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Folder 2

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MEMORANDUM FOR THE RECORD

Visit by the Norwegian Minister of Finance, Mr. Norbom, February 23, 1973

Present: Mr. McNamara, Mr. Norbom, Mr. Arne Oien, Director-General in Ministry of Finance, and Sir Denis Rickett

The Minister expressed his pleasure to visit the Bank and asked what problems there are in Norway's relations with the Bank. Mr. McNamara said he was extremely happy with the relations and had had excellent cooperation with NORAD. The Nordic countries are playing an important role on the aid scene, much more important than their size would indicate. At present the U.S. attention is diverted to internal problems and power politics. Here Scandinavia can provide an important counterweight. He also felt that Britain and Germany were now positive to the thought of a high Fourth IDA Replenishment. Mr. McNamara hoped that his previous suggestions to the Norwegian Government to further joint financing and joint funding and research would bear fruit. The Minister said he would raise the matter with his Government on his return.

Mr. McNamara told of his recent trip to Britain and Germany where he said that Mr. Brandt had expressed the intention to raise the German aid allocation to the average for the EEC countries which in turn is a function of the contributions of the Scandinavian countries.

The Minister expressed some concern that, although present attitudes towards aid in Norway are favorable, budgetary constraints and changed political picture may cause a disenchantment. He asked Mr. McNamara for some important "selling points" for aid. Mr. McNamara started by saying that poverty is much worse and widespread than most people understand and realize even in Norway. Nutrition is stunting the growth of infants and mortality rates are still very high. Caloric and protein deficiencies reduce the vitality of large parts of the population. The Green Revolution has not yet reached the dryland farmers. Illiteracy is widespread. Secondly, he said that developing countries, although they make valiant efforts, can only provide about 85% of the resources devoted to development. The rest must come from outside sources and most of it from international institutions. Thirdly, international institutions have proven efficient and are independent of political aims, while national programs are to a great extent compromised.

Mr. Oien said that waste may cause disillusionment but Mr. McNamara replied that every institution makes mistakes and that the Bank is effective as compared to most other institutions of a similar kind.

The Minister of Finance wondered if the fundamental problems of underdevelopment would change. Mr. McNamara pointed to one of the most important necessary conditions as being that of an equitable distribution of income. However, he expected turmoil over the next ten years as a result of expectations rising faster than actual accomplishment. The Minister asked whether the Bank would focus on particular countries. Mr. McNamara said that we must all help all members provided they perform adequately and we do not take political considerations into account. The Minister asked about the expansion of IFC. Mr. McNamara replied that IFC is expanding but that private flows will not be sufficient to play a major part in development and that IFC has little effect on the poorest countries.

President has seen

Mr. McNamara suggested that, in view of the forthcoming March 13 meeting of Part I countries to negotiate further on the Fourth Replenishment of IDA, the Minister discuss the details of these negotiations with Sir Denis Rickett.

AL
March 6, 1973

February 20, 1973

Brief for Visit of the Minister of Finance for Norway

Personalia

Mr. Jon Norbom, 49, is a member of the Liberal Party, and since October 18, 1972 he has been Finance Minister in the minority centrist coalition government. He was previously Under-Secretary to the Minister of Finance in the liberal-conservative coalition government which was in office from 1965 to March 1971. He was trained as an economist and for many years held a senior staff appointment in GATT.

Political developments

In October 1972, after the negative result of the referendum on Norway's membership in the EEC, the minority labor government resigned. Since then, a "caretaker" coalition government with Mr. Lars Korvald as Prime Minister has ruled. It holds 47 seats of 150 in the Parliament and is made up of the Christian People's Party (14 seats), the Center Party (20 seats), and the Liberal Party (13 seats, but split into two factions over the EEC question). The Government must under Norwegian law hold elections in September 1973, and its chances of survival are generally considered to be poor, regardless of whether or not there is a favorable trade agreement with the EEC.

President has seen

February 22, 1973

Mr. McNamara:

Mr. Ljungh asked us to prepare a briefing note for your meeting with the Norwegian Minister of Finance. It is attached.



cc: Sir Denis Rickett

John H. Adler

February 22, 1973.

BRIEFING PAPER

NORWAY

1. Aid Performance

Total flows from Norway to developing countries increased from a level of \$10 million (.23% of GNP) in 1960 to an estimated \$110 million (.76% of GNP) in 1972. ODA flows increased from \$5 million (.11% of GNP) in 1960 to \$67 million (.47% of GNP) in 1972. Flows to multilateral institutions have generally been in excess of 50% of total ODA (Table I).

Norwegian development assistance is characterized by five important features: a/

- (a) Official aid is divided equally between multilateral and bilateral activities. This reflects Norway's consistent support for an active role for the UN system in world affairs, and its lack of experience in direct aid to developing countries.
- (b) Official bilateral assistance has been mainly concentrated on a small number of countries -- Kenya, Uganda, Tanzania, Zambia, India, Pakistan, and Bangladesh; single development projects, have been undertaken in the Malagasy Republic, Ghana, Nigeria and Tunisia. That all of Norway's main co-operation partners are former British Colonies reflects the fact that for Norway, English is a more convenient working language than French or Spanish.
- (c) Norway gives "priority to countries which pursue a development-oriented and socially just policy".

a/ Based on information published by the Norwegian Agency for International Development (NORAD).

(d) In 1971, grants amounted to 98% of total aid; bilateral aid is not tied to purchases in Norway.

(e) Agriculture and fisheries accounted for 31% of bilateral assistance in 1971. The remainder was divided up as follows: building and construction work (17%), education (15%), health and family planning (11%), and various activities (11%). Technical assistance is an essential element in Norwegian bilateral development assistance, and technical assistance for sea transport is being provided to Cuba, and a request from Chile is being reviewed.

The appropriations for the aid program are fully financed from the budget. Budget appropriations for ODA amounted to 1.4% of the total budget in 1971, to 1.6% in 1972, and a further rise to 2.0% in the budget for 1973 is expected. A special feature of Norwegian development assistance financing is the development assistance tax which, with effect from 1972, was increased from 1% to 1.1% of taxable income, and receipts from this tax were expected to equal total development assistance appropriations in 1972.

In February 1972, the Bratteli (Labor) Government presented to Parliament a Report on Norwegian Aid Policies. This Report did not propose any radical reorientation of Norway's development assistance, but served to confirm the principles and practices that had emerged in recent years. This is evident both in the Report's emphasis on the social aspects of development and on income distribution and public welfare, and also in the reiteration of the principle that "the Government is prepared for Norway to make available both humanitarian and other forms of aid to people in Southern Africa fighting for their national liberation".

The Report states that the Government aims to achieve the target of

raising official aid to 1% of GNP "at the latest in 1978". This will involve a total contribution in 1978 of 1260 million kroner, and means about a tripling of aid compared with the 1972 figure of 460 million kroner. Previously, Norway's medium-term assistance planning envisaged the attainment of the 1% of GNP target for total flows with private transfers amounting to 25% of the total. The higher proposed target for official flows was based in part on the fact that the Government "finds reasons for doubting that the anticipated private transfers will be forthcoming in the years to come", and in part on "a growing recognition of the fact that only Government transfers represent an adequate target for individual countries' efforts in international co-operation".

Mr. Bratteli's Government resigned in October 1972 when the EEC referendum went against it. The new coalition Government of the Farmers, Liberal and Christian People's Parties has not withdrawn this Report and it is currently being discussed in the Norwegian Parliament.

A poll on public attitudes towards development assistance undertaken by the Government in early 1972 gives room for widely differing interpretations of the Norwegian "aid mood". In reply to the question: "Are you for or against Norwegian aid to developing countries?", 72% were for, 19% against, and 9% had no opinion. The public attitude towards aid appears to be favourable, however, only as long as aid does not make too sharp a dent in the budget. This is the interpretation given to a November 1972 public opinion poll (commissioned by a respected conservative newspaper opposed to the 1% target for official aid) which found that 60% of the Norwegians interviewed thought that the present level of official aid was too high. A number of important factors enter into the current Norwegian aid debate: uncertainties regarding the economic consequences of Norway's decision not to join the EEC; some questioning of the ability of UN organizations -- in 1971, UNDP, UNICEF, and WFP received two-thirds of multilateral

flows -- to fulfil Norway's development objectives; and reservations regarding the desirability of expanding Norway's own bilateral program.

Responsibility for development aid is vested in the Norwegian Agency for International Development (NORAD), except for World Bank Group matters which are handled by the Ministry of Commerce and Shipping.

2. Attitude to IDA

Norway has traditionally been a strong supporter of IDA. It was one of the countries which supported a Third Replenishment at an annual level of \$1,000 million annually.

Norway's share was equal to .89% of initial subscriptions and also of the First Replenishment; including a special contribution, its share of the Second Replenishment was .90% and in 1970 Norway increased its share of the Third Replenishment to 1.0%.

At the Paris meeting of IDA Deputies, Mr. T. Løvold (Director General of the Foreign Exchange Department, Ministry of Commerce and Shipping) indicated that Norway was prepared to take part in a significant increase in IDA's resources, not only in monetary terms, but also in real terms. On the burden-sharing question, Norway (along with the other Scandinavian countries) is in favor of an increase in the share of those countries, particularly Japan, whose wealth has been increasing most rapidly in recent years. On the question of increasing the IDA voting power of Part II countries to 50% of total voting strength, Mr Løvold indicated that Mr Klackenbergh (who had strongly advocated such a position) did not speak for all the Nordic countries. He said that Norway supported the majority view that an amendment of the Articles of Agreement for the purpose of increasing Part II voting power, was not required at this time.

3. Special Issues

(A) IDA Lending Policies

The Norwegian authorities may wish to discuss the IDA Lending Policies Paper which is scheduled for Board discussion on March 6. We have no indication of their position.

(B) Joint Financing with the Bank Group a/

Since 1968 top officials of NORAD have repeatedly expressed interest in co-financing with the Bank and IDA; the Bank has provided NORAD with much information on projects of interest to them and documentation illustrating the form our co-financing could take; and Bank staff, both top management and Program staff, have often discussed the subject with them in general and in relation to specific projects both here and in Oslo. So far Norway has participated in only one project, Tanzania-Smallholder Tea in early 1972, for which NORAD made a \$2 million grant for road construction in parallel with a \$11 million IDA credit.

Mr Paal Bog, Director of NORAD's Planning Department, visited the Bank last August and had extensive co-financing discussions with Mr. Cope and the Area Directors. The following understanding was reached and later confirmed by Mr. Bog:

- (i) Beginning in calendar 1974, Norway intends to finance certain projects jointly with the Bank and IDA, primarily along the lines of the "SIDA model" and perhaps also through the purchase of participations.
- (ii) Norway wishes to channel its joint financing funds as follows:
primarily for projects in her present major recipient countries (Kenya, Tanzania, Uganda, Botswana, Zambia, India, Bangladesh and Pakistan), but also for rural development projects in the 25 least developed countries and for family planning projects anywhere.

a/ Information provided by Mr. Wittusen

(iii) After a small beginning in calendar 1974, commitment of Norwegian funds for joint financing would tentatively be on the order of \$10 million in 1975 and \$15 million in 1976, and increase in subsequent years. The Norwegian funds would be untied and employed in accordance with the Bank's procurement guidelines. They would be available for local cost, and to some extent for recurrent cost financing. The funds would be extended on grant or IDA terms.

(iv) Norway would on the whole rely on the Bank for project preparation, appraisal and administration.

Last week the Board of NORAD approved an amount of 20 million Norwegian kroner (approximately 1973 US \$3.3 million) as part of a proposal for co-operation with the Bank Group in 1974. This amount will be included in the budget of the Ministry of Foreign Affairs which is to be discussed by Parliament in November or December 1973.^{a/}

(C) IBRD Operations in Greece

On various occasions, the Nordic countries in general, and Norway in particular, have expressed misgivings about the Bank operations in Greece which they interpret as condoning the present Greek regime. Loans to Greece in the last five years and operations planned in FY73 and 74 are shown in the following table.

<u>Lending Program Through FY72</u>			<u>Operations Program FY73-74</u>		
		<u>\$m</u>			<u>\$m</u>
FY68	DFC - NIBID I	12.5	FY73	Education II	23.5*
FY70	DFC - NIBID II	20.0		Irrigation II	15.0
FY71	Irrigation I	25.0	FY74	DFC - NIBID IV	15.0
	Education - Technical	13.8			
FY72	DFC - NIBID III	25.0			

^{a/} Information provided by Mr. Julin

* Approved September 1972

TABLE I: NORWAY: FLOW OF DEVELOPMENT FINANCE BY CALENDAR YEAR
(US \$ millions)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Official Development Assistance													
- Bilateral	1	1	1	2	3	4	5	4	13	13	15	18	31
- Multilateral	4	6	6	8	7	7	9	10	13	16	22	24	36
- TOTAL	5	7	7	10	9	11	14	14	27	30	37	42	67
- Multilateral As % ODA		85.7%	85.7%	80.0%	77.0%	72.7%	64.3%	71.4%	48.1%	53.3%	59.0%	57.1%	53.7%
- As % GNP	.11%	.14%	.14%	.17%	.15%	.16%	.18%	.17%	.29%	.30%	.32%	.33%	.47%
Other Official													
- Bilateral													
- Multilateral	5	2		11	8	1	-1	1	-2	8		1	
- TOTAL	5	2		11	8	1	-1	1	-2	8		1	
Private													
- Bilateral		18		1	6	27	4	15	34	38	22	16	42
- Multilateral											4		1
TOTAL NET DISBURSEMENTS	10	27	7	21	23	38	17	30	59	75	63	59	110
- As % GNP	.23%	.55%	.13%	.37%	.36%	.55%	.22%	.36%	.65%	.77%	.55%	.47%	.76%
- Multilateral As % Total	90.0%	29.6%	85.7%	90.5%	65.2%	21.1%	47.1%	36.7%	18.6%	32.0%	41.0%	42.2%	33.6%
- IBRD/IDA % Multilateral	88.9%	62.5%	50.0%	73.7%	60.0%	37.5%	12.5%	36.4%	27.3%	54.2%	15.4%	32.0%	41.4%

P & B
2/22/73

MEMORANDUM FOR THE RECORD

Meeting with Ambassador Sommerfeld of Norway, December 20, 1973

The Ambassador called on Mr. McNamara immediately after signing the Memorandum of Cooperation between the Bank and Norway. In response to Mr. McNamara's question, he commented briefly on the political situation in Norway and said that Mr. Brattelø, the present Prime Minister, was likely to command support from the opposition parties enough to stay in power and conduct sensible policies, including NATO relations over the near future. This was in contrast to the situations in Denmark and Sweden where the stability of the Government was much more precarious.

AL
December 20, 1973

President has seen

Biographical data

Ambassador Søren Christian Sommerfelt

Born: May 9, 1916, in Oslo, Norway.

Married: Frances Bull Ely 1947; one daughter.

Education: Oslo Economic High School, Oslo University (law).

Entered the Norwegian Foreign Service 1941.

UN Secretary, Division for Refugees and Displaced Persons 1946-48; First Secretary, Norwegian Embassy, Copenhagen 1948-50; Counselor, Norwegian Permanent Delegation to NATO 1951-52; Deputy Director General, Department of Economic Affairs, Norwegian Ministry of Foreign Affairs 1953-56; Director General of Department of Economic Affairs 1956-60; Ambassador, Head of Norwegian Permanent Delegation to EFTA, European Office of UN and other international organizations at Geneva 1960-68; Ambassador to the German Federal Republic 1968-73; Leader Norwegian delegation to negotiations establishing EFTA 1959, Chairman EFTA Permanent Council 1962, 1966; Chairman, GATT Permanent Council 1963-64, leader Norwegian delegation to GATT Tariff negotiations (Kennedy Round) 1964-67; Chairman, GATT Contracting Parties 1968; Norwegian Representative CERN Council 1960-68; Chairman, Norwegian delegation in negotiations with EEC.

Ambassador Sommerfelt was Private Secretary to Foreign Minister Trygve Lie in the Norwegian Government in Exile in London during World War II.

Various Decorations.

Leisure interests: skiing, tennis, shooting.

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Multiple Items

In the review of this file the items identified below have been withdrawn according to the World Bank Policy on Disclosure of Information. This Policy can be found on the public website for the World Bank.

FONDS / SERIES: Contacts: Norway (1973-1980)
 FILES TITLE: _____

Document Type: <i>memo</i>	Date: <i>12/21/77</i>	Correspondents: <i>to record - from: CKW</i>	Restriction #: <i>90</i>
Subject: <i>meeting w/ Mr. Stollenberg, Under-Secretary of State for Norway, 12/16/77</i>			
Document Type: <i>note</i>	Date: <i>9/26/79</i>	Correspondents: <i>office of the President - from CKW</i>	Restriction #: <i>89</i>
Subject: <i>Annex III - Norwegian Staff in the World Bank</i>			
Document Type: <i>note</i>	Date: <i>3/28/80</i>	Correspondents: <i>office of the President - from: CKW</i>	Restriction #: <i>90</i>
Subject: <i>meeting w/ Ambassador Hedemann, Norway, March 10, 1980</i>			
Document Type: <i>note</i>	Date: <i>5/13/80</i>	Correspondents: <i>office of the President - from: CKW</i>	Restriction #: <i>90</i>
Subject: <i>Meeting w/ Mr. John Holst, Undersecretary of State, Ministry of Foreign Affairs, Norway, March 28, 1980</i>			
Document Type:	Date:	Correspondents:	Restriction #:
Subject:			

Withdrawn by: *NE Lindsay / lcn*

7

OFFICE OF THE PRESIDENT

Meeting with Mr. Stoltenberg, Norwegian Under-Secretary of State, Ministry of Foreign Affairs, March 14, 1979

Present: Messrs. McNamara, Stoltenberg, Børde, Magnussen, Yudelman

Mr. Stoltenberg said that, as Chairman of the Committee of the Whole, he was trying to get the Committee to reach concrete results in the field of agriculture and food in order to establish whether this Committee was a workable mechanism. The document on Capital Transfer had been completed but had no political effect whatsoever. The issues had to be more clearly highlighted. He was not too optimistic with regard to the outcome but he was willing to undertake this as a final attempt. He congratulated Mr. McNamara on the agreement on the IBRD General Capital Increase.

Mr. McNamara said that it was too early for congratulations but that the Bank was getting close to successful conclusion of both the IBRD General Capital Increase and the IDAVI replenishment Board deliberations. He emphasized that the Bank was indebted to Norway on IDA. The smaller nations should not underestimate their impact in international fora, if they were clear in their minds about the objectives and forceful in their pronouncements. He said he was a strong believer in the leverage power of small nations which should also be brought to bear at the UN. The Netherlands in recent years had been an example of how this could be successfully done. As to the Capital Increase, there was a certain frustration among the other members of the Bank that the G-5 tended to resolve issues in isolation.

Mr. Stoltenberg agreed that the small countries could play the important role of both opinion-maker and mediator. With regard to the Committee of the Whole, he pointed to the fact that the Soviet Union had shown increased interest in the Committee. Mr. McNamara said that the Soviet Union was clearly rethinking its role in international fora and that Willy Brandt was playing an important role in convincing them to move in the direction of increased North/South responsibility. He hoped that Mr. Stoltenberg would have the active support of the U.S. for his attempt to introduce substance into the work of the Committee of the Whole. Unfortunately, the American people and their Congress were not willing to assume a forceful leadership role in the N/S affairs. The U.S. press was very poor on international issues except for the New York Times and the Washington Post.

Mr. Stoltenberg said that public opinion in the U.S. was decisive. The charity aspects of North/South aid would never bring the ODA/GNP ratio beyond 0.35%-0.4%. Therefore, the mutual interest argument had to be emphasized. Mr. McNamara agreed. Under the general theme of mutual interest, the areas of food and trade should receive particular attention. For example, the point should be made that future food shortages in the world would lead to higher rates of inflation in the OECD nations.

Mr. Stoltenberg enquired about Bank presence at the Committee of the Whole. Mr. McNamara said that he would agree to such a presence of it were useful. Mr. Yudelman would start preparing a statement for the plenary meeting next week. The Bank was intensely interested in food issues; 30% of Bank lending was in agriculture and should fit into a world plan. One issue to be highlighted was the weakness of adoptive agricultural research in LDCs; national agricultural research had to be strengthened in these countries.

CKW
April 3, 1979

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OFFICE OF THE PRESIDENT

Meeting with Mr. Stoltenberg, Norwegian Under-Secretary of State, Ministry of Foreign Affairs, September 5, 1979

Present: Messrs. McNamara, Stoltenberg, Børde

Mr. Stoltenberg reported on the forthcoming Committee of the Whole (COW) meeting which would, among others, be faced with a proposal for new global North/South discussions, including energy, supported by Algeria, Venezuela, Brazil and others. The ongoing Havana Non-Aligned Nations conference would probably not provide much input into the COW meeting because of the Tito/Castro struggle. It was therefore difficult for him to decide from where to start at next Monday's meeting. He would appreciate it if somebody from the Bank could attend. In his view, the North/South negotiating framework was totally unsatisfactory and, therefore, all ongoing efforts did not pay. At the COW meeting, he would like to raise the issue of whether there was any meaningful future role for the COW in the context of the North/South dialogue.

Mr. McNamara said that, at a minimum, it should be expected by the parties to such UN meetings that staff papers be prepared for these meetings without the requirement of clearance beforehand. It was a serious weakness of the UN system that no staff reports were allowed. Under his proposed setup, the reports would of course not be done in a scholarly fashion and would be tainted one way or another consciously or subconsciously. They would not necessarily have to be accepted by COW but they would inform on the issues.

Mr. Stoltenberg enquired about future financial transfers to LDCs through the multilateral banks. Mr. McNamara replied that the recent oil price increase would double the current account deficits of LDCs from 1978 to 1980 from, say, \$25 billion to \$50 billion. The commercial banks would certainly play an important intermediation role because they would be highly liquid. However, these banks would be concerned about the creditworthiness of the borrowing countries and the money would surely not go to the most seriously affected LDCs, e.g., Bangladesh. Therefore, increased public financing would be required. Mr. Stoltenberg said that presently no international guarantees by governments to the multilateral banks existed, though such guarantees existed bilaterally, i.e., given by national governments to national banks. Mr. McNamara replied that, in the case of the Bank, there was no difference between a guarantee and a direct loan. International guarantees would therefore probably not be advantageous.

Mr. Stoltenberg enquired whether international energy negotiations could prove useful. Mr. McNamara said that such negotiations were indeed required and that it was shortsighted not to agree to such negotiations. The Bank was moving in that direction and had recently held an international energy meeting in Paris. At a minimum, some areas of mutual interest should be identified, e.g., exploration of the potential for oil production in LDCs. Mr. Stoltenberg said that the Mexican President had recently proposed a world energy conference and that the UN seemed to be moving in that direction.

CKW
September 26, 1979

606
OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
FROM: Moeen A. Qureshi *MAQ*
SUBJECT: Mr. Thorvald Stoltenberg

DATE: September 4, 1979

Attached is a briefing paper prepared in P&B for the visit of Mr. Stoltenberg at 6.00 p.m. on Wednesday, September 5.

I have an outside engagement at that time but please let me know in case you would wish one of my associates to stand by.

9/4
MAQureshi:gmb

cc: Mr. Gabriel

BRIEFING PAPER

NORWAY

Biographical Information: Mr. Thorvald Stoltenberg, Under Secretary of State,
Ministry of Foreign Affairs

I. Key Issues

II. Aid Performance and Policies

Attachments

Annex I - Political and Economic Situation

Annex II - Cofinancing

Annex III - Norwegian Staff in the World Bank

Annex IV - Statistical Tables

Table 1 - Flow of Official Development Assistance
from Development Assistance Committee
Members

Table 2 - Flow of Official Development Assistance:
Pattern for DAC Donors

Table 3 - Concessionary Flows to Multilateral
Institutions by Donor Country

Table 4 - Impact of Bank Group Activities on ODA Flows

Table 5 - Estimated Effect of IBRD and IDA Operations
on Norway's Balance of Payments through FY79

Table 6 - Flow of Resources from DAC Members

Table 7 - Comparative Aid Performance of DAC Member
Countries

Table 8 - Concessionality of ODA Commitments

Table 9 - Distribution of ODA to Higher Income LDC's - 1978

Table 10 - Distribution of ODA to the Poorest Countries - 1978

Table 11 - Net ODA Flows to Multilateral Agencies - 1978

September 1979

THORVALD STOLTENBERG
Under Secretary of State
Ministry of Foreign Affairs

The following biographical information for Mr. Stoltenberg was provided by the Norwegian Ministry of Foreign Affairs.

Born 1931, graduated Bachelor of Law in 1957.

1958	-	1970	Ministry of Foreign Affairs with postings to San Francisco and Belgrade
1970	-	1971	Head of Department of International Affairs in Norwegian Federation of Trade Unions
1971	-	1973	Under Secretary of State, Ministry of Foreign Affairs
1973	-	1974	Under Secretary of State, Ministry of Defense
1974	-	1976	Under Secretary of State, Ministry of Commerce and Shipping
1976	-	Present	Ministry of Foreign Affairs

Mr. Stoltenberg will be accompanied by:

Ambassador Olav Bucher-Johannessen	-	Special Adviser on Energy Ministry of Foreign Affairs
Mr. Ketil Boerde	-	Deputy Director General for International Economic and Social Development

August 1979

I. KEY ISSUES

A. IBRD/IDA ISSUES

(i) General Capital Increase

Norway, together with other member-countries, has taken a close interest in the question of the valuation of the Bank's capital and has indicated that subscription may have to be delayed until the situation is resolved.

(ii) IDA6

Norway intends to maintain its IDA5 share (1.05%) in an IDA6 of \$12-13 billion. With this share and a replenishment of \$12.5 billion, the Norwegian contribution would be \$131.3 million.

B. OTHER ISSUES

(i) In his capacity as Chairman of the Committee of the Whole, the third series of which is scheduled for September 10-14 in New York, Mr. Stoltenberg is consulting with representatives of governments and heads of international organizations. He may wish to discuss a wide range of development issues including the following major items on the Committee's Agenda:

(a) A review of world economic conditions, especially the prospects for and problems of developing economies in an interdependent world, with emphasis on financial and monetary matters.

(b) An assessment of the outcome of UNCTAD V.

(c) A consideration of the "special and pressing problems" of the least-developed, land-locked developing countries and MSAs, taking account of the resolutions and decisions of the United Nations.

(d) The outcome of the Lima Declaration (UNIDO Conference, 1978) and the strategy for strengthening the industrial capacity of developing countries.

(e) An assessment of the energy situation in developing countries and the possible contributions to be made by the Committee of the Whole.

(f) A consideration of the priorities for future North/South negotiations.

(ii) Norway achieved a notable increase in its development assistance in 1978 to rank equal first with Sweden (0.90% of GNP) among DAC donors. Norway has indicated that domestic economic problems will inhibit further expansion in the share of GNP provided as ODA.

II. AID PERFORMANCE AND POLICIES

Aid Performance

There was a further strong expansion in Norwegian ODA in 1978 to \$355 million (0.90% of GNP) from \$295 million (0.83%) in 1977. ODA increased by 20.3% in US dollar terms, or 18.5% in terms of domestic currency; as a result, Norway now shares first position (with Sweden) among DAC donors ranked by the share of ODA in GNP.

Commitments increased by 21.5% in 1978 to \$392 million (from \$319 in 1977), mainly because of an increase of 32.6% in bilateral commitments to \$218 million. The pipeline of committed, undisbursed funds was 15% of total funds at disposal in 1978, a marginal increase from the very low figure (13%) attained in 1977. Bilateral funds accounted for 79% of the pipeline, but Norway has been able to minimize difficulties with bilateral disbursements by maintaining flexibility in aid flows, in particular, in the mix between project and non-project assistance.

The budget appropriation for 1979 increased by only 6.8% over that for 1978 to \$408 million. The Government reports that this figure is 1% of estimated GNP in 1979, but the GNP estimate on which this conclusion is based is conservative. Plans to increase budgetary appropriations to 1.3% by 1981 have been shelved in the face of economic difficulties, and current plans call for maintaining aid appropriations at 1% of GNP in 1980-83. It is unlikely, therefore, that Norwegian aid disbursements will reach 1.00% of GNP before 1985.

All Norwegian aid commitments continue to be in grant form. The last remaining ODA loans, in an amount of \$3 million extended to Turkey, were converted into grants during 1978.

Multilateral ODA increased by 24.6% in 1978 to \$162 million, resulting in an increase of the multilateral share in ODA to 46%. The chief beneficiary of Norwegian multilateral ODA in 1978 was the UN which received 67% of the total. Flows to the Bank Group accounted for 19% of multilateral ODA in 1978.

Aid Policies

The chief change in Norwegian Aid Policy during 1978 was the abandonment, referred to above, of the 1.3% target for budgetary appropriations to be reached in 1981. The decision to restrict budgetary appropriations to 1% of GNP reflects economic realities rather than a wavering in the commitment to development assistance. It can be expected, however, that the period of rapid growth in the ODA/GNP ratio is over. Further progress will be gradual and even after a general recovery of the economy and a strengthening in the external sector Norway will be unlikely to repeat the gains of recent years. In the longer term, the ODA/GNP ratio probably will stabilize at around 1.00%.

Project assistance fell from 30% of bilateral ODA in 1977 to 26% in 1978, while program assistance (33%), commodity assistance (25%), and bilateral assistance (18%) increased their shares. Budget support continues to increase in importance reaching 8% of bilateral ODA in 1978 (5% in 1977). Local-cost financing has been a significant and increasing part of total bilateral disbursements and, in general,

no attempt is made to distinguish sharply between local and external costs of projects. In addition, disbursement procedures increasingly are being revised to permit payment in advance of expenditures. However, the Norwegian Government endeavors to avoid 100% financing of projects as local participation is regarded as evidence of the priority placed by the recipient on the project. Norway does not restrict the financing of recurrent costs but seeks to assure that, when financing such costs, the running of the project is gradually transferred to local authorities.

The nine "main partner" countries (Bangladesh, Botswana, India, Kenya, Mozambique, Pakistan, Sri Lanka, Tanzania and Zambia) continue to receive the bulk of bilateral aid -- 64% in 1978. Countries designated as least developed received 32% of bilateral assistance in 1978 and MSAs received 66%.

In principle, Norwegian development assistance is untied but in practice the bulk of procurement is from Norway; about two-thirds of the external procurement that does take place is from developing countries.

For several years, Norwegian aid has been directed to the needs of the poorest groups and this policy has resulted in an emphasis on the welfare and distributional aspects of development cooperation. Priority is given to rural development, social programs and development of public utilities. In 1977-78, 25% of bilateral ODA was allocated to transport, communications and water supply, and 18% was allocated to agriculture. A further 25% went to support health and family planning, education and emergency relief.

In 1977, NORAD established an office for evaluation and research in order to provide information on the effects and benefits of aid activities on the recipient countries. It is anticipated that the quality of Norwegian bilateral assistance will be improved by the information provided from the evaluation of completed projects.

Norway's policy is to maintain approximate parity between multilateral and bilateral assistance. The UN and the international financial institutions will continue to receive strong support.

POLITICAL AND ECONOMIC SITUATIONPolitical Situation

The Labor Government of Prime Minister Odvar Nordli remains in power even though it holds only 76 out of 155 parliamentary seats. Two members of the extreme "Socialist Left" party continue to provide support in crucial votes, thus preserving a one-vote majority for a government of the left, rather than opening the way for a non-socialist coalition. The Labor Party has been successful in reaching compromises on the policy issues that divide it in the interests of party unity and of remaining in power. An early election is not an attractive proposition for Labor supporters as recent polls indicate a remarkable advance by the Conservative Party, which, if sustained, would tip the balance of power against the parties of the left in the elections in 1981. Undoubtedly, the Parliament will witness some cliff-hanger votes in the next two years and portfolio shuffles are likely. However, the success to date of Mr. Nordli in sustaining his tenuous mandate suggests that he will serve a full term as Prime Minister.

The major dividing line between the one-vote Socialist majority and the four opposition parties to its right -- and also between factions of the Labor Party -- is the extent of government control of and participation in the economy. Issues arising from the Government's anti-cyclical policy, aimed at maintaining full employment during the current international recession, have created vivid political controversy. Conflict has arisen over tax policy, over policies for industrial development, and, in particular, over the extent of government influence on and control of

privately-owned companies and banks. In June, the Supreme Court ruled that the amended Commercial Bank Act, which entered into force on January 11, 1978, and which puts the shareholders in a minority on the banks' governing bodies, is not unconstitutional. Public controversy over the "democratization" of the banks has centered on the rights of the State to redeem the shares of shareholders at a redemption price determined by an independently appointed bank commission. Given the controversial nature of the policies pursued by the Government, Mr. Nordli's feat of retaining the Premiership is no mean one.

Economic Situation

The optimistic assumption that Norway could isolate itself from the adverse effects of the prolonged international recession was formally abandoned in the revised budget brought down in April 1978. The recurrent annual balance-of-payments deficit on current account, which was accepted as a corollary to the massive investment in North Sea oil, showed no tendency to decrease as these investments began winding down and reached a level of Kr 26 billion (\$4.9 billion) in 1977. It had become apparent that the deficit increasingly was a function of developments in the traditional economy, including excessive consumption and investments of low economic priority. The Government was concerned to restore the international competitiveness of traditional Norwegian exports, and it introduced a series of measures designed to curtail domestic demand, notably for consumer goods.

Adverse economic developments continued in 1978, but signs of improvement resulting from the Government's policies have appeared in recent months. The deficit on current account fell to Kr 12 billion (\$2.3 billion) in 1978 mainly as a result of expanded exports of oil and gas (17% of total exports), and there was a decline in import growth attributed to the severe restrictions on consumer credit and to the price and wage controls introduced in September 1978 to last until the end of this

year. Inflation has eased, and the price rise in Norway will be below the average for OECD nations in 1979 for the first time since 1974.

The slow growth in wages under the income freeze combined with some productivity growth has resulted in a partial restoration of international competitiveness. As a result, demand for traditional exports has risen, and exports of oil and gas also should rise in volume as well as in value following the recent increases in oil prices. However, the current account deficit in 1979 is not expected to fall very much below the deficit of 1978. Rapidly increasing service payments on foreign debt and an expansion of imports should absorb the bulk of the increment in export earnings.

The GDP grew by 3.5% in 1978, but the growth rate was only 0.8% if oil and shipping activities are excluded. The forecast for 1979 is for GDP growth of only 2.1%; however, the outlook is brighter than the aggregate figure indicates as growth in the traditional, land-based economy (excluding oil and shipping) is projected to recover to 1.3%. The growth forecast is based on the projected recovery in demand for traditional exports and a mild expansion in public consumption. Demand pressures from excessive investment and private consumption are expected to ease further under the Government's deflationary policies.

The real test of the success of government policies and the modest gains that they appear to have achieved will be evidenced in the

behavior of prices and wages once controls are eased at the end of the year. A round of explosive increases, yielding to pent-up pressures for wage and price rises, could result in the erosion of the limited economic progress that has been made so far.

COFINANCING

Through FY76, Norway did not cofinance Bank Group projects. However, four projects were cofinanced in FY77-78 for a total of \$20.2 million. In FY79, Norway participated in the following project:

<u>Country</u>	<u>Project</u>	<u>IBRD/IDA</u>	<u>Amount of Cofinancing US\$m</u>
Bangladesh	Second Population and Family Health Project	IDA	20.0

MEMORANDUM FOR THE RECORD

Meeting with Mr. Stoltenberg, Under-Secretary of State for Norway, December 16, 1977

Present: Messrs. McNamara, Stoltenberg, Ambassador Sommerfelt, Magnussen

Mr. Stoltenberg asked Mr. McNamara for his evaluation of the present status of the NIEO discussions, i.e., after the breakdown of the Common Fund negotiations in Geneva. Mr. McNamara said that the Common Fund negotiations would probably be resumed in March 1978. As a minimum, they could be expected to lead to price stabilization agreements because such arrangements would constitute a plus-sum game. The Common Fund had become the code word for (i) actions beyond buffer stock financing, (ii) provision of more resources than required for such buffer stock financing, and (iii) measures to influence longer-term trends, i.e., indexing. He was pessimistic about the possible results of the North/South dialogue, particularly in view of the unsatisfactory economic performance in industrial countries leading to high unemployment and protectionism.

Mr. Stoltenberg enquired about the Bank's recent problems with the U.S. Government. Mr. McNamara emphasized that the Carter Administration has lent extraordinary support to the Bank. The problem was to translate this support into legislative action. A rightwing group in Congress argued that the Bank was not deserving support; such an attitude could only grow in the present political environment. He had therefore proposed the establishment of the Brandt Commission.

Mr. Stoltenberg said that not enough use was made of the argument that support to the LDCs would increase purchasing power of these countries and in turn help resolve some of the present economic problems of the developed countries. Mr. McNamara agreed. About 30% of U.S. exports went to the LDCs; 33% of the raw material imports of the U.S. came from LDCs; the potential impact of adequate growth in LDCs on U.S. GDP was in the order of 0.5%-1.5%. There were presently 6-8 million Mexicans illegally in the U.S., i.e., 10% of the Mexican population. The largest minority in the U.S. would soon be Spanish-speaking. This problem could only be solved by working on the employment and social problems in Mexico.

With regard to the Brandt Commission, Mr. Stoltenberg said that he had originally been skeptical but was now surprised by its good composition. The Commission could succeed if it focused on the "common interests" aspects of North-South relations. Mr. McNamara said that the Brandt Commission should at least lay the intellectual groundwork for future negotiations. In the case of the Nairobi conference, for example, there had been a deplorable lack of intellectual preparation. Mr. Stoltenberg said that, in order to create such intellectual foundation, the Norwegian Parliament would probably approve the creation of a funding mechanism to support non-government institutions such as the Brandt Commission and the Foundation for Development Alternatives in Geneva. Mr. McNamara welcomed this initiative and said that, as a Trustee of the Ford Foundation, he had always proposed the creation of a "European Brookings Institution" and a "Third World Brookings Institution." For example, a thoughtful approach by such institutions to the foreign debt problem was badly needed. Debt forgiveness was a false approach in a situation where future debt requirements were much larger than present debt.

Mr. Stoltenberg said that structural changes and the basic needs approach should be complementary; there was an unfortunate tendency to consider them as alternatives. NIEO should not simply mean more aid but structural changes. Mr. McNamara replied that there was too much loose talk about structural changes. The nature of such changes had not been clearly defined. Mr. Stoltenberg mentioned that

Mr. Woronzow, the Head of Planning in the Soviet Ministry of Foreign Affairs, was increasingly dealing with NIEO issues. Mr. McNamara said that he would be amazed if something followed from this. The Soviet Union was not prepared to bear the cost to its society which would result from an NIEO.

Finally, Mr. McNamara mentioned that the CIEC and the Summit Conference in London had given the IFIs the mandate to increase lending in real terms. The Bank was aiming at a 4%-6% real growth which implied a \$30-\$40 billion capital increase. The World Development Report would probably be available for Board discussion by next July and would then possibly be submitted to the Development Committee and the UN.

CKW
December 21, 1977

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

	1965	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Australia	119 .53	202 .59	507 .60	385 .42	427 .45	491 .45	533 .45	589 .46	661 .47	742 .47	840 .48	954 .49	1085 .50
Austria	10 .11	11 .07	64 .17	48 .12	118 .24	156 .27	179 .28	196 .29	220 .29	248 .30	282 .30	323 .31	369 .32
Belgium	102 .60	120 .46	378 .59	340 .51	371 .46	535 .55	588 .54	677 .58	774 .60	902 .62	1055 .65	1205 .67	1399 .70
Canada	96 .19	346 .42	880 .55	886 .46	992 .50	1053 .52	1022 .46	1174 .47	1333 .47	1516 .48	1736 .50	1947 .50	2170 .50
Denmark	13 .13	59 .38	205 .58	214 .56	258 .60	386 .75	404 .69	443 .70	490 .70	545 .71	611 .71	682 .72	771 .72
Finland ^{b/}	2 .02	7 .07	48 .18	51 .18	49 .17	56 .18	72 .20	82 .21	94 .21	107 .22	124 .23	144 .24	166 .25
France	752 .76	971 .66	2093 .62	2146 .62	2267 .60	2689 .57	3112 .57	3478 .57	3890 .58	4373 .58	4929 .59	5574 .60	6312 .61
Germany	456 .40	599 .32	1689 .40	1384 .31	1386 .27	1984 .31	2328 .32	2599 .33	2883 .33	3250 .34	3660 .34	4144 .35	4664 .35
Italy	60 .10	147 .16	182 .11	226 .13	186 .10	163 .06	292 .10	335 .10	344 .09	526 .13	475 .11	513 .10	587 .11
Japan	244 .27	458 .23	1148 .23	1105 .20	1424 .21	2215 .23	2577 .25	2934 .26	3222 .26	3825 .27	4525 .28	5086 .28	5905 .28
Netherlands	70 .36	196 .61	604 .75	720 .82	900 .85	1072 .82	1330 .90	1460 .93	1602 .93	1766 .93	1978 .94	2223 .95	2516 .97
New Zealand ^{c/}		14 .23	66 .52	53 .41	52 .39	55 .34	56 .30	58 .27	63 .27	70 .27	84 .29	99 .31	116 .33
Norway	11 .16	37 .32	184 .66	218 .70	295 .83	355 .90	399 .92	443 .94	496 .96	563 .97	642 .98	732 .99	835 1.00
Sweden	38 .19	117 .38	566 .82	608 .82	779 .99	783 .90	933 .93	1050 .94	1165 .95	1295 .96	1458 .98	1621 .98	1815 1.00
Switzerland	12 .09	30 .15	104 .19	112 .19	119 .19	176 .20	197 .21	211 .21	239 .22	272 .23	309 .23	352 .24	400 .25
United Kingdom	472 .47	447 .36	863 .37	835 .38	914 .37	1226 .40	1450 .39	1649 .39	1818 .40	2003 .40	2209 .40	2433 .41	2682 .41
United States ^{d/}	3418 .49	3046 .31	4007 .26	4334 .25	4159 .22	4857 .23	5248 .22	5655 .22	6256 .22	6969 .22	7795 .22	8642 .22	9549 .22
GRAND TOTAL													
ODA (\$b. - Nominal Prices)	5.9 .44	6.8 .34	13.6 .35	13.7 .33	14.7 .31	18.3 .32	20.7 .33	23.0 .33	25.7 .33	29.0 .33	32.7 .34	36.7 .34	41.3 .35
ODA (\$b. - Const. 1978 prices)	15.3	14.6	17.6	17.2	17.0	18.3	19.0	19.8	20.6	21.8	22.9	24.0	25.3
GNP (\$t. - Nominal Prices)	1.3	2.0	3.8	4.2	4.7	5.6	6.3	7.0	7.7	8.6	9.5	10.6	11.9
Price Deflator ^{e/}	.39	.47	.77	.80	.86	1.00	1.09	1.16	1.25	1.33	1.43	1.53	1.64

^{a/} Historical figures through 1977 and preliminary estimates for 1978 are from OECD/DAC. Those for 1979-85 are based on OECD and World Bank estimates of growth of GNP, on information on budget appropriations for aid, and on aid policy statements by governments. They are projections, not predictions, of what will occur unless action not now planned takes place.

^{b/} Finland became a member of DAC in January 1975.

^{c/} New Zealand became a member of DAC in 1973. ODA figures for New Zealand are not available for 1965.

^{d/} In 1949, at the beginning of the Marshall Plan, US Official Development Assistance amounted to 2.79% of GNP.

^{e/} The deflator is the US\$ GNP deflator (1978=1.00) which includes the effects of changes in exchange rates.

Table 2. FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE: PATTERN FOR DAC DONORS a/
(Calendar Years, US\$ million and % of GNP)

	1965-67 Average	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Australia													
Multilateral	12	12	71	67	78	72	81	89	112	130	150	160	178
Bilateral	122	190	436	318	349	419	452	500	549	612	690	794	907
Total	134	202	507	385	427	491	533	589	661	742	840	954	1085
Multilateral as % of GNP	.05	.04	.08	.08	.08	.07	.07	.07	.08	.08	.09	.08	.08
Bilateral as % of GNP	.51	.55	.52	.34	.37	.38	.38	.39	.39	.39	.39	.41	.42
Total as % of GNP	.56	.59	.60	.42	.45	.45	.45	.46	.47	.47	.48	.49	.50
Austria													
Multilateral	5	7	14	18	31	39	41	47	53	62	69	74	78
Bilateral	8	4	50	30	87	117	138	149	167	186	213	249	291
Total	13	11	64	48	118	156	179	196	220	248	282	323	369
Multilateral as % of GNP	.05	.04	.04	.05	.06	.07	.06	.07	.07	.07	.07	.07	.07
Bilateral as % of GNP	.08	.03	.13	.07	.18	.20	.22	.22	.22	.23	.23	.24	.25
Total as % of GNP	.13	.07	.17	.12	.24	.27	.28	.29	.29	.30	.30	.31	.32
Belgium													
Multilateral	10	28	126	111	109	225	178	204	221	256	296	311	335
Bilateral	79	92	252	229	262	310	410	473	553	646	759	894	1064
Total	89	120	378	340	371	535	588	677	774	902	1055	1205	1399
Multilateral as % of GNP	.06	.10	.20	.17	.14	.23	.16	.17	.17	.18	.18	.17	.17
Bilateral as % of GNP	.43	.36	.39	.34	.32	.32	.38	.41	.43	.44	.47	.50	.53
Total as % of GNP	.49	.46	.59	.51	.46	.55	.54	.58	.60	.62	.65	.67	.70
Canada													
Multilateral	36	78	268	358	516	409	472	531	560	611	732	755	789
Bilateral	125	268	612	529	476	644	550	643	773	905	1004	1192	1381
Total	161	346	880	887	992	1053	1022	1174	1333	1516	1736	1947	2170
Multilateral as % of GNP	.06	.09	.17	.19	.26	.20	.21	.21	.20	.19	.21	.19	.18
Bilateral as % of GNP	.22	.33	.38	.27	.24	.32	.25	.26	.27	.29	.29	.31	.32
Total as % of GNP	.28	.42	.55	.46	.50	.52	.46	.47	.47	.48	.50	.50	.50
Denmark													
Multilateral	11	22	94	97	111	169	146	164	191	218	241	262	291
Bilateral	9	37	111	117	147	217	258	279	299	327	370	420	480
Total	20	59	205	214	258	386	404	443	490	545	611	682	771
Multilateral as % of GNP	.10	.14	.27	.25	.26	.33	.25	.26	.27	.28	.28	.28	.27
Bilateral as % of GNP	.08	.24	.31	.31	.34	.42	.44	.44	.43	.43	.43	.44	.45
Total as % of GNP	.18	.38	.58	.56	.60	.75	.69	.70	.70	.71	.71	.72	.72
Finland b/													
Multilateral	-	6	21	22	22	32	39	41	51	57	60	71	75
Bilateral	-	1	27	29	27	24	33	41	43	50	64	73	91
Total	3	7	48	51	49	56	72	82	94	107	124	144	166
Multilateral as % of GNP	-	.05	.08	.08	.08	.10	.11	.11	.11	.12	.11	.12	.11
Bilateral as % of GNP	-	.01	.10	.10	.09	.08	.09	.10	.10	.10	.12	.12	.14
Total as % of GNP	.04	.07	.18	.18	.17	.18	.20	.21	.21	.22	.23	.24	.25
France													
Multilateral	35	103	304	300	350	351	485	491	602	669	725	842	883
Bilateral	739	868	1789	1846	1917	2338	2627	2987	3288	3704	4204	4732	5429
Total	774	971	2093	2146	2267	2689	3112	3478	3890	4373	4929	5574	6312
Multilateral as % of GNP	.03	.07	.09	.09	.09	.07	.09	.08	.09	.09	.09	.09	.09
Bilateral as % of GNP	.69	.59	.52	.53	.51	.50	.48	.49	.49	.49	.50	.51	.52
Total as % of GNP	.72	.66	.62	.62	.60	.57	.57	.57	.58	.58	.59	.60	.61
Germany													
Multilateral	52	133	528	340	358	428	628	576	726	898	1041	1153	1270
Bilateral	409	466	1161	1044	1028	1556	1700	2033	2157	2352	2619	2991	3394
Total	461	599	1689	1384	1386	1984	2328	2599	2883	3250	3660	4144	4664
Multilateral as % of GNP	.04	.07	.12	.08	.07	.07	.09	.07	.08	.09	.10	.10	.10
Bilateral as % of GNP	.34	.25	.28	.23	.20	.24	.23	.26	.25	.25	.24	.25	.25
Total as % of GNP	.38	.32	.40	.31	.27	.31	.32	.33	.33	.34	.34	.35	.35
Italy													
Multilateral	31	84	123	148	151	141	271	313	295	489	418	434	512
Bilateral	67	63	59	78	35	22	21	22	49	37	57	79	75
Total	98	147	182	226	186	163	292	335	344	526	475	513	587
Multilateral as % of GNP	.05	.09	.07	.09	.08	.05	.09	.09	.08	.12	.10	.08	.10
Bilateral as % of GNP	.10	.07	.04	.04	.02	.01	.01	.01	.01	.01	.01	.02	.01
Total as % of GNP	.15	.16	.11	.13	.10	.06	.10	.10	.09	.13	.11	.10	.11

Table 2. FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE: PATTERN FOR DAC DONORS a/
(Calendar Years, US\$ million and % of GNP)

	1965-67 Average	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Japan													
Multilateral	38	86	297	352	525	684	862	999	1033	1110	1454	1475	1523
Bilateral	267	372	851	753	899	1531	1715	1935	2289	2715	3071	3611	4382
Total	<u>305</u>	<u>458</u>	<u>1148</u>	<u>1105</u>	<u>1424</u>	<u>2215</u>	<u>2577</u>	<u>2934</u>	<u>3322</u>	<u>3825</u>	<u>4525</u>	<u>5086</u>	<u>5905</u>
Multilateral as % of GNP	.03	.04	.06	.06	.08	.07	.08	.09	.08	.08	.09	.08	.07
Bilateral as % of GNP	.26	.19	.17	.14	.13	.16	.17	.17	.18	.19	.19	.20	.21
Total as % of GNP	<u>.29</u>	<u>.23</u>	<u>.23</u>	<u>.20</u>	<u>.21</u>	<u>.23</u>	<u>.25</u>	<u>.26</u>	<u>.26</u>	<u>.27</u>	<u>.28</u>	<u>.28</u>	<u>.28</u>
Netherlands													
Multilateral	35	42	239	224	256	283	305	343	396	464	522	569	638
Bilateral	57	154	365	496	644	789	1025	1117	1206	1302	1456	1654	1878
Total	<u>92</u>	<u>196</u>	<u>604</u>	<u>720</u>	<u>900</u>	<u>1072</u>	<u>1330</u>	<u>1460</u>	<u>1602</u>	<u>1766</u>	<u>1978</u>	<u>2223</u>	<u>2516</u>
Multilateral as % of GNP	.17	.13	.30	.25	.24	.22	.21	.22	.23	.24	.25	.24	.25
Bilateral as % of GNP	.27	.48	.45	.57	.61	.60	.69	.71	.70	.69	.69	.71	.72
Total as % of GNP	<u>.44</u>	<u>.61</u>	<u>.75</u>	<u>.82</u>	<u>.85</u>	<u>.82</u>	<u>.90</u>	<u>.93</u>	<u>.93</u>	<u>.93</u>	<u>.94</u>	<u>.95</u>	<u>.97</u>
New Zealand c/													
Multilateral	-	3	16	10	11	10	12	13	14	17	19	21	23
Bilateral	-	11	50	43	41	45	44	45	49	53	65	78	93
Total	<u>11</u>	<u>14</u>	<u>66</u>	<u>53</u>	<u>52</u>	<u>55</u>	<u>56</u>	<u>58</u>	<u>63</u>	<u>70</u>	<u>84</u>	<u>99</u>	<u>116</u>
Multilateral as % of GNP	-	.05	.13	.08	.08	.06	.06	.06	.06	.07	.07	.07	.07
Bilateral as % of GNP	-	.18	.39	.33	.31	.28	.24	.21	.21	.20	.22	.24	.26
Total as % of GNP	<u>.20</u>	<u>.23</u>	<u>.52</u>	<u>.41</u>	<u>.39</u>	<u>.34</u>	<u>.30</u>	<u>.27</u>	<u>.27</u>	<u>.27</u>	<u>.29</u>	<u>.31</u>	<u>.33</u>
Norway													
Multilateral	9	22	82	112	130	162	187	216	235	271	310	336	372
Bilateral	4	15	102	106	165	193	212	227	261	292	332	396	463
Total	<u>13</u>	<u>37</u>	<u>184</u>	<u>218</u>	<u>295</u>	<u>355</u>	<u>399</u>	<u>443</u>	<u>496</u>	<u>563</u>	<u>642</u>	<u>732</u>	<u>835</u>
Multilateral as % of GNP	.12	.20	.29	.36	.37	.41	.43	.46	.45	.45	.47	.45	.44
Bilateral as % of GNP	.05	.12	.37	.34	.46	.49	.49	.48	.51	.52	.51	.54	.56
Total as % of GNP	<u>.17</u>	<u>.32</u>	<u>.66</u>	<u>.70</u>	<u>.83</u>	<u>.90</u>	<u>.92</u>	<u>.94</u>	<u>.96</u>	<u>.97</u>	<u>.98</u>	<u>.99</u>	<u>1.00</u>
Sweden													
Multilateral	30	54	193	206	293	296	333	385	412	445	516	537	569
Bilateral	22	63	373	401	486	487	600	665	753	850	942	1084	1246
Total	<u>52</u>	<u>117</u>	<u>566</u>	<u>608</u>	<u>779</u>	<u>783</u>	<u>933</u>	<u>1050</u>	<u>1165</u>	<u>1295</u>	<u>1458</u>	<u>1621</u>	<u>1815</u>
Multilateral as % of GNP	.13	.18	.28	.28	.37	.34	.33	.34	.34	.33	.35	.33	.31
Bilateral as % of GNP	.10	.20	.54	.54	.62	.56	.60	.60	.61	.63	.63	.65	.69
Total as % of GNP	<u>.23</u>	<u>.38</u>	<u>.82</u>	<u>.82</u>	<u>.99</u>	<u>.90</u>	<u>.93</u>	<u>.94</u>	<u>.95</u>	<u>.96</u>	<u>.98</u>	<u>.98</u>	<u>1.00</u>
Switzerland													
Multilateral	5	12	33	45	50	75	83	86	98	109	119	126	148
Bilateral	8	18	71	67	69	101	114	125	141	163	190	226	252
Total	<u>13</u>	<u>30</u>	<u>104</u>	<u>112</u>	<u>119</u>	<u>176</u>	<u>197</u>	<u>211</u>	<u>239</u>	<u>272</u>	<u>309</u>	<u>352</u>	<u>400</u>
Multilateral as % of GNP	.03	.06	.06	.06	.08	.09	.09	.09	.09	.09	.09	.09	.09
Bilateral as % of GNP	.05	.09	.13	.12	.11	.11	.12	.12	.13	.14	.14	.15	.16
Total as % of GNP	<u>.08</u>	<u>.15</u>	<u>.19</u>	<u>.19</u>	<u>.19</u>	<u>.20</u>	<u>.21</u>	<u>.21</u>	<u>.22</u>	<u>.23</u>	<u>.23</u>	<u>.24</u>	<u>.25</u>
United Kingdom													
Multilateral	54	48	297	254	359	373	435	512	630	770	901	990	1101
Bilateral	427	399	566	581	555	853	1015	1137	1188	1233	1308	1443	1581
Total	<u>481</u>	<u>447</u>	<u>863</u>	<u>835</u>	<u>914</u>	<u>1226</u>	<u>1450</u>	<u>1649</u>	<u>1818</u>	<u>2003</u>	<u>2209</u>	<u>2433</u>	<u>2682</u>
Multilateral as % of GNP	.05	.04	.13	.12	.14	.12	.12	.12	.14	.15	.16	.17	.17
Bilateral as % of GNP	.40	.32	.24	.26	.23	.28	.27	.27	.26	.25	.24	.24	.24
Total as % of GNP	<u>.45</u>	<u>.36</u>	<u>.37</u>	<u>.38</u>	<u>.37</u>	<u>.40</u>	<u>.39</u>	<u>.39</u>	<u>.40</u>	<u>.40</u>	<u>.40</u>	<u>.41</u>	<u>.41</u>
United States													
Multilateral	115	393	1066	1496	1274	1357	1278	1518	1592	1906	2079	2223	2405
Bilateral	3298	2653	2941	2838	2885	3500	3970	4137	4664	5063	5716	6419	7144
Total	<u>3413</u>	<u>3046</u>	<u>4007</u>	<u>4334</u>	<u>4159</u>	<u>4857</u>	<u>5248</u>	<u>5655</u>	<u>6256</u>	<u>6969</u>	<u>7795</u>	<u>8642</u>	<u>9549</u>
Multilateral as % of GNP	.02	.04	.07	.09	.07	.06	.05	.06	.06	.06	.06	.06	.06
Bilateral as % of GNP	.43	.27	.19	.16	.15	.17	.17	.16	.16	.16	.16	.16	.16
Total as % of GNP	<u>.45</u>	<u>.31</u>	<u>.26</u>	<u>.25</u>	<u>.22</u>	<u>.23</u>	<u>.22</u>	<u>.22</u>	<u>.22</u>	<u>.22</u>	<u>.22</u>	<u>.22</u>	<u>.22</u>
Total DAC													
Multilateral	475	1124	3772	4161	4624	5106	5836	6528	7221	8482	9652	10339	11190
Bilateral	5643	5663	9815	9504	10072	13146	14884	16505	18429	20490	23060	26335	30151
Total	<u>6118</u>	<u>6787</u>	<u>13587</u>	<u>13665</u>	<u>14696</u>	<u>18252</u>	<u>20720</u>	<u>23033</u>	<u>25650</u>	<u>28972</u>	<u>32712</u>	<u>36674</u>	<u>41341</u>
Multilateral as % of GNP	.03	.06	.10	.10	.10	.09	.09	.09	.09	.10	.10	.10	.09
Bilateral as % of GNP	.39	.28	.25	.23	.21	.23	.24	.24	.24	.23	.24	.24	.26
Total as % of GNP	<u>.42</u>	<u>.34</u>	<u>.35</u>	<u>.33</u>	<u>.31</u>	<u>.32</u>	<u>.33</u>	<u>.33</u>	<u>.33</u>	<u>.33</u>	<u>.34</u>	<u>.34</u>	<u>.35</u>

a/ Source: Figures through 1978 are OECD/DAC data; those for 1979-85 are projections by Bank Staff.

b/ Finland became a member of DAC in January 1975.

c/ New Zealand became a member of DAC in 1973.

Table 3. CONCESSIONARY FLOWS TO MULTILATERAL INSTITUTIONS BY DONOR COUNTRY a/
(Calendar Years; US\$ million)

	NORWAY *												
	1965-67 Average	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
CAPITAL SUBSCRIPTION PAYMENTS b/													
IBRD: c/ Past Increases				4.1		1.5	1.5	1.4					
Selective Increase										5.1	5.1	5.1	5.1
General Increase													
IDA: d/ Payments For 1-4	2.3	4.3	17.5	17.4									
5					24.4	28.8	33.2						
6								43.7	43.8	43.8			
7											60.2	60.2	60.2
IFC: e/						0.8	0.8	0.8	0.8	0.8			
Sub-Total Bank Group	2.3	4.3	17.5	21.5	25.9	31.1	35.4	44.5	44.6	49.7	65.3	65.3	65.3
IDB: Ordinary Capital													
Concessional Capital													
ADB: Ordinary Capital	0.3	0.5	0.6	1.0	0.6	0.7	0.5	0.5	0.5	0.7	0.8	0.8	0.8
Concessional Capital))	1.4	1.9	-	1.9	2.0	6.0	4.0	3.9	5.9	5.9	5.9
Other		2.0	2.3	7.8	8.8	8.0	12.1	13.0	15.9	21.7	24.0	24.0	30.0
TOTAL CAPITAL SUBSCRIPTIONS	2.6	6.8	21.8	32.2	35.3	41.7	50.0	64.0	65.0	76.0	96.0	96.0	102.0
GRANTS													
UN Agencies	6.4	13.5	53.7	71.9	86.3	108.0	115.0	126.0	140.0	160.0	174.0	195.0	220.0
EEC													
Other		1.9	6.2	7.9	8.5	12.9	22.0	26.0	30.0	35.0	40.0	45.0	50.0
TOTAL GRANTS	6.4	15.4	59.9	79.9	94.8	120.9	137.0	152.0	170.0	195.0	214.0	240.0	270.0
CONCESSIONAL LENDING													
TOTAL MULTILATERAL ODA	9.0	22.1	81.7	112.1	130.1	162.6	187.0	216.0	235.0	271.0	310.0	336.0	372.0
- As % of Total ODA	68	60	44	51	44	46	47	49	47	48	48	46	45
MEMO ITEM													
TOTAL MULTILATERAL ODA (CALLS BASIS)	8.3	18.0	73.6	98.9	112.3	145.1	164.0	183.0	209.0	248.0	275.0	308.0	347.0
- As % of Total ODA (Calls Basis)	66	55	42	48	40	43	44	45	44	46	45	44	43
KEY RATIOS													
Bank Group Subscriptions													
- As % of Total ODA	18	12	10	10	9	9	9	10	9	9	10	9	8
- As % of GNP	.03	.04	.06	.07	.07	.08	.08	.09	.09	.09	.10	.09	.08
IDA													
- As % of Total ODA (As Reported)	18	12	10	8	8	8	10	10	9	8	9	8	7
- As % of GNP	.03	.04	.06	.06	.07	.07	.08	.09	.08	.08	.09	.08	.07
- As % of Total ODA (Calls Basis)	13	3	7	5	5	4	4	4	5	5	6	5	5
MEMO ITEMS (Fiscal Years) f/													
IDA Cash/Note Deposits (\$m)	2.2	3.8	16.6	16.5	18.3	25.3	28.8	33.2	43.7	43.8	43.8	60.2	60.2
Nkrm	15.7	27.1	86.5	92.0	95.0	130.0	150.8	169.2	222.8	223.3	223.3	306.9	306.9
IDA Calls (\$m) - 5						0.6	3.8	7.6	14.4	18.1	17.4	14.9	9.3
6									0.5	3.9	12.3	20.0	24.4
7												0.7	6.7

* In reporting multilateral ODA, Norway records cash/note deposits made to IFIs rather than calls on contributors.

a/ Source: Historical figures through 1977 and preliminary estimates for 1978 from OECD/DAC. All other figures are projections made by Bank staff after consultation with IDB and ADB staff.

b/ Capital subscription payments are not reported uniformly by DAC countries. While some donors report cash/note deposits; others report encashment of notes (calls). Capital subscription payments reported here reflect the reporting system used by the individual country. However, for comparison purposes, the memo item projects multilateral ODA adjusted so that capital subscription payments are based on calls.

c/ Assumes: (1) a Selective Capital Increase of about \$8.5 billion approved with 10% paid in and released over the three-year period FY78-80; and (2) a General Capital Increase of \$40 billion approved in FY82 with 7.5% paid in and released in FY82-85.

d/ Assumes: (1) that contributions to IDA5 will total \$8,602 million, i.e. total pledges valued at exchange rates of 6/30/79; (2) Norway's share of an IDA6 of \$12.5 billion and an IDA7 of \$17.2 billion will be 1.05%; and (3) all contributions to IDA5, IDA6 and IDA7 will be paid in three approximately equal annual installments, will be drawn pro rata, and IDA6 contributions will begin in FY81 and IDA7 in FY84.

e/ Assumes: An IFC Capital Increase of \$480 million paid in and released over a five-year period.

f/ Projected using exchange rates of 6/30/79. Differences in dollar figures reported by DAC and by IBRD result from DAC's use of the annual average exchange rate and IBRD's use of the end-period rate for the quarter in which payment is made.

Table 4: IMPACT OF BANK GROUP ACTIVITIES ON ODA FLOWS a/
(Calendar Years; US\$ million)

	NORWAY *												
	1965-67 Average	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
PAYMENTS TO BANK GROUP b/													
IBRD: c/ Past Increases				4.1									
Selective Increase					1.5	1.5	1.4						
General Increase										5.1	5.1	5.1	5.1
IDA: d/ Payments For 1-4	2.3	4.3	17.5	17.4									
5					24.4	28.8	33.2						
6								43.7	43.8	43.8			
7											60.2	60.2	60.2
IFC: e/						0.8	0.8	0.8	0.8	0.8			
Sub-Total Bank Group	2.3	4.3	17.5	21.5	25.9	31.1	35.4	44.5	44.6	49.7	65.3	65.3	65.3
Other Multilateral ODA	6.7	17.8	64.2	90.6	104.2	131.5	151.6	171.5	190.4	221.3	344.7	270.7	306.7
Sub-Total Multilateral ODA	9.0	22.1	81.7	112.1	130.1	162.6	187.0	216.0	235.0	271.0	310.0	336.0	372.0
Sub-Total Bilateral ODA	4.3	14.6	102.0	105.9	165.2	192.8	212.0	227.0	261.0	292.0	332.0	396.0	463.0
Total ODA	13.3	36.7	183.7	218.0	295.3	355.4	399.0	443.0	496.0	563.0	642.0	732.0	835.0
ODA as % of GNP	0.17	0.32	0.66	0.70	0.83	0.90	0.92	0.94	0.96	0.97	0.98	0.99	1.00
MEMO ITEMS													
Total Multilateral ODA (Calls Basis)	8.3	18.0	73.6	98.9	112.3	145.1	164.0	183.0	209.0	248.0	275.0	308.0	347.0
Total ODA (Calls Basis)	12.6	32.6	175.6	204.8	277.5	337.9	376.0	410.0	470.0	540.0	607.0	704.0	810.0
KEY RATIOS													
Multilateral ODA as % of Total ODA	68	60	44	51	44	46	47	49	47	48	48	46	45
Bank Group Subscriptions													
- As % of Multilateral ODA	26	20	21	19	20	19	19	21	19	18	21	19	18
- As % of Total ODA	18	12	10	10	9	9	9	10	9	9	10	9	8
- As % of GNP	.03	.04	.06	.07	.07	.08	.08	.09	.09	.09	.10	.09	.08
IDA													
- As % of Multilateral ODA	26	20	21	16	19	18	18	20	19	16	19	18	16
- As % of Total ODA (As Reported)	18	12	10	8	8	8	8	10	9	8	9	8	7
- As % of GNP	.03	.04	.06	.06	.07	.07	.08	.09	.08	.08	.09	.08	.07
- As % of Total ODA (Calls Basis)	13	3	7	5	5	4	4	4	5	5	6	5	5
MEMO ITEMS (Fiscal Years) f/													
IDA Cash/Note Deposits (\$m)	2.2	3.8	16.6	16.5	18.3	25.3	28.8	33.2	43.7	43.8	43.8	60.2	60.2
NKrm	15.7	27.1	86.5	92.0	95.0	130.0	150.8	169.2	222.8	223.3	223.3	306.9	306.9
IDA Calls (\$m) - 5						0.6	3.8	7.6	14.4	18.1	17.4	14.9	9.3
6									0.5	3.9	12.3	20.0	24.4
7											0.7	6.7	6.7

* In reporting multilateral ODA, Norway records cash/note deposits made to IFIs rather than calls on contributors.

a/ Source: Historical figures through 1977 and preliminary estimates for 1978 from OECD/DAC. All other figures are projections made by Bank staff after consultation with IDB and ADB staff.

b/ Capital subscription payments are not reported uniformly by DAC countries. While some donors report cash/note deposits; others report encashment of notes (calls). Capital subscription payments reported here reflect the reporting system used by the individual country. However, for comparison purposes, the memo item projects multilateral ODA adjusted so that capital subscription payments are based on calls.

c/ Assumes: (1) a Selective Capital Increase of about \$8.5 billion approved with 10% paid in and released over the three-year period FY78-80; and (2) a General Capital Increase of \$40 billion approved in FY82 with 7.5% paid in and released in FY82-85.

d/ Assumes: (1) that contributions to IDA5 will total \$8,602 million, i.e. total pledges valued at exchange rates of 6/30/79; (2) Norway's share of an IDA6 of \$12.5 billion and an IDA7 of \$17.2 billion will be 1.05%; and (3) all contributions to IDA5, IDA6 and IDA7 will be paid in three approximately equal annual installments, will be drawn pro rata, and IDA6 contributions will begin in FY81 and IDA7 in FY84.

e/ Assumes: An IFC Capital Increase of \$480 million paid in and released over a five-year period.

f/ Projected using exchange rates of 6/30/79. Differences in dollar figures reported by DAC and by IBRD result from DAC's use of the annual average exchange rate and IBRD's use of the end-period rate for the quarter in which payment is made.

Table 5: ESTIMATED EFFECT OF IBRD AND IDA OPERATIONS ON NORWAY'S
BALANCE OF PAYMENTS THROUGH FY79
(US\$ millions; Fiscal Years)

	Through 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
IBRD EFFECT										
Current Account										
Procurement of Goods <u>a/</u>	20	2	3	3	4	7	6	11	3	4
Interest to Bond Holders <u>b/</u>	8	2	2	2	2	2	2	2	2	2
Interest to Loan Holders <u>b/</u>	1									
Administrative Expenses including Issuance Costs of Bonds										
Less: IBRD Investment Income										1
Loan Charges	52	4	4	4	3	3	4	2	3	2
Equals: Balance on Current Account	<u>-23</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>6</u>	<u>4</u>	<u>11</u>	<u>2</u>	<u>3</u>
Capital Account										
Loans Disbursed and Outstanding	91	-8	-7	-9	-9	-7	-6	-4	-3	-6
Less: 1% Subscription	1		1							
9% Subscription	14		4							4
Net IBRD Bond Sales <u>b/</u>	42	-8		-2		-5	2	-1	-8	2
Net IBRD Loan Sales <u>b/</u>					11		7		20	
Equals: Balance on Capital Account	<u>34</u>	<u>0</u>	<u>-12</u>	<u>-7</u>	<u>-20</u>	<u>-2</u>	<u>-15</u>	<u>-3</u>	<u>-15</u>	<u>-12</u>
Balance on Current and Long-Term Capital Account	<u>11</u>	<u>0</u>	<u>-11</u>	<u>-6</u>	<u>-17</u>	<u>4</u>	<u>-11</u>	<u>8</u>	<u>-13</u>	<u>-9</u>
IDA EFFECT										
Current Account										
Procurement of Goods <u>a/</u>	2			2	1	1		4	1	
Administrative Expenses										
Less: IDA Investment Income			1	1	1					
Equals: Balance on Current Account	<u>2</u>	<u></u>	<u>1</u>	<u>-8</u>	<u>-11</u>	<u>-3</u>	<u>-8</u>	<u>-6</u>	<u>-2</u>	<u>-9</u>
Capital Account										
Contributions to IDA	19	4	6	9	11	4	8	6	10	12
Equals: Balance on Capital Account	<u>-19</u>	<u>-4</u>	<u>-6</u>	<u>-9</u>	<u>-11</u>	<u>-4</u>	<u>-8</u>	<u>-6</u>	<u>-10</u>	<u>-12</u>
Balance on Current and Long-Term Capital Account	<u>-17</u>	<u>-4</u>	<u>-7</u>	<u>-8</u>	<u>-11</u>	<u>-3</u>	<u>-8</u>	<u>-2</u>	<u>-9</u>	<u>-12</u>
COMBINED IBRD/IDA EFFECT										
Current Account	-21			2	3	7	4	15	3	3
Capital Account	15	-4	-18	-16	-31	-6	-23	-9	-25	-34
Balance on Current and Long-Term Capital Account	<u>-6</u>	<u>-4</u>	<u>-18</u>	<u>-14</u>	<u>-28</u>	<u>1</u>	<u>-19</u>	<u>6</u>	<u>-22</u>	<u>-31</u>

a/ Includes procurement specifically identified as originating in Norway and the same proportion of procurement not identifiable by country of origin.

b/ US\$ bonds and loans in other than Norwegian kroner are included.

GENERAL NOTE: The amounts shown are in US\$ equivalents, using the exchange rates prevailing at the time the transactions took place; therefore, they will not necessarily agree with those shown in the Bank's financial statements.

TABLE 6: FLOW OF RESOURCES FROM DAC MEMBERS
(Net Disbursements, US\$ millions)

Ranking ^{a/}	Country	ODA				Total Flows	
		Actual		Preliminary	Projected	Actual	
		1972	1977	Estimates 1978	1983	1972	1977
1	United States	3349	4159	4857	7795	7574	11910
2	France	1320	2267	2689	4929	2082	5212
3	Japan	611	1424	2215	4525	2725	5535
4	Germany	808	1386	1984	3660	1756	5754
5	United Kingdom	609	914	1226	2209	1461	5929
6	Netherlands	307	900	1072	1978	722	2073
7	Canada	492	992	1053	1736	1015	2423
8	Sweden	198	779	783	1458	273	1555
9	Belgium	193	371	535	1055	405	913
10	Australia	267	427	491	840	445	624
11	Denmark	96	258	386	611	120	451
12	Norway	63	295	355	642	56	547
13	Switzerland	65	119	176	309	177	3928
14	Italy	102	186	163	475	691	1989
15	Austria	18	118	156	282	112	503
16	Finland	20	49	56	124	48	70
17	New Zealand	21	52	55	84	32	76
	Total DAC	<u>8538</u>	<u>14696</u>	<u>18252</u>	<u>32712</u>	<u>19693</u>	<u>49492</u>

a/ Ranking is by ODA Flows for 1978.

Source: Historical figures through 1978 from DAC/OECD; 1983 figures are Bank Staff projections.

TABLE 7: COMPARATIVE AID PERFORMANCE OF DAC MEMBERS COUNTRIES
(As % of GNP)

Ranking ^{a/}	Country	O D A				Total Flows	
		Actual 1972	Actual 1977	Preliminary 1978	Projected 1983	Actual 1972	Actual 1977
1	Sweden	.48	.99	.90	.98	.66	1.98
2	Norway	.43	.83	.90	.98	.38	1.53
3	Netherlands	.67	.85	.82	.94	1.59	1.96
4	Denmark	.45	.60	.75	.71	.57	1.05
5	France	.67	.60	.57	.59	1.06	1.37
6	Belgium	.55	.46	.55	.65	1.16	1.13
7	Canada	.47	.50	.52	.50	.98	1.24
8	Australia	.59	.45	.45	.48	.98	.66
9	United Kingdom	.38	.37	.40	.40	.92	2.42 ^{b/}
10	New Zealand	.25	.39	.34	.29	.38	.56
11	Germany	.31	.27	.31	.34	.68	1.12
12	Austria	.09	.24	.27	.30	.55	1.04
13	United States	.29	.22	.23	.22	.65	.63 ^{c/}
14	Japan	.21	.21	.23	.28	.93	.81
15	Switzerland	.21	.19	.20	.23	.58	6.20 ^{b/}
16	Finland	.15	.17	.18	.23	.36	.24
17	Italy	.09	.10	.06	.11	.58	1.02
	Total DAC	<u>.33</u>	<u>.31</u>	<u>.32</u>	<u>.34</u>	<u>.76</u>	<u>1.05</u>

^{a/} Ranking is by ODA/GNP ratio in 1978.

^{b/} Swiss and UK figures include all commercial bank flows originating in these countries; i.e., loans by a British subsidiary of an American commercial bank are included in British commercial bank loans.

^{c/} Including flows from US affiliates in offshore banking centers and other DAC countries, the US total flow was 0.90% of GNP in 1977.

Source: Historical figures through 1978 are from DAC/OECD; 1983 figures are Bank Staff projections.

TABLE 8: CONCESSIONALITY OF ODA COMMITMENTS

<u>Ranking^{a/}</u>	<u>Country</u>	<u>Overall Grant Element of the ODA Program^{b/}</u>			<u>Grants as a % of Total ODA Commitments</u>		
		<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1976</u>	<u>1967</u>	<u>1978</u>
1	Australia	100.0	100.0	100.0	100.0	100.0	100.0
2	Norway	100.0	100.0	100.0	100.0	100.0	100.0
3	New Zealand	97.4	99.8	100.0	95.7	99.7	100.0
4	Sweden	99.9	99.8	99.9	98.4	98.1	99.2
5	Finland	90.8	97.0	99.1	70.9	89.9	96.8
6	Belgium	98.2	98.3	98.9	91.7	90.9	94.1
7	Italy <u>c/</u>	93.1	97.7	n.a.	85.4	94.2	n.a.
8	Denmark	96.6	97.3	97.3	81.0	85.6	85.6
9	Switzerland	90.9	97.5	97.0	77.0	93.8	92.4
10	Canada	97.3	97.5	95.4	80.7	76.9	67.6
11	Germany	85.2	85.6	94.6	55.9	58.9	57.4
12	Netherlands	87.0	91.1	93.3	70.6	77.3	82.3
13	France <u>c/</u>	90.6	93.0	n.a.	83.4	85.2	n.a.
14	United Kingdom	97.6	96.8	92.1	94.8	94.6	87.0
15	United States	85.6	88.9	89.4	58.8	67.8	68.6
16	Austria	95.8	67.5	81.7	90.7	53.1	48.8
17	Japan <u>c/</u>	<u>74.9</u>	<u>70.2</u>	<u>n.a.</u>	<u>48.2</u>	<u>37.7</u>	<u>n.a.</u>
	Total DAC	<u>88.5</u>	<u>89.3</u>	<u>(89.9)</u>	<u>69.6</u>	<u>72.1</u>	<u>(70.6)</u>

a/ Ranking is by overall grant element in 1977.

b/ The grant element of the ODA program is obtained by converting all loans and grants to their grant equivalent. For loans, the grant element is calculated as:

$$\left(1 - \frac{\text{The present value of all repayments (discounted at 10\%)}}{\text{Face value of the loan}} \right) \times 100\%$$

c/ Figures for 1978 are not available for France, Italy and Japan.

Source: DAC/OECD

TABLE 9: DISTRIBUTION OF ODA BY RECIPIENTS' INCOME 1977 a/
(As % of Net Bilateral ODA)

Ranking ^{b/}	Country	Share to Countries with Per Capita Income			
		Below \$400	\$401 to \$1,000	\$1,001 to \$2,500	Above \$2,500
1	Italy	126.0 ^{c/}	31.3	-80.0 ^{c/}	22.7
2	Denmark	86.1	12.5	1.4	-
3	Belgium	80.8	16.4	2.3	0.5
4	Sweden	80.8	18.2	1.1	-
5	Norway	78.0	16.3	5.8	-
6	Austria	77.6	6.9	10.6	4.9
7	Canada	72.3	23.1	4.4	0.3
8	Finland	70.5	29.5	-	-
9	Switzerland	70.2	19.9	8.8	1.1
10	United Kingdom	63.9	30.4	3.7	2.0
11	Netherlands	61.8	13.2	24.8	0.2
12	Germany	51.1	27.0	16.7	5.0
13	Japan	50.5	30.9	17.0	1.6
14	United States	41.7	19.4	8.4	31.1
15	New Zealand	30.5	68.4	0.5	0.5
16	France	28.3	13.1	34.8	23.8
17	Australia	20.6	78.9	0.2	0.4
	Total DAC	<u>48.9</u>	<u>22.6</u>	<u>14.7</u>	<u>13.8</u>

a/ Figures from DAC/OECD have been adjusted so that the 9.4% of net bilateral ODA unallocated by country income group has been distributed among recipients according to the allocation of known flows from donor countries. Without this adjustment, net bilateral ODA from all DAC members is distributed as follows:

Less than \$400	\$401 to \$1,000	\$1,001 to \$2,500	Over \$2,500	Unallocated
44.3%	20.5%	13.1%	12.7%	9.4%

b/ Ranking is by share to poorest countries.

c/ Repayment of past loans to upper middle income countries exceeded new loans making the net disbursement negative.

Source: DAC/OECD

TABLE 10: DISTRIBUTION OF ODA TO THE POOREST COUNTRIES 1977 ^{a/}
(As % of Bilateral ODA)

<u>Ranking</u> ^{b/}	<u>Country</u>	Share to Countries Below \$400 <u>pci</u>	Share to 31 LLDCs ^{d/}	Share to 45 MSAs ^{e/}
1	Italy	126.0 ^{c/}	37.0	131.7
2	Denmark	86.1	44.1	73.4
3	Belgium	80.8	22.7	34.3
4	Sweden	80.8	30.1	56.7
5	Norway	78.0	38.9	75.5
6	Austria	77.6	5.1	10.9
7	Canada	72.3	27.5	70.0
8	Finland	70.5	44.5	65.4
9	Switzerland	70.2	35.6	66.4
10	United Kingdom	63.9	24.1	55.1
11	Netherlands	61.8	25.4	52.3
12	Germany	51.1	24.7	45.8
13	Japan	50.5	11.9	33.5
14	United States	41.7	10.2	39.4
15	New Zealand	30.5	13.1	16.1
16	France	28.3	9.7	22.8
17	Australia	20.6	5.1	10.9
	Total DAC	<u>48.9</u>	<u>16.6</u>	<u>40.7</u>

^{a/} Figures from DAC/OECD have been adjusted so that the 9.4% of net bilateral ODA unallocated by country income group has been distributed among recipients according to the allocation of known flows from donor countries. Without this adjustment, net bilateral ODA from all DAC members is distributed as follows:

<u>Less than \$400</u>	<u>Share to LLDCs</u>	<u>Share to MSAs</u>
44.3%	15.0%	36.9%

^{b/} Ranking is by share to poorest countries.

^{c/} Repayment of past loans to upper middle income countries exceeded new loans raising the percentage of net ODA to poor countries over 100%.

^{d/} All Least-Developed Countries except for Botswana have per capita income less than \$400.

^{e/} Seven of the 45 Most Seriously Affected countries have per capita incomes between \$400-\$1,000; the rest are below \$400.

Source: DAC/OECD

Table 11: NET ODA FLOWS TO MULTILATERAL AGENCIES, 1977

<u>Ranking a/</u>	<u>Country</u>	<u>Net Multilateral ODA</u>		<u>IDA as a % of Total Net Multilateral Flows</u>	<u>Multilateral Aid as a % of Total DAC Multilateral</u>
		<u>\$ Million</u>	<u>% Total Net ODA</u>		
1	Italy	151.2	81.2	-	3.3
2	Canada	516.1	52.1	39	11.2
3	Finland	21.8	44.8	26	0.5
4	Norway	130.1	44.1	19	2.8
5	Denmark	110.8	43.0	13	2.4
6	Switzerland	49.8	41.8	-	1.1
7	United Kingdom	358.7	39.2	42	7.8
8	Sweden	293.3	37.6	31	6.3
9	Japan	525.2	36.9	53	11.4
10	United States	1274.0	30.6	41	27.6
11	Belgium	109.1	29.4	-	2.4
12	Netherlands	256.0	28.5	9	5.5
13	Austria	31.3	26.6	30	0.7
14	Germany	357.9	25.8	-	7.7
15	New Zealand	10.8	20.6	29	0.2
16	Australia	77.9	18.3	29	1.7
17	France	<u>349.9</u>	<u>15.4</u>	<u>21</u>	<u>7.6</u>
	Total DAC	<u>4623.9</u>	<u>31.5</u>	<u>31</u>	<u>100.0</u>

a/ Ranking is by percentage of net ODA multilateral flows in total net ODA flows for 1977.

Source: DAC/OECD

9

ANNEX III

NORWEGIAN STAFF IN THE WORLD BANK

From June 30, 1974, to June 30, 1979, the number of Norwegian staff at levels J and above remained at 15 while the proportion declined from 0.8% to 0.6%.

NORWEGIAN NATIONALS IN LEVELS Q-0
(As of June 30, 1979)

- STEPHANSEN - Director, IFC - Department of Investment,
Asia
- CHRISTOFFERSEN - Assistant Director, Rural Development and
Nutrition, Agriculture and Rural Development
Department
- LUNDBERG - Director, IFC - Marketing

TA-NON-KA

BOND

10

OFFICE OF THE PRESIDENT

Meeting with Ambassador Hedemann, Norway, March 10, 1980

Present: Messrs. McNamara, Hedemann, Tonne

The Ambassador enquired about (a) the Bank's plans for introducing structural adjustment lending and how the LDCs saw the question of conditionality; (b) whether the Board would pass the loan to Jamaica; (c) whether Mr. de Larosiere shared Mr. McNamara's concern with regard to the future current account deficits of LDCs and their financing; (d) whether the IMF considered the Bank's structural adjustment lending an intrusion into its domain; (e) Mr. McNamara's reaction to the Brandt Commission report; and (f) prospects for IDA VI.

Mr. McNamara explained the justification for the Bank's proposed structural adjustment lending. As to conditionality, he said that some LDC Directors were concerned but others already had experience in working with the Bank on this new form of lending; e.g., the Bolivian and Philippine Governments were in favor. With regard to the Jamaica loan, he thought that the loan would be passed, although there was still some controversy in the Board. As to the relationship between the Bank and the Fund in the field of assistance towards structural adjustment in LDCs, he said that the Bank was not intruding on IMF domain; rather the reverse was the case, namely, the Fund moved increasingly into development finance. With regard to the Brandt Commission report, he said that the Bank was working on the 17 recommendations which related to the Bank. He hoped that other institutions would do the same as the Bank. He was impressed with the fact that Mr. Brandt who was a better politician than he himself obtained strong universal representation on this Commission and a unanimous report. With regard to IDA VI, he said that he was pleased with the negotiated agreement but U.S. Congressional authorization and appropriation would encounter many difficulties; however, he remained reasonably optimistic.

CKW
March 28, 1980

OFFICE OF THE PRESIDENT

Meeting with Mr. Johan Holst, Undersecretary of State, Ministry of Foreign Affairs, Norway, March 28, 1980

Present: Messrs. McNamara, Holst, Tonne (First Secretary Norwegian Embassy), Lundstrom

Mr. Holst said that he had just returned from Jamaica where the Government did not yet know how to deal with the new situation after the breakdown of negotiations with the IMF. In his view, the Government considered an 'IMF-type package without the IMF' and would like to involve the Bank. In Jamaica's relationship with the Fund, a strong element of politics and psychology were involved, and frequently there was more rhetoric than substance. It seemed that Messrs. Nyerere and Manley had been in close contact.

Mr. McNamara said that, if the Government had a structural adjustment program without IMF support in mind, the Bank could accept that position; however, he was skeptical whether there would indeed be a structural adjustment program which the Bank could finance. As a U.S. citizen, he was concerned about the very dangerous political situation in middle-America and the Caribbean.

Mr. Holst enquired about the Bank's proposed structural adjustment lending and pointed to the difficult psychological aspects of negotiating conditionality with governments. Mr. McNamara said that the real problem was the very tough political task of bringing current account deficits of LDCs down. He pointed to the cases of Kenya and The Philippines as examples for a fruitful cooperation on these issues between their governments and the Bank. He was disturbed by the present controversy in the Board on the paper on structural adjustment lending. The Development Committee meeting in Hamburg in April would deal with the proposed structural adjustment lending mainly with the purpose of informing governments rather than of reaching a decision. As to additionality of structural adjustment lending, he said that the Bank Board would not need to take a decision for about 10 months. Additionality could then be agreed upon in anticipation of a change of the Bank's gearing ratio.

Mr. Holst enquired about the difference between Fund and Bank conditionality in the case of Tanzania. Mr. McNamara explained the structural adjustment problems which the Tanzanian Government had to face. For example, a program to increase exports of non-food items would not be covered by the Fund.

Mr. Holst enquired about the relationship between the Bank and Zimbabwe. Mr. McNamara said that Mr. Cheysson, who had just visited the Bank, would talk to Mr. Mugabe next week and might convey the message that the Bank could be of support.

CKW
May 13, 1980