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THE WORLD BANK

Washington, D.C.

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PRESIDENT CLAUSEN
ITINERARY FILES

France April 1986 (5)



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THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

May 6, 1986

Dear Maurice:

Just a note to express my appreciation for the arrangements you made for my visits in Bonn and Paris and for the many kindnesses you extended to both Peggy and me.

I was quite pleased with the results of our talks with the government in Bonn and I hope that positive results will show in the not-too-distant future. It is regrettable that we couldn't do more in Paris but having the chance to visit with Michel Camdessus and his other guests was an evening well spent.

The reports from our Bonn Symposium have been excellent which speaks well for the Bank and especially for those who organized and executed it.

Again my thanks for all you did vis-a-vis our most recent trip and also for your helpfulness these past five years. I've enjoyed our association and hope that our paths will cross from time to time in the future.

Warm regards.

Sincerely,



Mr. Maurice P. Bart
Director, European Office
The World Bank
66 Avenue d'Iena
75116 Paris, France

✓ BC: J. Botafogo G.

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

April 30, 1986

Dear Michel:

After seeing you in Paris, Peggy and I went on to Saudi Arabia and Morocco and we have just now returned to Washington.

The evening spent with you and Brigitte at the dinner you hosted at the Bank of France was truly delightful. Not only was the setting spectacular, the dinner delicious and the 1953 Graves superb, but also we were especially pleased to be with such good and close friends of many years. It was really most thoughtful of you to arrange this for us.

Thank you also, Michel, for your gracious and generous remarks at dinner! We have always valued your friendship and wise counsel and the close association enjoyed over the years. More importantly, however, your strong support of The World Bank and its objectives has made our task much less difficult and we are tremendously grateful for that!

Warm regards.

Sincerely,



His Excellency
Michel Camdessus
Governor
Bank of France
1, rue de la Vrilliere
75001-Paris, France

BC: Mme. Ploix
J. Botafogo
M. Bart

**Speech by the Governor at the dinner given
in honor of President CLAUSEN, on 18 April 1986**

Mr. President,

Your visit in Paris at the time when you are to hand over the presidency of the World Bank Group to your successor gives me the opportunity to thank you for the action you conducted during these five years of office.

This is an especially pleasing time for me for I can speak to you in three capacities :

- first, in the name of my country, a shareholder in the World Bank to which you have been so devoted

- then in the name of a Central Bank, and you will see how often I shall refer to the secret understanding which very frequently exists between you and the Central Banks

- last, as a friend, for while you brilliantly managed your difficult task we became genuine friends.

So let me thank you in these three capacities.

You took the helm at an especially difficult time. Everybody felt that we headed for a crisis : it was unavoidable, yet nobody could tell what things would be like. We were in the eye of the storm. We did not know yet that it would spell debt as well as interest rate explosion...

The western world had realized the dangers of an unbridled inflation and it was, willy-nilly, undergoing a course of treatment. This welcome awareness did not always go hand in hand with highly consistent types of behaviour. To tell the truth, I regret deeply that governments should have leant too heavily on monetary policies (i.e. excessively high interest rates) and not enough on ~~financial~~^{fiscal} policies. In any case the harsh medicine applied at the time was especially hard on weaker economies, which are by nature the body of customers of your institution. A prey to the overdraft economy, these countries found themselves trapped, and the fact that big financial institutions shared the same fate hardly alleviated the sufferings of their citizens.

Against a background of liquidity tightening, money became scarcer among lenders. Not only there was a significant reduction in bank flows but as far as public finances were concerned, the constraint was mostly detrimental to international lending organizations for which no very effective lobbies were to be found, as if some biological antinomy prevented them from intervention. Many countries -it is a natural but dangerous reaction in such circumstances- have been all the more intent on enhancing their help precisely because they reduced it, and consequently preferred a bilateral approach for development aid.

Mr. President, you had to fulfil your task in a very difficult economic environment. Our admiration was all the greater for that and I am somewhat proud to say that during all that time you could count us among your faithful and active friends. While the powerful historical determinisms lead us to be -I must confess that before Mr. WHEELER- rather devoted partisans of bilateralism, I am happy to underline that France made the biggest progress in that field precisely during these difficult years for multilateral institutions. But here I am, beginning to praise us instead of praising you. Let me stay on course.

Mr. President, you did weather that time of financial stringency for the poor and of bilateral choice for the rich without interrupting at any moment the progress of the World Bank. If we compare the Bank you are preparing to leave to the institution we entrusted you in 1981, we can see the improvements you brought to that irreplaceable institution. When you took office, you reminded us that the Bank was to serve the interests of two groups of countries, the borrowers and the lenders whose interests are interdependent.

First you safeguarded the legacy of your predecessors. I have in mind the high reputation enjoyed by the I.B.R.D. in the international financial circles.

The distinguished banker that you are took a great care of the credit-rating of the World Bank and your money-lenders can only congratulate you for that. At a time when governments became meaner, when developing countries found it more difficult to borrow on financial markets, it was paramount that your institution should enjoy the highest reputation among lenders and I know you intended to uphold this state of things for you deemed it essential to the pursuance of your action.

The technical quality of your financial management, also the imagination with which you adapted yourself contributed highly to preserve investors' interest in your institution. As far as we are concerned, I will mention the "Central Bank facility" which is especially well suited and allowed us to expand our I.B.R.D.-portfolio.

Speaking of twin Bretton-Woods institutions, it had been said that the I.M.F. was a bank and the World Bank a fund. You certainly denied any truth to this saying and put at the center of your activities the best bank efficiency principles.

But above all you paved the way for the future as you started to adapt your institution to its renovated finalities.

Everyone realizes that such a great vessel as the World Bank cannot change course to suit each shift in opinion. We know that changes are under way in your institution. Such changes were well prepared and the Bank will perfectly know how to harmonize and modulate the micro- and macro-economic approaches.

Beside classical "project loans", the rapid expansion of cofinancing operations was a first success on the diversification front, but above all structural adjustment loans whose share went up strongly in your balance sheet were a global reply especially appropriate for your sovereign state clientele and your French friends. How not to remember here this long evening with my friend Bart when, sipping an excellent wine, we discussed together at length about these new trends.

All these efforts have orientated the I.B.R.D. activity towards its new missions. The awareness of the lasting nature of the debt crisis requires that multilateral banks for development, first of all the I.B.R.D. come to participate with the I.M.F. It is not a confusion of tasks but a relay and in any case a cooperation.

I have till now spoken at some length of your action at the head of the Bank itself. One should not forget its two agencies. Times indeed were not favorable for the I.D.A. but you managed to meet the most urgent needs and I will recall the creation of the Special Fund for Africa in the south of Sahara. Here too, once again, the cooperation of the I.B.R.D. and the Banque de France works wonderfully. I seize this opportunity to tell you how much Philippe LAGAYETTE and his wife regret that a sorrow happening keeps them away from Paris tonight. Concurrently with your fight for helping the poorest countries you have for the I.F.S. obtained a doubling of its capital while the Multilateral Agency for the Guaranty of Investments was created. All these initiatives perfectly correspond to the will you expressed in 1981 to help those who want to help themselves.

Dear friend, all this constitutes the official side of your action ; the one which institutions -these cold and somewhat abstract entities- keep the memory of. But I remember that, in announcing your departure ~~for~~ⁱⁿ Seoul, you had quoted these words from Thomas Jefferson :

"Laws and institutions must go hand in hand with the progress of the human mind".

There is another more human side of the ~~picture~~^{coin} which is your personal commitment to all that. First, there was in these hard times for the I.B.R.D. your legendary self-possession which made of you the very right man in the right place. But above all nobody will probably ever know -however we did quite often have an inkling of them- with how much eagerness, tenacity and courage you fought day after day not only to strengthen the resources of your institution and renew it, but also for the men and women to whom it is useful : in order that men, women and above all children in the world have a better future.

You had to persuade governments of the rich countries, and first, of your own country, parliaments, and first, your own one -and it was not the easiest task to fulfil ! You had also to persuade governments of the poor countries that they could do something by themselves for their own future. I could thus enumerate numberless fights of your daily life. Let be sure that they generate in this country the highest thankfulness.

With regard the services you have rendered to the international community, there is not obviously any appropriate sign to show one's gratitude. Let you find some, all the same, in the sincerity of my wording which is well known to you.

And let you find another quite modest and symbolic sign of our gratitude in the small gift that the Banque de France wants to make to you. Its founder had decided that those who would work for it -as members of its Conseil de Régence- would receive one silver tally for their participation to our works. You are going to see it ; it has passed in many hands since the creation of the Banque de France in 1800 and it is therefore marked with age. It has as I told you above two sides : one abstract, the other more human : these are two greek divinities which seem to make sacrifices near an altar. But let be reassured, when you look more closely at it you will find out that the altar is in fact a strong-box.

Finally, the tally bears a motto which is that of the Banque de France but which could be yours : "Wisdom maintains Wealth".

FRIDAY, APRIL 18

proposed guest list for dinner hosted by Mr. Camdessus:

Mr. & Mrs. Clausen
Mr. & Mrs. Jacques Henri Wahl (former ED--apptd.
July 1973 but we do not know how long a
a term he served.)
Mr. & Mrs. Bruno de Maulde
Mr. & Mrs. Joseph Wheeler (Chairman, DAC)
Pierre & Rene Ledoux
Mr. Botafogo
Mr. Bart

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WBG ARCHIVES

TO:

Mr. Jose Botafogo G., VPE copy Mr. Qureshi,
SVPTI

FROM:

Maurice P. Bart, EURDR 

SUBJECT:

France - Elections and new Government

1. Last Sunday's elections have reversed the trends in the electorate which had brought to power Mr. Mitterrand and the socialist party in 1981. The parliamentary right (RPR/UDF and their allies) received 45% of the votes; the Socialists and their allies 32%; 20% are equally divided between the extreme right and the communist party.
2. Proportional representation has softened the impact of the votes on the distribution of parliamentary seats whereas the former majority system would have entailed a much larger swing. Out of a total of 577 seats, the RPR/UDF coalition and the few rightist independent may reach close to 300 deputies when the parliamentary groups are formed in the Chamber, with the RPR (Gaullists) having the larger number. The Socialists have preserved about 215 seats and will have the largest group.
3. The key issue is now the modus vivendi to be established between President Mitterrand and the new majority. The results of the election have sobered up the controversy on "cohabitation" which had been raging among the politicians without much impact on the electorate. Public opinion seems not to want a change in President (as shown by the poor performance of Mr. Barre's supporters) while expressing a preference for the new majority. The latter's slim margin in the Chamber (it has a larger one in the Senate) has led it to tone down its victory claims although it wants to exercise the powers vested in the Cabinet by the Constitution. President Mitterrand is determined to preserve his. The next few months will show whether this political split between President and Cabinet, unprecedented under the Fifth Republic, will work.
4. After what seems to have been hard bargaining between Mr. Mitterrand and the Prime Minister he designated, Mr. Chirac (RPR), the Cabinet formed yesterday reflects a much larger share of power for the RPR, which controls the key ministries, than for UDF; however, they have reasserted their determination to apply their joint program on key issues (unemployment, denationalisations, return to a majority system for elections, security, etc.). Apart from these immediate problems which may lead to disagreements between the President and the Cabinet (as well as to some

social unrest which the socialists had managed to avoid, but the unions seem to be quiet for the time being) there are other possible sources of conflict in the medium term. For instance, the UDF is itself a rather loose confederation of parties, with many ambitious leaders, some of whom appear to have been vetoed as ministers by Mr. Mitterrand (e.g. Mr. Lecanuet). Former President Giscard d'Estaing has strongly endorsed the RPR/UDF coalition and may be elected President of the Chamber of Deputies but may feel that he does not have a sufficient number of his associates in the Cabinet. In the RPR itself, former Prime Minister Chaban-Delmas - who had maintained cordial relations with Mr. Mitterrand since the Resistance - may be biding his time. Overall, the results of the elections have to a certain extent brought back a Fourth Republic flavor among politicians. The majority of the electorate, however, has been won to the stabler form of Government - whether from the right or the left - it has had since 1958, wants the Constitution to be preserved and is showing through its votes that it prefers to have clear and reasonable alternatives to chose from. The endemic French "civil war" syndrome may have been put to rest, for a while.

5. As far as the Bank is concerned, the key interlocutors will now be Minister of Economy and Finance Balladur and Minister of Cooperation Aurillac. Minister of Foreign Affairs Raimond is a career diplomat; we will have to check whether he will take as much interest in development as Mr. Cheysson did (Mr. Dumas didn't). I am attaching their CVs and some articles. Our main interlocutor in the Treasury, Mr. Trichet, will become Director of Mr. Balladur's cabinet; we do not yet know who will replace him. I shall keep you informed of further developments as they unfold.

6. Mr. Clausen's planned visit to Paris on April 18 should include meetings with Messrs. Balladur, Aurillac and Raimond. A meeting with Mr. Chirac is also advisable but we should be guided in this respect (also as regards a possible meeting with Mr. Mitterrand) by the French ED. Governor Camdessus is likely to retain his position and could also be seen.

7. I am enclosing draft congratulatory cables, for Mr. Clausen's consideration, to Messrs. Chirac, Balladur, Aurillac and Raimond as well as a draft cable from you to Mr. Trichet.

MPB/ab

Edouard BALLADUR

- . Minister of State, in charge of Economy, Finance and Privatisation
- . RPR, Deputy of Paris
- . Born 1929 in Izmir (Turkey)
- . National School of Administration (ENA). Counselor of State
- . President Director-General of two affiliates of General Electric Co. (a nationalized firm)
- . Former Technical Adviser in the cabinet of Prime Minister Pompidou
- . Deputy Secretary General and then Secretary General of the Presidency of the Republic during Mr. Pompidou's presidency (1969-1974)

Jean-Bernard RAIMOND

- . Minister of Foreign Affairs
- . Born 1926
- . Ecole Normale Supérieure, Agrégé de Lettres, National School of Administration (ENA)
- . Various assignments at the Ministry of Foreign Affairs, former Ambassador to Morocco, Poland, and, most lately, the USSR
- . Former member of Prime Minister Couve de Murville's cabinet and of President Pompidou's secretariat

Michel AURILLAC

- . Minister of Cooperation
- . RPR, Deputy of the Department of Indre
- . Born 1928 in Marseille, lived in Indochina in his youth
- . National School of Administration (ENA)
- . Prefectoral corps. Counselor of State
- . Member of various ministerial cabinets including those of Mr. Senghor (former President of Senegal, when he was a member of the French Government) and of Prime Minister Pompidou

DRAFT TELEXES

M. JACQUES CHIRAC
PREMIER MINISTRE
HOTEL MATIGNON
TELEX NO. 200724
PARIS, FRANCE

JE VOUS PRIE D'ACCEPTER MES VIVES FELICITATIONS POUR LES HAUTES RESPONSABILITES DONT VOUS ETES INVESTI AINSI QUE MES VOEUX DE SUCCES. JE ME PLAIS A ESPERER QUE VOTRE GOUVERNEMENT ET LA BANQUE MONDIALE RESSERRERONT L'ETROITE COOPERATION QUI NOUS A ETE AUSSI PRECIEUSE QU'ELLE A ETE BENEFIQUE AUX PAYS EN DEVELOPPEMENT. TRES HAUTE CONSIDERATION. A.W. CLAUSEN, PRESIDENT

Translation: congratulations and best wishes. Hope that your Government and the World Bank will strengthen the close cooperation which has been as valuable to us as it has been beneficial to developping countries

M. EDOUARD BALLADUR
MINISTRE D'ETAT, CHARGE DE L'ECONOMIE, DES FINANCES ET DE LA PRIVATISATION
TELEX NO. 211928
PARIS, FRANCE

JE VOUS PRIE D'ACCEPTER MES VIVES FELICITATIONS POUR VOTRE NOMINATION AINSI QUE MES VOEUX DE SUCCES. JE ME PLAIS A ESPERER QUE LA BANQUE MONDIALE BENEFICIERA, SOUS VOTRE DIRECTION, DES AVIS ECLAIRES ET DU SOUTIEN DES AUTORITES FRANCAISES, HAUTE CONSIDERATION. A.W. CLAUSEN, PRESIDENT

Translation: congratulations and wishes of success. Hope that the World Bank will continue to enjoy, under your stewardship, the wise counsel and the support of the French authorities

150/4

M. MICHEL AURILLAC
MINISTRE DE LA COOPERATION
RUE MONSIEUR
TELEX NO. 202363
PARIS, FRANCE

AU MOMENT OU VOUS ASSUMEZ VOS NOUVELLES RESPONSABILITES JE VOUS PRIE D'ACCEPTER MES VIVES FELICITATIONS. JE ME PLAIS A ESPERER QUE LA BANQUE MONDIALE MAINTIENDRA DES LIENS ETROITS AVEC VOTRE MINISTERE ET QUE NOUS POURSUIVRONS, DE CONCERT, NOS EFFORTS POUR AIDER LES PAYS EN DEVELOPPEMENT, PARTICULIEREMENT EN AFRIQUE, A AJUSTER LEURS POLITIQUES ECONOMIQUES ET ORIENTER LEURS INVESTISSEMENTS VERS LES USAGES LES PLUS PRODUCTIFS. HAUTE CONSIDERATION. A.W. CLAUSEN, PRESIDENT

Translation: Congratulations. Hope that the World Bank will maintain close relationship it has with your Ministry and that we will pursue jointly our efforts to help developing countries in the adjustment of economic policies and in the channelling of investments towards the most productive uses.

M. JEAN-BERNARD RAIMOND
MINISTRE DES RELATIONS EXTERIEURES
QUAI D'ORSAY
TELEX NO. 202329
PARIS, FRANCE

JE VOUS PRIE D'ACCEPTER MES VIVES FELICITATIONS POUR LES HAUTES RESPONSABILITES DONT VOUS ETES INVESTI. JE ME PLAIS A ESPERER QUE LA BANQUE MONDIALE TROUVERA AUPRES DE VOUS LE SOUTIEN QUI LUI EST NECESSAIRE POUR POURSUIVRE ET ETENDRE SON ACTION EN FAVEUR DE NOS OBJECTIFS COMMUNS DE REDRESSEMENT ET DE PROGRES ECONOMIQUE DANS LES PAYS EN DEVELOPPEMENT. HAUTE CONSIDERATION. A.W. CLAUSEN, PRESIDENT

Translation: Congratulations. Hope that the World Bank will enjoy your support to pursue and expand its action towards our common objectives of recovery and economic progress in developing countries

150/5

M. JEAN-CLAUDE TRICHET
DIRECTEUR DU CABINET DU MINISTRE
MINISTERE DE L'ECONOMIE, DES FINANCES ET DE LA PRIVATISATION
~~TELEX NO. 211928~~
PARIS, FRANCE

TOUTES MES FELICITATIONS ET MES VOEUX DE SUCCES DANS VOS LOURDES RESPONSABILITES.
AVEC MON FIDELE SOUVENIR.

J. BOTAFOGO G.
VICE PRESIDENT, RELATIONS EXTERIEURES,
BANQUE MONDIALE

150/6

BRIEFING BOOK

Table of Contents

	<u>Tab</u>
Key Points	A
Political, Economic, and Aid Situation	1
IDA - Status of Negotiations/French Position	2
The Bank's Lending Program and GCI	3
The Trust Fund Proposal and Bank/Fund Collaboration	4
MIGA	5
Efficiency of Bank Operations	6
Borrowings	7
Cofinancing	8
Biographies	9

Mr. Clausen's meetings
in Paris, France
Friday, April 18, 1986

Purpose

This will be your first meeting with the new members of the French Cabinet, appointed by Prime Minister Chirac following the March 16 legislative elections. The French have been strong supporters of the Bank in recent years and the meeting will present the opportunity to reaffirm our close rapport with the new leaders.

Key Issues

Sub-Saharan Africa. You should express appreciation for the French support for our operations in Africa and our policy-oriented approach. You should also refer to the Paris Club, which is chaired by the French Government, pointing out the key role that this plays in the renegotiation of official debt and stressing the need for close coordination with the Bank's ongoing efforts to deal with the problems of Africa.

French Concern over Efficiency (Section VI). Many of the French regard the Bank as an over-sized, overly bureaucratic institution which is burdened by procedural delays, and ill-suited to respond quickly to a changing environment. They are likely to be interested in learning what the Bank has done to improve the efficiency of its operations.

- You should inform the French that you too regard efficiency as being of the utmost importance. While it is difficult both to judge objectively and improve substantially the efficiency of an organization, the Bank has taken major steps in this direction. In March of this year, Bank's Executive Directors reviewed the Bank's operating procedures including the principal initiatives already underway within the Operations Complex and the further changes which will be made to strengthen management processes and streamline procedures. As the measures identified (which aim primarily towards clarifying operational objectives, and increasing delegation and accountability) take their full effect, you expect both costs to fall and the overall effectiveness of our country assistance to rise.

Perhaps an even better indication of the efficiency of the Bank's operations, however, has been the expansion and diversification in the Bank's lending program. After a shortfall in FY85, the Bank's lending is expected to reach \$13 billion in FY86 and to rise to \$20 billion by FY88-89. In connection with the Baker initiative, the Bank has prepared also detailed strategies designed to address the

seemingly intractable situation in several of the major debtor nations. In so doing, Bank staff has moved quickly, working with officials from these high-debt countries to design policy and investment programs which will not only alleviate present debt burdens but also establish the basis for long-term growth.

IDA (Section II). The French have been strong supporters of IDA. Not only are they likely to support a \$12 billion replenishment, but there is a chance that they will decide to increase their share. In discussions with IDA management in late March, the French (who were the 5th largest donors under IDA7) were interested to learn how closely the Italians (who had the 7th largest share) are following their position.

- You should express your appreciation for France's firm support for IDA and note that anything which the French could do to increase their share of IDA would be particularly useful at this time as we are working to eliminate the "unallocated gap" inherited from IDA7.

MIGA (Section V). The MIGA convention has now been signed by 19 countries (4 developed and 15 developing) and requires signature by only one more country before the Preparatory Committee may be convened.

- You should mention that France has always been noted for its lead role in the development process and that its signature would send an important signal to other countries. You might note that the support which MIGA has received from developing countries including several countries in Sub-Saharan African (Equatorial Guinea, Senegal, Sierra Leone, and Zaire).

Trust Fund Proposal (Section IV). The French have long pressed for closer collaboration between the Bank and the Fund and support strongly the US Trust Fund proposal.

- You should mention to the French how pleased you are that other governments have come fully behind what was originally a French proposal to strengthen cooperation between the World Bank and the IMF and have supported the proposal in both the IMF and the Bank Boards. The Bank has always supported efforts to increase the degree of collaboration between the two institutions, and appreciates the lead which the French took several years ago in bringing this issue to the attention of other member governments.

Recruitment. In the past France has complained that there are not enough French nationals among the Bank's senior management (though in fact the French share of staff at levels O-Q (8.1%) is considerably higher than its subscribed share of IBRD (5.8%).

- You might want to mention that you are pleased that a French national, Yves Rovani has been appointed to a position in

the Bank equivalent to that of a Vice President. As Director-General of Operations Evaluation, Mr. Rovani holds one of the most important positions in the Bank. We continue to be open to recruitment of French nationals, however, and are making a particular effort to recruit French women. We recently held a successful seminar for that purpose in Paris.

I. Political, Economic and Aid Situation

The March 16 elections for the National Assembly reversed the trends in the electorate which brought to power Mr. Mitterand and the Socialist Party in 1981. The parliamentary right (RPR/UDF and their allies) received 45% of the vote while the Socialists and their allies received 32%. Ten percent went to the extreme right National Front - a showing which surprised observers even though several leaders from the traditional Right lent the Front a more respectable appearance. The Communist Party also received about 10% of the seats. Due to the system of proportional representation, the rightist victory was a relatively narrow one, leaving the Socialists with 215 of the 577 seats. The RPR/UDF coalition and the few rightist independents together should hold close to 300 seats but may well encounter difficulty in passing various legislative measures.

The key issue now is the modus vivendi to be established between the President and the new majority, headed by Prime Minister Jacques Chirac. Mr. Chirac, who held the same post ten years ago, has constructed a government which appears carefully balanced between the RPR and the different factions within the UDF. With control of the chief economic posts, RPR remains the dominant force in the new Cabinet, although the UDF has asserted its determination to apply their joint program on key issues (unemployment, security, etc.).

The first order of business for the Chirac government will be to pass a decree providing for a return to single-seat majority voting, a priority which led to the Le Monde headline "Mr. Chirac wants to go faster on the political side and slowly make haste on the economic side." Among other political issues, immigration is a particularly sensitive issue and a reinforcement of measures against immigration is expected which could damage relationships with the Mediterranean countries. Insecurity and terrorism, often attributed to the high level of immigration, are also priority items for the new government, particularly in light of the eight French hostages remaining in Lebanon.

On the economic side, the Socialist government has left a reasonable legacy. In 1986, the French economy looks stronger than it has for many years: inflation has fallen to around 4% (from more than 14% in late 1981) and should fall below 3% later this year; economic growth seems set to reach 2.5-3% (against a 1.1% average over the last five years); the unemployment rate seems to have stabilized at around 10 3/4% (uncomfortably high but less than the European average) and the trade balance has returned to a surplus. However, some underlying structural problems remain: France's deficit with the rest of Western Europe is rising, the improvements in the ability of French industry to compete with foreign rivals are still fragile, and prices are still rising faster than in Germany, France's biggest trade partner.

The major topic of conversation recently has been the Chirac government's decision to devalue the franc against the other currencies in the EMS. During the meeting of Finance Ministers in the Netherlands which took place prior to the Development Committee meetings, Germany and the Netherlands objected to the large (8%) devaluation vis-a-vis their currencies and proposed instead that the franc be devalued by only 6 percent (through a 3 percent devaluation of the franc and a 3 percent appreciation of the DM and the Dutch guilder). Despite original French insistence on the larger devaluation, Finance Minister Balladur eventually accepted the compromise.

The recent declines in inflation are due in large part to the fall of the dollar and of oil and commodities prices, coupled with a rigorous wages policy made possible by the control of prices (10% of industrial prices and virtually all service prices remain under government control) and tight monetary and fiscal policies. By reducing the risks of a new upsurge in inflation or a balance of payments crisis, these improvements in economic growth should give the Chirac government more leeway to press ahead with their plans for deregulation and tax cuts. However, according to observers, Finance Minister Balladur plans in the spring supplementary budget to increase taxes on petroleum products alone and to privatize initially only those banks nationalized in 1982. The 1987 budget is expected to reduce expenditures and taxes but the government has asked former Banque de France Governor Renaud de la Geniere to evaluate the state of the economy and then propose global economic measures, including step by step removal of price and exchange controls.

The Aid Ministry, which is now a full-fledged Ministry rather than one controlled by the Foreign Affairs Ministry as under the previous government, is headed by Michel Aurillac. In light of his extensive background in Africa, Aurillac is likely to favor a return to stronger bilateral relations with Africa. Another indicator of stronger bilateral relations could be the return of 73-year old Jacques Foccart as the Prime Minister's advisor on Africa (a job he held in 1958 before becoming the Elysee's African Advisor until 1974) while President Mitterrand maintains Elysee African advisor Guy Penne. The 1987 budget will indicate whether French development aid will continue to grow to a planned 0.55% in 1986 and reach the 0.7% of GNP target planned for 1988. French ODA grew from 0.36% in 1980 to 0.54% in 1985 and French aid to the poorest countries reached 0.15% in 1985.

At present we expect no major changes in France's overall support for the Bank Group. France has tended to be very supportive in recent years though it has criticized what the French perceive as a lack of flexibility and imagination in our response to the Baker proposals. One of our most vocal critics in this regard is now Finance Minister Balladur's Directeur de Cabinet. The French pro-francophone Africa policy should coincide with the Bank's priority for Sub-Saharan Africa. The French have been very supportive of a \$12 billion IDA replenishment and also seem to favor a GCI.

II. IDAStatus of IDA8 Negotiations

At the first IDA Deputies meeting on January 27-28, 1986, Deputies adopted a negotiating range of \$10.5 to \$12.5 billion and agreed that every effort should be made to achieve a replenishment of \$12 billion. Deputies were generally supportive of the US proposal on the use of IDA8 resources in conjunction with IMF Trust Fund reflows. They based their support, however, on the achievement of a reasonably sized IDA, subject to favorable decisions in the Boards of the IMF and the World Bank. There was general willingness to accept some modest changes in terms, such as a reduction in the maturities of IDA credits from 50 to 40 years, although Deputies stressed that the nature of such changes should be closely linked to the resolution of the IDA8 size issue. On allocations, the Deputies gave priority to Sub-Saharan Africa and agreed to at least maintain in nominal terms the volume of lending to India and China under IDA7. The extent to which India and China might receive more than their current nominal levels would depend upon the precise size of IDA 8.

The second meeting of IDA Deputies took place on April 7-8, prior to the Development Committee. This meeting focused on the issues of IDA8 size and burden sharing. All donors but the U.S. used the opportunity to reaffirm their support for a \$12 billion replenishment, and the U.S. deputy (who had in Paris supported a range of \$9 to \$12 billion) narrowed the range to \$10.5 to \$12.0 billion, promising to transmit to the U.S. Administration and Congress the overwhelming view of other deputies that \$12 billion was the minimum reasonable replenishment level. No final agreement was made regarding either size or burden sharing though depending upon the replenishment size, most donors agreed to maintain their shares under IDA7.

We expect to hold a third meeting on June 24-25 (pending the U.S. ability to be more definitive on IDA8 size). The meeting will address the key issues of size and burden sharing as well as various outstanding issues including voting rights, applicable exchange rates, conditions of effectiveness, commitment limitations and methods of payment. The Bank retains the goal of completing negotiations by September, 1986, so that a final resolution can be presented at the Annual Meetings (to be held September 30-October 3).

The French Position

The French are strong supporters of IDA. During the Paris meeting, the French deputy Mrs. Ariane Obolensky, insisted that \$9 billion was a totally unacceptable level for IDA8. While willing to accept \$10.5 billion as a starting point, the Deputy identified an upper range of \$12 to \$15 billion. She also reaffirmed French support for strengthened IBRD/IMF cooperation and was "very keen" on the U.S. Trust Fund proposal. Although not convinced of the need for hardening terms, the French were willing to consider some shortening of maturities for individual countries. The French felt it was important that 10-year grace periods be retained.

With regard to burden sharing, virtually all indicators show the French share in IDA7 (6.60%) as being too low. Justifications for an increase in its share include:

- i) Its Share of IDA7 and SFA. Taking IDA7 and SFA together as is done in discussion on the allocation of IDA resources, the French share is 7.5%.
- ii) GNP Shares. While France's 1984 GNP shares are lower than its share in IDA7, illustrative GNP shares based on GNP shares of Part I countries excluding the U.S. (with a U.S. share fixed at 25%) indicate a French share of 7.5-8.0%.
- iii) ODA. The shares of multilateral aid in total French ODA (20%) and of IDA in its multilateral ODA is exceptionally low. Thus there should be some room for reallocation of funds toward IDA. The French might be persuaded to undertake such reallocation in light of (a) their emphasis on performance of recipients and IDA's superior track record in this area, and (b) their support for the Trust Fund proposal.
- iv) Procurement Shares. Not only is the French cumulative share in donors' foreign procurement (10.45%) much higher than its share in IDA7 but that share is likely to increase as Sub-Saharan African countries receive a larger proportion of IDA resources.

This last point is particularly relevant in light of an article which came out in a French economic journal at the end of January which revealed the results of a study of donor procurement under the IBRD and IDA. This study revealed that though collectively Europe earns \$1.89 for every dollar contributed (with Japan second and the US third - at \$0.94), there is much disparity within Europe. The study suggested also that in the long run, Europe was losing out to both Japan and the U.S. and called for France to start paying more attention to the benefits which it reaps from contributions to such institutions.

FRANCE

III. The Bank's Lending Program and GCI

The multi-year lending plans presented by Bank management to the Development Committee at its Seoul meeting envisaged a \$40-\$45 billion IBRD lending program for the FY86-FY88 period. In support of agreed medium-term strategies for the heavily-indebted countries there could be still further increases in IBRD lending. Allowing for these possibilities, Management has proposed a new set of planning assumptions for the FY86-FY88 period which yield a range of between \$40-\$50 billion.

Under the revised IBRD planning assumptions for FY86-FY88, commitments in the upper part of the range proposed for next year (i.e., FY87) would require agreement in principle on a GCI during the course of FY87. Management's intention is to wrap up the IDA8 negotiations by the time of the Annual Meeting and then to seek prompt agreement in principle on a specific GCI.

On the size of the GCI it would be premature to suggest a figure, since much depends upon decisions yet to be taken (i.e., on valuation of capital, repayment terms). But Management will certainly seek a GCI sufficient to provide a sustainable lending capacity of \$20-\$21.5 billion, which implies a GCI of between about \$37 and \$67 billion.

In May, 1986 the Committee of the Whole is scheduled to hold initial discussions on "GCI Modalities". This will take up, inter alia, the proportion to be paid-in. The need for a GCI was also raised in the April Development Committee, in the context of the resource needs of middle-income countries.

The French Position

The French support a GCI for the Bank and would have preferred to begin discussions of a GCI at a much earlier date.

IV. The Trust Fund Proposal and Bank/Fund Collaboration

Status of the Trust Fund Proposal

The U.S. proposal to increase assistance to low income countries with protracted balance of payments problems calls for the use of reflows to the IMF Trust Fund in combination with IDA funds to support comprehensive macro-economic and structural adjustment programs. Following discussions both among IDA donors and within the Boards of the Bank and the Fund, the proposal has been firmly endorsed by the various parties involved.

In March, the IMF announced the establishment of a Special Disbursement Account through which reflows to the Trust Fund are to be used along the lines outlined in the U.S. proposal. Subsequently, in the April meeting of IDA Deputies, most of IDA's donors expressed their support for earmarking a portion of IDA funds to be used in conjunction with IMF resources provided that IDA8 is of a sufficient size to support this effort without jeopardizing its traditional operations. While the volume of IDA resources which will be devoted to this effort will depend upon the size of IDA's Eighth Replenishment, it is clear that some sort of combined Bank/Fund support program will be established.

Background on Bank/Fund Collaboration

Cooperation or collaboration between the Bank and the Fund has been an issue ever since the inception of the two institutions. In the first two decades of their operations, when both the Bank and the Fund were relatively small, considerable collaboration took place largely on an informal basis. As the institutions have grown in both size and complexity, the question has been raised as to the possibility of establishing some form of institutional system of cooperation.

Bank-Fund collaboration has been formally discussed by the Bank's Executive Directors on four occasions (in 1966, 1970, 1980, and 1985), and steps have been taken on each occasion to enhance cooperation efforts (both at the administrative level, through improving information exchange and in the field through joint economic missions). With the exception of joint economic missions, most of these measures have been considered successful.

Despite this relatively positive experience with collaboration many members of the Bank and Fund have been reticent to institute any form of formal collaboration between the two institutions. Primary among concerns were the risks of blurring further important functional distinctions and of establishing a system of cross-conditionality.

The French, however, have been ardent supporters of increased collaboration between the Bank and the Fund. The former Minister of Finance Jacques Delors frequently raised the issue during his stint as IDA Deputy and it was he who during the 1984 discussions of the Future Role of

the Bank was the first to suggest a combined effort of the two institutions to address the particular problems of a set group of countries. The French proposed that the Bank and the Fund together institute a program of "country loans". These loans, which would be committed over a period of 5-7 years, were intended to serve as a "medium term approach to the financing problems of developing nations" and were to contribute to a country's external adjustment through a range of coordinated policies.

While the country loan idea received some interest, it was not until the global developments of recent years' heightened recognition of the relationship between short term debt service and long term development prospects that the proposal (in its present form as the US Trust Fund proposal) has received wide support.

V. MIGA

Status

The next step towards the establishment of MIGA will be the convening of a Preparatory Committee of signatory states to flesh out MIGA's operational and financial policies. This Committee will be convened as soon as 5 developed countries and 15 developing countries (whose collective share reaches one-third of the total) have signed the Convention.

As of April 10, 1986, 4 developed countries (the Netherlands, the UK, Canada, and Italy) and 14 developing countries (Chile, Ecuador, Equatorial Guinea, Grenada, Jordan, Korea, Turkey, Saudi Arabia, Senegal, Sierra Leone, St. Lucia, Uruguay, Vanuatu, and Zaire) have signed the Convention. The US has included MIGA in its FY87 Budget and may sign the Convention sometime this month. Should this take place, the Preparatory Committee would be convened sometime before July of this year.

The French Position

France has closely followed the German position on MIGA and, like the Germans, the Ministry most directly involved (in the French case, the Treasury) now intends to submit to the Cabinet a proposal to sign the MIGA Convention. As a result of these developments, we expect that almost all OECD countries will participate in the Preparatory Committee.

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KMO/LLC

VI. Efficiency of Bank Operations

The French are by no means the only major donor to have voiced concern over the efficiency of the Bank's operations. Japan in particular has on several occasions described its support for a GCI as being contingent upon improvements in the efficiency of the World Bank.

In light of these concerns, the Bank has taken several steps to establish tighter budget controls and has reviewed various means by which administrative costs and procedural delays might be reduced. In January of this year, the Managing Committee considered a report prepared by the Bank's programming and budgeting division which reflected the outcome of a thorough review of the costs of various aspects of the Bank's operations. Trends in these costs were then examined over the past 8-10 years. Many costs showed no significant trend over the past 10 years and some (i.e., EDI costs per participant) showed actual declines. However, overall trends revealed that the development of the Bank as a multi-product development institution has been accompanied by an increase in staff-intensive inputs which have not added quantitatively to lending activities. As the Bank derives the bulk of its resources from its functions as a financial intermediary, its continued efforts in the realm of institutional development and policy reform will lead to increases in the marginal cost of expanding its operations. Thus in the coming years, serious efforts will be required to reduce the costs of its traditional activities.

In March, the Board of Directors considered the "Review of Bank Operating Procedures," which aimed toward improving the efficiency of Bank operations. The efficiency of our operating procedures is difficult to measure due to the diversity of Bank outputs, the unique circumstances of each client, and the impact on the Bank of a wide range of external factors beyond Bank control. Thus the recent Board report did not focus upon aggregate "efficiency measures" but rather identified the key elements necessary to promote efficiency within the Bank's operational and management processes. Of these, the most important are effective delegation and clear accountability, clearly defined objectives and work programs, and timely and appropriate data management systems. Recently the Bank has worked to improve its records in all of these areas through the implementation of the new system of Country Assistance Management (CAM) and the introduction of the Management Information System (MIS) as well as changes in loan processing procedures. The introduction of CAM and MIS are already underway, while changes in loan processing procedures will become effective in early FY87. As these measures take their full effect the overall effectiveness of our country assistance is expected to improve markedly.

VII. Borrowings

1. Bank's Entry into French Domestic Market. After the Bank's first and only issue in the Euro-FF market 14 years ago, the Bank entered the French domestic market in July 1985 with a modest FF one billion (\$107 million) bond issue. This transaction was the culmination of a year-long series of negotiations between the Bank and the French Treasury, which led to the exemption of IBRD bonds from France's 10% withholding tax. The Bank is now the only borrower in the French market, besides the French Government, to be exempted from the tax requirement. As a result, the Bank's bonds are the only bonds in the French domestic market which are priced within the same range as government bonds.

2. The Treasury's sensitivity to yield comparisons that could place French Government bonds in an unfavorable light led it to intervene in the pricing of the Bank's bonds in July. Ultimately it insisted on a higher yield than that recommended by our underwriters. Nevertheless, our bonds steadily traded below comparable French Government yields until the dramatic decline in interest rates over the past two months. (It may be that the yields on our bonds are somewhat sticky, and will soon adjust downward to or below the government level.)

3. In future domestic borrowings, we would of course hope to improve our pricing by allowing market forces to play a larger role. Our view is moreover consistent with the Minister of Finance's recent deregulation of the market for "small" borrowings (the "petit marche") whereby government guidance is no longer required for pricing and the definition of borrowings qualifying for petit-marche status has been expanded to include borrowings up to FF one billion. Nevertheless, we have heard indirectly that this official deregulatory measure would not apply to the Bank.

4. In order to enhance the liquidity of our bonds in the secondary market, we are considering the use of tap issues.

5. Our domestic issue in July 1985 was swapped into Swiss francs at an attractive savings of 72 basis points.

6. Bank's Re-Entry into the Euro-FF Market. After an absence of 14 years, the Bank re-entered the Euro-French market with a targetted public issue managed by members of the Unico group and led by Credit Agricole. The FF 200 million (\$27.6 million) bond issue had an annual coupon of 9.75%, an issue price of 100.75%, and a final maturity of ten years, for a yield of 9.63%(a.) (at government after selling concession, and an estimated 21 basis points below government before selling commission). It was the first Euro-FF trasaction with a maturity as long as 10 years since

the sector re-opened last year (however, the Bank's first Euro-FF issue has a maturity of 15 years (though a shorter average life), and a small amount remains outstanding). The bonds were reportedly placed almost entirely outside France, largely because of legal restrictions. As in our July domestic issue, the French Treasury intervened in the structure of this transaction, insisting this time not on price but on market (Euro vs domestic).

7. This Euro French franc issue was also swapped into Swiss francs at a savings of 57 basis points.

8. FY86 Program. The revised FY86 French franc program calling for the two market transactions described above aggregated FF 1.2 billion (\$132 million) and has now been completed.

9. FY87 Program. We have approached French authorities with a tentative proposal to conduct three borrowing operations in FY87: (1) a FF 200-250 million tranche in April 1986, managed by the Caisse des Depots in our multicurrency transaction with a consortium of savings banks (The Treasury has advised us to tap the domestic market, but the best opportunities currently appear to be in the Euromarket; we are negotiating with Treasury); (2) a domestic issue of bonds aggregating around FF one billion (possibly in the "petit marche") in July 1986; and (3) another issue of bonds, possibly in the EuroFF market, in early FY87.

10. Trends in the French Bond Market. The domestic FF market has about FF 875 billion (US\$125 billion) outstanding. The volume of new fixed-rate issues has quadrupled during the past four years to about FF 250 billion (US\$26 billion) in 1984. Institutional changes are currently playing a dominant role in market activity. A great variety of new instruments has been introduced, often by banks other than the former "three majors". Placement has become largely institutional, accounting for about 70-80% of the market, compared to 40-50% a few years ago. Finally, a recent Treasury sponsored report (Commission Tricot) has formally recognized market trends and allowed greater competition and innovation. Commission rates may no longer be set by a cartel. It also has become accepted wisdom that the monopoly position of the three largest banks has eroded, with banks such as Paribas, CCF and Indosuez now leading issues of both the government itself and many government agencies which were traditionally reserved for the "big three".

11. Long-term interest rates on French government bonds have declined by about 142 basis points since January 1, 1986 to about 8.48%(a.) in mid-March. On March 14, the Bank's 10.90% domestic FF Bonds of 1985 due 1997 were trading to yield 9.09%(a.).

12. France's Holdings of IBRD Debt: France's central banks, the Banque de France, currently holds dollar investments in our Central Bank Facility that rank it fourth largest among our CFB investors. The Banque de France has shown little interest, however, in our two-year instruments

designed for central banks, on the grounds that these are insufficiently liquid and have too long a maturity for its needs. In addition to official borrowings, there remain outstanding FF 45 million (\$6.5 million) from the Bank's 1972 public offering in the Euromarket, FF 1 billion (\$143 million at the current rate of exchange) from our recent bond issue in the domestic market, and FF 200 million (\$29 million) from our recent bond issue in the Euromarket.

13. Involvement of French Banks in our borrowing operations. The large French banks (BNP, Credit Lyonnais, Societe Generale, Paribas, and CCF) have expanded largely their involvement in our operations over the last 2 years. BNP and Paribas are part of our Eurodollar management group, and all of the above-mentioned banks have been participants in ECU, Swiss franc, sterling or yen transactions. In addition, Paribas, BNP and CCF are becoming active participants in our swap program. In the area of loan sales, however, we have yet to conclude a transaction with French participants.

VIII. Cofinancing

Agreement for Cofinancing

1. The French signed a Framework Arrangement for Cofinancing in June of last year. The Arrangement covers all three types of cofinancing, but the official cofinancing provisions are the most significant. For all types of cofinancing, consultations between France, the recipient country and the Bank are emphasized.

2. On the official side, the French have targetted FF 2 billion (about US\$200 million equivalent) over a period of two years in the form of French Treasury protocols. These protocols are their principal bilateral aid instrument for countries outside of Francophone Sub-Saharan Africa. They consist of a French Treasury loan with an appropriate concessionary element and a private credit, and may also include a Treasury grant. They are thus mixed credits and as such are controversial aid instruments among DAC member countries. The Arrangement with the Bank, therefore, includes a specific reference to DAC principles in order to avoid complications due to the nature of the financing. The fact that the Arrangement extends cooperation and cofinancing with France to all parts of the developing world covered by the French aid program is of prime importance to the Bank. In addition to Francophone North Africa (e.g., Morocco and Tunisia) and Anglophone Africa, the protocols cover the major countries of South and Southeast Asia.

2. On the export credit side, the Arrangement provides specific procedures for early expressions of interest and involvement in project design by the French entities concerned.

3. A significant feature of the Arrangement's provisions for commercial bank cofinancing is that commercial loans cofinanced with the Bank are recognized as high quality assets in supervision by the French authorities.

Official

4. From FY75 to FY85, France, through its bilateral agencies, contributed a total of US\$835.2 million in cofinancing, 94% of which has been for Sub-Saharan Africa. The Caisse Centrale de Cooperation Economique (CCCE) contributed US\$652.5 million for 77 projects and the Fonds d'Aide et de Cooperation (FAC) contributed US\$163.2 million for 59 projects.

B-Loans

With a total share of 6.2% French banks are the third largest participants in the program for B-loans signed so far. Caisse Nationale de Credit Agricole (CNCA) was the lead bank of the B-loan for the Paraguay Livestock VII project. Credit Commercial de France is the lead bank for the latest B-loan (for the Ivory Coast Highways II Project) which is now being placed and will be signed shortly.

Export Credits

During the meeting of Export Credit Agencies held December 15, 1982, the French expressed little support for export credit financing. However, extensive follow-up discussions have been held with French authorities responsible for export credits in May 1983, and their response in the second meeting in November 1983 was quite positive. As cofinancing with export credits is in the scope of the recent framework agreement, the French authorities are likely to take a more active interest than they have in the past.

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Biographical Information

Michel AURILLAC
Minister of Cooperation

Experience

- Since March 1986 - Present position
- Since 1981 - President of Club of 89 of the RPR
- 1978-81 - Minister of Industry
- 1978 - Named Counselor of State
- 1969-77 - Prefect corps
- 1963 and 1973 - Member of Cabinet of Prime Minister Pompidou
- 1960 - Member of Cabinet of Leopold Senghor, former President of Senegal (he was then a member of the French Government).
- 1957-58 - Advisor to A. Barakrok, Secretary of State to Algeria.
- 1956 - Member of Committee on Disarmament
- 1955 - Auditor, First Class
- 1953-55 - Auditor, Second Class
- 1951-53 - National School of Administration

Education

Institute of Political Studies, Paris
National School of Administration

Personal

Born on July 11, 1929 in Marseille, lived in Indochina as a youth
Married, with two children

Biographical Information

Eduoard BALLADUR

Minister of Economy, Finance, and Privatization

Experience

- Since March 1986 - Present Position
- Since 1982 - President of two affiliates of the state-owned electrical equipment company.
- Since 1977 - President of General du service Informatique
- 1968-81 - President of company that built and now operates the Mont Blanc tunnel
- 1973-74 - Chief of Staff for Prime Minister Georges Pompidou
- 1968-73 - Member of Administrative Council of the National Forestry Office
- 1966-68 - Technical Advisor to Prime Minister Pompidou
- Prior to 1966 - Held other positions under Pompidou and was twice an advisor to ORTF the then state-run radio and television network.

Education

National School of Administration

Other

Is one of Prime Minister Chirac's closest advisors and a member of the neo-Gaullist Rally for the Republic Party. He is expected to take a moderate approach to deregulation, preferring "privatization" through gradual increases in the shares of state-owned groups for public sale and conversion of non-voting shares into voting shares quoted on the Bourse (stock market).

Personal

Born on May 2, 1929 in Turkey
Married, with 4 children

Biographical Information

Michel CAMDESSUS
Governor, Bank of France
(Governor - IMF)

He was formerly Head of the Paris Club.

Experience

- Since Nov 1984 - Governor, Bank of France
- Aug - Nov 1984 - First Deputy Governor, Bank of France
- 1968-84 - French Treasury
 - 1968 - Chief of the Office of Public Enterprise Financing
 - 1971 - Investment Chief
 - 1972 - Deputy Director for Savings and Credit in the Financial Activities Department
 - 1974 - Deputy Director
 - 1982 - Director
- 1966-68 - Financial Attache at the French Delegate to the EEC
- 1961 - Civil administrator in the Ministry of Finance and Economy
- 1960-61 - Director General for National Education in Algiers
- 1958-60 - National School of Administration

Education

College of Notre Dame Betharram
Law Faculty, Paris
Institute of Political Studies in Paris
Doctorate in Political Economics

Personal

Born on May 1, 1933 in Bayonne
Married with 6 children

Biographical Information

Jean-Bernard RAIMOND
Minister of Foreign Affairs

Experience

- Since March 1986 - Present Position
- 1985-1986 - Ambassador to USSR
- 1980-1985 - Ambassador to Poland
- 1977-80 - Various positions within the Ministry of Foreign Affairs
- 1973-77 - Ambassador to Morocco
- 1969-73 - Member of Secretariat of President Pompidou
- 1967-69 - Member of Cabinet of Prime Minister Couve de Murville
- 1956-66 - Various positions within the Ministry of Foreign Affairs

Education

National School of Administration (1954-56)

Personal

Born on February 6, 1926 in Paris
Married with 2 daughters

Biographical Information

Jacques CHIRAC
Prime Minister

Experience

- Since March 1986 - Present Position
- Since 1976 - President of Rassemblement des Francais pour la Republique (RPR)
- 1977-86 - Mayor of Paris
- 1974-1976 - Prime Minister under President Giscard d'Estaing
- 1972-74 - Minister for Agriculture and Rural Development
- 1971-72 - Minister for Public Relations
- 1968-71 - State Secretary for Economy and Finance
- 1967-68 - State Secretary for Employment Problems
- 1962-67 - Various positions under Georges Pompidou
- 1962 - Head Deputy, Secretary General of Government
- 1959 - Auditor, Cours des Comptes

Education

Institute of Political Studies, Paris; Summer School at Harvard
National School of Administration (1957-59)

Other

Member of European Parliament 1979-80,
Treasurer of Claude Pompidou Foundation (for the elderly and handicapped)

Personal

Born on November 29, 1935
Married with 2 sons

NYT - 3/21

The New French Cabinet

PARIS, March 20 (AP) — Following is a list of full Cabinet members in the French Government that was announced today:

Jean-Bernard Raimond, Foreign Minister
Edouard Balladur, Minister of Economics, Finance and Privatization
André Giraud, Defense Minister
Charles Pasqua, Interior Minister
Albin Chalandon, Justice Minister
François Léotard, Minister of Culture and Communications
Pierre Méhaignerie, Minister of Housing and Transportation
Bernard Pons, Minister of Over-

seas Departments and Territories
René Monory, Education Minister
Philippe Séguin, Minister of Social Affairs and Employment
Alain Madelin, Minister of Industry and Tourism
François Guillaume, Agriculture Minister
Michel Aurillac, Minister for Cooperation
André Rossinot, Minister for Relations with Parliament

Paris
T. M. S.
P