest" and procedures for CP "following" these projects on behalf of WB.	X		S	X		S	March 1976	FAO working group (IC, AGO, DDF) to prepare proposals. WB (CPS and International Relations) to review.	7. p.1
5	Institute "special interest" procedures and programme in CP.	X	S			S		June 1975 (2nd semi-annual review)	Programme to be agreed with Bank Division Chiefs.	7. p.1
H	<u>OTHER</u>									
1	Review proposed name change for CP and, if accepted, inform clients.	X			X			Jan. 1976	CP to be "Services I, II, III" of "FAO Investment Centre."	3. p.10
2	Establish Task Force on possible creation of rural development management training institution.			S	X		S	Sept. 1975	WB (CPS/ARD) initiative with FAO, EDI participation.	1. Att. 1
3	Examine report's proposals - once accepted in principle by the two agencies - for implications on Memorandum of Understanding.			X			X	Oct. 1975	Review by Legal Counsel in FAO and WB.	
4	Review problem of flatness and compression in the IC grade structure in light of IC's broadened role.			X				Jan. 1976	FAO DG.	3. p.5

Mr. Warren Baum, Vice President

September 25, 1975

Edwin M. Martin, Chairman, CGFPI

LDC Investment in Food Production

The CGFPI meeting reflected interest in data on this subject.

It is scarce. After checking various possible sources, it has been suggested to us that the country desk officers of the Bank are more apt to have data on this in their files than anyone else and that a note from Knapp would be the best way to get for us what they know.

If you agree, let me know how Knapp should be approached. I enclose a draft table to be filled in.

EMMartin:gbo

DOMESTIC INVESTMENT IN AGRICULTURE

Country:

Year: 1/

Currency:

Investment ^{2/} by		<u>Total</u>
<u>Government</u>	<u>Private</u>	

Agriculture

of which for food production

Total

1/ Several recent years would be helpful

2/ Preferably disbursements and commitments, but will take anything including plan targets if that is all we know.

Suggested list of countries:

Asia: Bangladesh, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, South Korea

Africa: Ethiopia, Tanzania, Nigeria, Morocco, Algeria

Middle East: Egypt, Syria, Iran

Latin America: Brazil, Mexico, Argentina

Mr. Warren C. Baum, Vice President
Central Projects Staff

September 23, 1975

Edwin M. Martin, Chairman, CGFPI

World Bank Consortium and Consultative Group Consideration of
Food Production Issues

You will recall that at the CGFPI meeting it was proposed that ways be sought to bring before Bank Consortium and Consultative meetings the cooperative actions required from host governments and donor governments to give farmers the means and the incentive to increase their productivity.

I think it would be desirable to put on the agenda of the Second meeting in February 1976, a report from you on the plans of the Bank in this regard. May we do so?

EMMartin:gbo

cc: Mr. Walters, WFC

Mr. Robert S. McNamara

September 23, 1975

Edwin M. Martin

During two days of speech-making in the Bay area last week, including to the Commonwealth Club, the Foreign Affairs Council and a symposium at the University of California, the Chairman of Foremost-McKesson hosted a lunch for me with a dozen leading industrialists and bankers. At the close, the gentleman whose card is attached asked me to give you his warmest greetings as a very old and valued friend.

PETER E. HAAS
PRESIDENT

LEVI STRAUSS & CO - TWO EMBARCADERO CENTER - SAN FRANCISCO 94106

Mr. Warren C. Baum, Vice President
Central Projects Staff

September 23, 1975

Edwin M. Martin, Chairman, CGFPI

World Bank Consortium and Consultative Group Consideration of
Food Production Issues

You will recall that at the CGFPI meeting it was proposed that ways be sought to bring before Bank Consortium and Consultative meetings the cooperative actions required from host governments and donor governments to give farmers the means and the incentive to increase their productivity.

I think it would be desirable to put on the agenda of the Second meeting in February 1976, a report from you on the plans of the Bank in this regard. May we do so?

EMMartin:gbo

cc: Mr. [illegible] [illegible]

cc: Mr. Nazoudu

OFFICE MEMORANDUM

TO: Mr. Edwin Martin

DATE: September 8, 1975

FROM: Warren C. Baum

SUBJECT: Comments on Draft Report of the First Meeting of the CGFPI

Thank you for your note of August 7th, inviting my comments on the Draft Report. It seems to me to be a comprehensive, and as far as I can determine, generally accurate record of what transpired at the first meeting.

I would simply like to take this occasion to underline a comment which I believe has been made by others also. It will be critical to the success of the CGFPI that it delimit its role and functions in such a way as to ensure continuing progress towards the central objective of identifying resource needs related to food production/investment and the appropriate means of filling them. It seems to me that any attempt to deal with so broad a subject as "integrated rural development" would divert the Secretariat and the Group from its central task.

WCBaum:rma

cc: Mr. Yudelman

OFFICE MEMORANDUM

TO: Mr. Edwin M. Martin, CGFPI Chairman
through: Mr. Yudelman
FROM: Jim Goering
SUBJECT: Comment on Draft Report of the First Meeting of the CGFPI

DATE: August 27, 1975

1. I had no major difficulty with the above draft and thought it reflected quite well the essence of the meeting. A couple of small points which you may wish to consider:

- (a) para 10. The accuracy of the first sentence would be improved if it were altered to read: "... which projected short falls in food grain supplies on the basis of plausible, but optimistic, future production estimates." The second sentence would remain unchanged.
- (b) para 16. The wording is not clear. Could the last part of the sentence be amended to read: "...systems and that no production results could be expected until some time after actual project expenditure."

2. A somewhat more general point concerns the future work program of the CGFPI and, more specifically, para 63. The last sentence of the paragraph may be misleading inasmuch as some representatives appeared to have reservations about the wisdom of the CGFPI committing its scarce secretariat resources to work on integrated rural development. The UK delegate in particular stated the opinion that this topic was not appropriate for the consideration by the CGFPI. As the paragraph indicates, previous decisions of others appear to require the CGFPI to address the topic, although the issue remains of how much effort this should absorb. Parenthetically, given the extensive work underway elsewhere, I believe the CGFPI might usefully limit its involvement to the distillation of policy conclusions relevant to investment decisions. | agree

TJG:et

Cc: Mr. W.C. Baum

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL MONETARY FUND

Information Bulletin No. 1

August 22, 1975

SECURITY ARRANGEMENTS AND REGISTRATION

The following will govern security procedures, including those relating to registration of participants, issuance of badges and admission to the Plenary Meeting Hall, other meeting rooms, offices, and social events, as well as general security arrangements for the Meetings:

Security

1. The United States Government has designated the Sheraton-Park Hotel a diplomatic mission during the period of the Annual Meetings. The Executive Protective Service of the United States Secret Service will provide such security personnel for all meeting rooms, office areas, corridors and other locations as may be deemed necessary by the Secret Service and Executive Protective Service authorities.

Admission to Plenary Meeting Hall and Other Meeting Rooms

2. Admission to the Plenary Meeting Hall and to other meeting rooms provided by the Joint Secretariat will be granted only to those participants wearing the Annual Meetings countersigned identification badges. Other identification will not be accepted for admission. The Plenary Meeting Hall balcony will be restricted to the few technicians requiring access to that area.

3. When requested by the Executive Protective Service officers, briefcases, pocketbooks, and other parcels will be presented for inspection upon entering the Plenary Meeting Hall, Meeting Rooms or in any other area.

4. Persons in office corridors, not wearing an Annual Meetings badge, will be requested by Executive Protective Service officers to indicate their need for being in the area. For those individuals not wearing official badges but desiring to visit a particular office, the Executive Protective Service officer stationed in the area will check for clearance with the office concerned before permission will be given for admittance. If clearance is not received, the individual will be asked to return to the Hotel lobby or other unrestricted Hotel areas.

Other Security Arrangements

5. All mail, parcels, and packages of any description addressed to participants in the Hotel will be screened, without opening, before delivery to offices, meeting rooms, or areas that may be designated by the Executive Protective Service.

6. Mail and packages addressed to participants for delivery to the Hotel should be left with the Front Office Manager at the Hotel's main desk. Arrangements will be made for immediate delivery after clearance by the Executive Protective Service.

7. Security in the garage and other parking areas, as well as escort duty to those areas, will be provided by the National Detective Agencies, Inc., under the direction of the Annual Meetings Security Officer, Mr. Francis D. Ross, Jr.

8. If an office entrance is found not to be unlocked at the beginning of the day, or is locked accidentally, contact the Annual Meetings Security Officer, Room No. F-247, Telephone No. 797-2028. Identification badges will be required for entrance to offices.

Registration

9. The Annual Meetings Registration Desk will be located on the upper level of the Concourse of States at the Sheraton-Park Hotel and will be open beginning Thursday evening, August 28, 1975. Identification badges will be issued to the delegates, observers, and special guests at the Registration Desk.

10. The Registration Desk will receive the credentials of Governors, Alternate Governors and Temporary Alternate Governors. It is particularly important that those Governors appointed shortly before the Meetings present their credentials as soon as possible after arrival in Washington. Identification may be required before badge issuance. International Centre for Settlement of Investment Disputes (ICSID) Representatives and advisers should complete the separate registration form at the time of registration.

11. Participants who do not register before Monday morning, September 1, will receive an invitation too late to attend the Chairmen's Reception on Sunday, August 31, will be delayed in admission to the Opening Session, and will be denied access to office areas until they have received their badges.

12. To assist in carrying out security arrangements, all participants must appear in person and personally sign for the receipt of the appropriate badge, which is to be countersigned by the participant on the face of the badge, upon issuance. This includes all participants and members of their families attending the Meetings. The badge should be worn where

it can be seen quickly and easily by Security Officers. Although invitations must be presented at official social events when so requested on the invitation, it is suggested that badges be worn at principal social events.

13. A lost or misplaced badge must be reported immediately to the Annual Meetings Registration Desk, upper level Concourse of States, or to the Security Officer, Mr. Francis D. Ross, Jr., Room No. F-247, Telephone No. 797-2028. Pertinent details will be given to the Executive Protective Service.

14. At the time of registration, the participant will receive, in addition to his badge, an envelope containing social invitations, including the invitation to the Chairmen's Reception on Sunday, August 31.

For the Fund:

/s/

W. Lawrence Hebbard
Secretary

For the Bank and Affiliates:

/s/

P. N. Damry
Secretary

OFFICE MEMORANDUM

cc: Mr. Martin

TO: Mr. E. Martin

DATE: August 13, 1975

FROM: W. F. Sheldrick *WFS*

SUBJECT: Draft Report on First Meeting of CGFPI

Thank you for sending me a copy of the draft report which I think is a very clear and readable document. I have no further comments to make.

WFSheldrick:sk

August 11, 1975

Dear Mr. Damry:

The first meeting of the Consultative Group for Food Production and Investment (CGFPI), which has just ended, seems to me to have made a good start for the Group's activities. This has been possible only thanks to the collaborative efforts made in preparing the meeting.

In this respect the Bank's contribution has been a decisive one and I would like to thank you personally, together with all your colleagues. I would like to make a special reference to Mr. Capbert for his outstanding contribution.

I am confident that, thanks to your continual support, future CGFPI sessions will meet the expectation of the Sponsor Agencies and the World Food Conference.

With my warmest regards,

Sincerely yours,

Edwin M. Martin

Mr. Purviz M. Damry
Secretary
International Bank for
Reconstruction and
Development
1818 H Street N.W.
Washington D.C. 20433

MMensah:db

August 1, 1975

Dear Mr. Baum:

The first meeting of the Consultative Group for Food Production and Investment (CGFPI), which has just ended, seems to me to have made a good start for the Group's activities. This has been possible only thanks to the collaborative efforts made in preparing the meeting.

In this respect the Bank's contribution has been a decisive one and I would like to thank you personally, together with all your colleagues. I would like to make a special reference to Mr. Yudelman and Mr. Sheldrick for their outstanding contribution.

I am confident that, thanks to your continual support, future CGFPI sessions will meet the expectation of the Sponsor Agencies and the World Food Conference.

With warmest regards,

Sincerely yours

Edwin M. Martin

Mr. Warren C. Baum
Vice President
Central Projects
International Bank for
Reconstruction and
Development
1818 H Street N.W.
Washington, D.C. 20433

cc: Mr. Montague Yudelman
Director, Agricultural and
Rural Development Department
Mr. William F. Sheldrick
Chief of the Fertilizer Unit

MCMensah/db

August 1, 1975

Ambassador Martin:

For your information.

in rise


MICHAEL L. HOFFMAN



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
SPECIAL REPRESENTATIVE FOR UNITED NATIONS ORGANIZATIONS



United Nations, New York City

Telephone - Plaza 4-1234 - Extension 3097

23 July 1975.

cc: Mr M.A. Burney

Dear Mike,

Enclosed is a copy of Corea's statement yesterday to the Committee on Commodities.

Also enclosed is Hannah's statement to the PPCC. The next meeting of the WFC is tentatively set for March 8-12, 1976, in Geneva. The discussion of the WFC report in the PPCC was calm and generally conciliatory, although most Third World delegations made it clear they were going to watch over the Secretariat's activities like hawks. The improved tone was largely due to the fact that the African group had pressured Guinée that it would be counter-productive to carry on the offensive launched in Rome. Guinée accepted Hannah's plea that shortage of staff and time had been the cause of much of the problem in Rome. Two lines of thinking emerged strongly from the Third World contributions to the discussions: (a) the Council must have considerable political authority; (b) aid for food production is the first priority, food aid the second. Various delegations said they looked forward to hearing the results of the CGFPI meeting, and Indonesia commended Ed Martin strongly for putting fertilizer production at the top of the list of priorities. One interesting side issue: three Third World delegations expressed alarm at the prospect of large US grain sales to the USSR and feared that this would siphon off promised food aid grain that might be desperately needed in their own food deficit areas. Neither the USA nor the USSR responded.

There has been little progress to date on the Special Session preparations. The latest draft proposals vary little from previous drafts. The proposal that the conference on debt be convened by the Bank has mercifully been dropped, and the UN is now named as the proposed convenor. The "77" continue to have great difficulties in agreeing among themselves on a position paper. The Africans take the view that the more developed Third World countries are aiming mainly at negotiating concessions from the rich countries that will bring short-term advantages to the more developed who are in a better position to capitalize quickly on improved trading arrangements, higher levels of real resource and technology transfers and an improved monetary system. The Africans see much less in the short-term for themselves and want the emphasis concentrated more on long-term structural reforms. However, they are going along with their Latin American and Asian colleagues "because some gains are better than none".

Mr Michael L. Hoffman,
Director, International Relations Department,
World Bank,
WASHINGTON, D.C. 20433
U.S.A.

../..

Within the "77", the Algerians have quietened down considerably and are making very moderate speeches, leaving Mexico to do the running. I am told they want to avoid raising the anti-Algerian temperature among the rich countries, lest it reach boiling point by the time Boutaflika takes up the gavel.

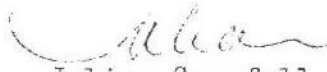
Anti-Soviet feeling among the "77" seems to be hardening. The Soviet line ("we never exploited you; go ask help from those who did") is causing considerable friction in the contact meetings between the two groups.

My first meeting with the PRG is scheduled for Thursday afternoon. I'll report on it shortly. All is ostensibly quiet on the China front, but that's temporary, for sure.

There now appear to be sufficient votes in the Credentials Committee to suspend Israel's right to participate in the General Assembly. It's going to be a mess.

Best wishes,

As ever,


Julian Grenfell

7-28-4-30

Boards of Governors • 1975 Annual Meetings • Washington, D.C.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION INTERNATIONAL DEVELOPMENT ASSOCIATION
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IBRD AND AFFILIATES — IMF
WASHINGTON, D.C. 20431

Cable Address:

INTERMEET
WASHINGTONDC

July 25, 1975

Dear Mr. Martin:

The following information will be of assistance to you in connection with your attendance as a Special Guest at this year's Annual Meetings of the World Bank Group and the International Monetary Fund.

The Registration Desk at the Sheraton-Park Hotel will be open from 9 a.m. on Friday, August 29. You are requested to register as soon as possible and preferably before Monday, September 1, to ensure correct listing and to receive mail and invitations — in particular, an invitation to the Chairmen's Reception at six o'clock on Sunday evening, August 31, to be held at the Shoreham Americana Hotel.

The security arrangements for the Annual Meetings will require that each person entitled to receive a Special Guest badge (including wives of Guests) shall personally collect and sign for the badge. We regret that we can make no exceptions to this ruling.

Facilities will be provided close to the Special Guest Registration Desk for Guests to collect any mail, invitations, etc., that may be left for them. It is suggested that you check periodically throughout the week of the Meetings under the appropriate letter of your surname.

If there is any further information that you require, please do not hesitate to let us know.

Sincerely yours,



William L. Bennett
Office for Special Guests

Mr. Edwin M. Martin, Chairman
Consultative Group on Food Production and
Investment in Developing Countries
1818 H Street, N.W.
Washington, D.C. 20433

The Per Jacobsson Foundation

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International Monetary Fund Building
Washington, D.C. 20431

Telephone: (202) 477-3366
Cable address: Perjacfund

July 1975

Notice to Special Guests of the Fund and Bank

The 1975 Per Jacobsson Foundation lecture meeting will be held in the Atrium of the International Monetary Fund building, 700 19th Street, N. W., beginning at 2:30 p.m., Sunday, August 31st, 1975.

The subject will be *Emerging Arrangements in International Payments--Public and Private*. Mr. Alfred Hayes, former President of the Federal Reserve Bank of New York, will present the main paper. Other speakers will be Dr. Khodadad Farmanfarmaian, former Governor of the Central Bank of Iran, and now Chairman of the Board of Bank Sanaye Iran; Dr. Carlos Massad, former Executive Director of the International Monetary Fund; and Mr. Claudio Segré, President of the Compagnie Européenne de Placements of Paris.

Immediately following the lecture meeting, the Managing Director of the Fund is offering a small reception for all participants in the Fund building.

Special Guests of the Fund and Bank are most welcome to attend this lecture meeting; no special invitations will be issued. Busses will leave the Sheraton Park Hotel for the IMF building in time for the meeting and will return to the hotel afterward, following the Managing Director's reception.

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1975 Annual Meetings - Washington, D. C.

September 1 - September 5, 1975

PROVISIONAL SCHEDULE

Monday September 1	10:00 a.m.	- Opening Ceremonies Address from the Chair Annual Address by President, IBRD, IFC and IDA Annual Address by Managing Director, IMF
	3:00 p.m.	- Annual Discussion
Tuesday September 2	9:30 a.m.	- Annual Discussion
	3:00 p.m.	- Annual Discussion
Wednesday September 3	9:30 a.m.	- Annual Discussion
Thursday September 4	9:30 a.m.	- Annual Discussion
	3:00 p.m.	- ICSID Administrative Council
	5:00 p.m.	- Joint Procedures Committee
Friday September 5	9:30 a.m.	- Joint Procedures Committee Reports Comments by Heads of Organizations Adjournment

NOTES:

1. All sessions will be joint.
2. The morning sessions will adjourn by 1:00 p.m.
3. The afternoon sessions will adjourn by 6:00 p.m.
4. Afternoon time to be reserved for possible meetings of Interim and Development Committees.

1975 ANNUAL MEETINGS

LIST OF PRINCIPAL OFFICIAL SOCIAL EVENTS*

Sunday August 31	6:00 p.m.	Reception by the Chairmen, and Mesdames Rodriguez and Lafee Shoreham Americana Hotel
Monday September 1	12:30 p.m.	Mrs. McNamara and Mrs. Witteveen Luncheon for Wives of Governors 2412 Tracy Place, N.W.
Wednesday September 3	6:30 p.m.	Mr. and Mrs. McNamara Mr. and Mrs. Witteveen Reception and Dinner for Governors and Their Wives Shoreham Americana Hotel
	8:45 p.m.	Mr. and Mrs. McNamara Mr. and Mrs. Witteveen Ballet Filene Center, Wolf Trap Farm for the Performing Arts

(ALL EVENTS BY INVITATION ONLY)

WOMEN'S PROGRAM

Monday September 1	12:30 p.m. -	Welcoming Buffet Luncheon for Wives of Delegates and Special Guests World Bank Group Dining Room
	2:30 p.m. - 4:45 p.m.	Sight-seeing Tour of Washington
Tuesday September 2	9:30 a.m. - 2:30 p.m.	Boat Trip to Mount Vernon and Tour of the First President's Home and Grounds Luncheon to be served aboard the boat
Wednesday September 3	9:30 a.m. - 12:30 p.m.	International Women's Year Program Sheraton-Park Hotel
Thursday September 4	9:30 a.m. - 12:00 noon	Tour of the National Collection of Fine Arts Gallery
		or
	9:30 a.m. - 2:30 p.m.	Bretton Woods Recreation Center Swimming, tennis or golf Buffet lunch
	2:30 p.m. - 4:00 p.m.	Historic Tour of the White House

*The Secretary of the U.S. Treasury and Mrs. Simon will give a reception on Tuesday, September 2, with time and site to be announced.

7/14 - 2.30 p.m

Boards of Governors • 1975 Annual Meetings • Washington, D.C.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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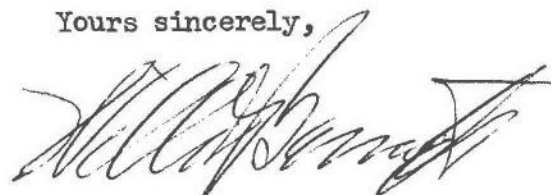
July 11, 1975

Dear Mr. Martin:

We wish to acknowledge with thanks the completed form containing information concerning your attendance as a Special Guest at the forthcoming Annual Meetings.

Enclosed, for your information, is a copy of the provisional schedule of business sessions, and a list of the principal official social events and the ladies' program for the week of the Meetings.

Yours sincerely,



William L. Bennett
Officer for Special Guests

Mr. Edwin M. Martin, Chairman
Consultative Group on Food Production
and Investment in Developing Countries
1818 H Street, N.W.
Washington, D.C. 20433



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433. U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAPRAD

June 23, 1975

Mr. Edwin M. Martin
Chairman
Consultative Group on Food Production
and Investment in Developing Countries
Washington, D.C. 20433

Dear Mr. Martin,

This is to advise you that the Bank's delegates
to the Consultative Group on Food Production and Investment
will consist of Mr. Warren C. Baum, Mr. Montague Yudelman
and Mr. T.J. Goering.

Yours sincerely,

A handwritten signature in cursive script, reading "Monty Y", is written over the typed name of Montague Yudelman.

Montague Yudelman
Director
Agriculture & Rural Development Department

Noted

6/5

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION INTERNATIONAL DEVELOPMENT ASSOCIATION
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IBRD AND AFFILIATES — IMF
WASHINGTON, D.C. 20431

Cable Address:

INTERMEET
WASHINGTONDC

June 4, 1975

Dear Mr. Martin:

The 1975 Annual Meetings of the Boards of Governors of the International Bank for Reconstruction and Development and Affiliates and the International Monetary Fund will be held from Monday, September 1, through Friday, September 5, at the Sheraton-Park Hotel in Washington, D.C. We take pleasure in inviting you to be present at the Meetings.

The principal participants in these Meetings, as you know, will be the delegations from some 126 member countries, led in most cases by the Minister of Finance and the Governor of the Central Bank. They will review the activities of our organizations during the past year, discuss current international economic developments, and attend to certain formal business matters.

If you accept this invitation, would you please complete the attached Guest Attendance Information form and return it to:

Joint Secretariat - Annual Meetings
IBRD and Affiliates - IMF
Washington, D.C. 20431.

Cordially yours,

*Complete 100
app acceptance form
returned Jul. 3*



H. Johannes Witteveen
Managing Director
International Monetary Fund



Robert S. McNamara
President
World Bank and Affiliates

Mr. Edwin M. Martin
Chairman
Consultative Group on Food Production
and Investment
1818 H Street, N.W.
Washington, D.C. 20433

ROUTING SLIP

DATE February 21, 1975

NAME

ROOM NO.

Chairman Martin, CGFPI

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

COMMENT

PER OUR CONVERSATION

FOR ACTION

PER YOUR REQUEST

INFORMATION

PREPARE REPLY

INITIAL

RECOMMENDATION

NOTE AND FILE

SIGNATURE

REMARKS

You may be interested in the attached memo about the use of the Paris Office conference facilities.

FROM

L. Peter Chatenay

ROOM NO.

EXTENSION

3643

OFFICE MEMORANDUM

1) 102
2) WDC o/r
3) 101/1

TO: Mr. M. Hoffman, Director, International Relations Department DATE: February 12, 1975

FROM: P.N. Damry, Secretary

SUBJECT: European Office Conference Facilities

1. It is standard operating procedure for the Bank to make available to outside organizations its conference facilities at 66, Avenue d'Iena in Paris when they are not being utilized by us or by the IMF. Normally the Bank receives a rental fee for the use of the space.
2. We are concerned that the Bank and the Fund have first call on these facilities. Nevertheless, outside organizations find it necessary to make firm plans in advance of their meetings. For planning purposes, therefore, it is necessary to establish, as far ahead of time as possible, the Bank and Fund requirements for the facilities. Your cooperation to this end will be appreciated.
3. I propose, in the first week of January and the first week of July each year, to have Mr. Capbert of this Department request of all Bank/Fund users of the Paris facilities a forecast of their requirements for the next six months, or for a longer period if possible. During the six-month periods, the information would be updated as required on an ad hoc basis. Offices would be asked to supply to Mr. Capbert information which becomes more definite as new requirements materialize.
4. Upon receipt of this information, Mr. Capbert will:
 - (a) review it to ensure that where exact dates are shown there are no conflicts;
 - (b) where conflicts are indicated, initiate action to resolve them;
 - (c) reserve the facilities as requested;
 - (d) upon receipt of a request for the facilities from an outside organization which conflicts with an existing reservation, contact the office holding the space to enquire as to the possibility of its being released, or, if no conflict exists, release space to the outside organization; and
 - (e) similarly, if a Bank or Fund need arises for a date already reserved by an outside organization, check to determine whether reservations can be changed to accommodate the request.

5. The Paris Office will be asked not to make firm commitments to outside groups for more than six months in advance of the dates requested; beyond six months only provisional bookings would be made.

6. This procedure should help to ensure a fuller utilization of the European Office conference facilities without seriously jeopardizing the needs of the Bank and the Fund.

cc: Mr. Carriere