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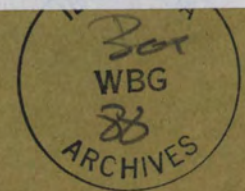
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KochMAN, Mohamed NASSIM - ARTICLES and SPEECHES (1970-1973)

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CONFERENCE OF THE HEADS OF STATE AND GOVERNMENT OF THE
AFRICAN AND MALAGASY COMMON ORGANIZATION

AT

YAOUNDE

JANUARY 28 - 31, 1970

ADDRESS TO THE HEADS OF STATE BY

MR. MOHAMED NASSIM KOCHMAN

EXECUTIVE DIRECTOR OF

IBRD, IDA AND IFC

Mr. Chairman,

Your Excellencies,

I am delighted — and, I confess, rather flattered — to have the privilege of speaking to you today. I thank the Chairman and the Secretary General of OCAM for having invited me to your important meetings as an observer, thus enabling me to report to you on the action being taken by the World Bank and its affiliates as a result of the confidence that the Governors have continuously placed in me and of their attentive support.

With your permission, I shall give you a report, rather than a balance sheet, at a time when it is becoming increasingly evident that the lofty concept of international cooperation is still groping its way through immense difficulties, the gradual recognition of which is likely to raise new questions about organizations, institutions and techniques.

Indeed, when the Pearson Commission and others deplore the lessening of support for development aid, they are witnessing an attempt at a fundamental disruption of the means whereby richer countries ought to contribute to the attainment of the goals essential to our economic development. The need to do so becomes all the more urgent as our countries have given abundant proof of their desire for recovery despite the irritating insufficiency of funds. If such are the prospects, it is scarcely encouraging to note that the international cooperation movement, far from showing an increase in volume and a relaxation of the conditions of aid is tending rather to stagnate.

Official development aid from the non-communist developed countries, increased rapidly between 1956 and 1964, nearly doubling from US\$3.3

billion to US\$6 billion, but between 1964 and 1967 it increased very slightly to only US\$6.6 billion. The year 1968 saw the beginning of a clear reversal in the trend, the volume actually falling to US\$6.4 billion. On the basis of commitments recorded, there is good reason to believe that this downward trend will be seen to have continued in 1969.

Just as important is the fact that the terms and conditions of aid have become harder. Since 1960, more and more aid has been tied, which, according to some estimates, reduces its real value by at least 20%. The system's machinery has become considerably more unwieldy. The percentage of grants included in official development aid has also decreased considerably — from 87% in 1961 to 63% in 1968.

Progress towards the goal adopted by the UN General Assembly to have the donating countries devote 1% of their national income, amended by the Development Assistance Committee in 1964 to 1% of the gross national product at market prices, has on the whole proved disappointing. With the exception of France, which in 1968 easily exceeded that goal and provided 1.24% and of 3 or 4 other donor countries traditionally less committed to the underdeveloped world, the flow of resources from most of the richer countries has remained below 1% of their gross national product.

In terms of percentage of combined GNP of the rich countries, the flow of official assistance peaked in 1961 at 0.54%, but declined thereafter to about 0.39%, which is the percentage of the mid-'Fifties. Furthermore, if in 1968 the rate of disbursement had been attained on the basis of the 1% target, the flow of fund transfers would have

reached not US\$6.4 billion but US\$11.6 billion, and it is anticipated that by 1975 the total funds needed by the underdeveloped world would amount at current prices to US\$16.2 billion.

Against this somber background I shall attempt here to describe the action of the World Bank Group in Africa, where in 1967 it accounted for 60% of gross disbursements by multilateral aid agencies, which itself represents 10% of the total amount of official development aid; to express our satisfaction with the results recorded in recent years, particularly since Mr. McNamara's arrival; and to state - quietly but not without conviction - what are our hopes and some of our worries as we enter this new decade which will in many respects be decisive in speeding up the process of economic growth in our countries.

The history of the Bank Group's activities in Africa in the past 10 years falls into three very distinct phases, each marking a step forward in the scope and in the nature of assistance.

Before 1960, only 8 of the 38 African countries which are today members of the Bank were independent. In 1960 alone, 16 more countries gained independence, so that 24 African countries became members of the Bank in 1962 and in 1963. It is not surprising therefore that, prior to 1961, the Bank financed only a very small number of projects in Africa (an average of 2 or 3 a year between 1954 and 1960). Incidentally, these operations represented a not inconsiderable proportion of the total volume of the Bank's overall loan operations - more than 35% in 1960 and an average of 13.5% over the 7-year period. However, this assistance was nevertheless sporadic and limited, almost exclusively to a small number of large projects to which Bank loans contributed an average of some US\$25.6 million per project.

With the creation in 1962 of the first Africa Department the Bank embarked rather tentatively on a rapprochement with African countries, small or large, and an intensification and diversification of its operations. One of the factors that to some extent hampered the normal development of this movement was the fact that this period coincided with the phase of adaptation of administrative and political structures in our countries which was hardly a suitable time to prepare investment programs that would meet the standards set by the Bank. Moreover, there was a fairly clear preference in our countries for bilateral aid and aid from multilateral institutions other than the Bank. However, the period 1961 - 1964 was nonetheless a transition period, during which the average number of projects financed by the Group in Africa increased to 5 or 6 a year but the average size of the loans fell to US\$12 million and Africa's share in the total Bank operations also fell to an average of less than 9%.

Not until 1965 - 1968 did the Bank Group really begin to take perceptible and continued interest in Africa. It was what I shall not hesitate to call a radical and spectacular shift in emphasis since the number of projects financed increased to an average of 17 per year and 20 in 1968. Equally important is the fact that this jump in the volume of assistance was accompanied by certain qualitative implications, which, with your permission, I shall describe.

For the first time in Africa's relations with our institutions, the volume of World Bank and IDA operations ceased to fluctuate widely from one year to the next as in previous periods and held steady at an average of US\$167 million a year, representing 14% of the total amount

of Bank-IDA operations throughout the world.

At the same time there was a diversification of the major sectors of aid during a period when, within the sectors, there was a growing tendency to concentrate on those projects most compatible with the needs of our economies.

Until 1960 the Group's operations were limited to municipal transportation and public services in 1954 - 1958 and transportation and industry in 1954. The first loans to agriculture date from 1960 and the first education loan from 1963.

From 1966 onward, the Bank's operations in Africa have covered practically all the large sectors and in transportation the Bank tends to finance more roads and fewer railroads; in agriculture, less irrigation and more livestock and agricultural credit projects.

In short, those are the stages of development through which we have passed, despite some difficulties and setbacks, from the stage of discovery to that of rapprochement. The next stage was that of recognition, as understood by a famous and recently honored African poet and thinker. In the case of the World Bank, I honestly believe that 1969 was the year of recognition.

In view of road maintenance and transportation operations in Chad, Central African Republic and Togo, telecommunications operation in Upper Volta and the Grand Hinvi agricultural operation in Dahomey, every country in our group (except Mauritius, which has only been a member since 1968) has now received financial assistance from the Bank Group at least once. The total funds transferred from the World Bank Group to our countries was in the neighborhood of US\$90 million in 1969,

the Bank accounting for US\$42.3 million and the Association for US\$45 million.

It is interesting, nevertheless, to note that this total of some US\$90 million covers 16 operations, only 5 of which were financed by the Bank. Cameroon and Ivory Coast alone account for US\$30 million out of the Bank total of US\$42.3 million, while the Association, with US\$45 million financed 11 projects in 11 countries.

The year 1969 also saw the continuation of the policy of diversification of sectors. It is true that major infrastructure projects continued to account for the largest part of the Bank's operations in Africa - the proportion of transportation projects even increased from 41% in 1965-1968 to 47% in 1969 - but operations in the agricultural sector made remarkable progress, since the number of projects financed increased from an average of 3 in 1965-1968 to 13 in 1969 and the proportion of loans and credits to agriculture increased from 13.5% in 1965-1968 to 19% in 1969.

1969 was therefore a sort of hinge year, in many aspects rich in lessons, which saw one man win what was unanimously regarded as a very bold wager, that in one year the volume of Bank Group operations in Africa would triple to 148% more than the 1968 figure. This percentage increase in one year is 128% above the average of the preceding four years, Africa receiving \$345 million - more than 19% of the total funds from the Bank and IDA. The share of our group, i.e. OCAM, Mauritania and Somalia, rose to 25%. Such a result is the more remarkable since it was achieved only through a considerable increase in the number of projects financed, i.e. nearly three times the average for the 1965-1968 period.

This rather encouraging overall balance for the year 1969 is of course in line with the policy announced by Mr. McNamara in 1968 and attests to his now indisputable desire to devote increasing vigor to the Bank Group's cooperation with countries like ours, whose share was not substantial at the beginning of the past decade. But it is also primarily the fruit of the wisdom and determination of the men of our continent, who bore the responsibility of making often difficult choices — because funds were uncertain — between what was socially necessary and economically desirable.

On the threshold of a new decade, we must be thoroughly aware of the need to do more and better work on the reconnaissance, identification and preparation of projects.

It will also be necessary to redouble attention and vigilance, not to hesitate to express our satisfaction when justified, but also to continue to call the attention of the Bank authorities to the problems — several unfortunately remain — the solution of which seems to us prerequisite to the success of our development efforts.

I will mention only three:

- more substantial participation by the International Development Association in financing our projects;
- assistance to be given to industrialization, and
- further diversification of the sectors of assistance.

While we can take pride in the Bank's success in 1969 in its efforts to mobilize on the capital market the US\$1,250 million necessary for its operations we must also express some concern over the reduced participation by the Association in the financing of pro-

jects in Africa. For example, the proportion of IDA funds in the total Bank-Association funds received by African countries dropped from 58% in 1968 to 22% in 1969. We were also struck by the fact that the African share of the Association's funds dropped from 70% in 1968 to 20% in 1969. Of course, we do not overlook the exceptional nature of 1968, when, because of the scarcity of resources, some traditionally major clients of the Association were sacrificed for our benefit.

Nevertheless, we wish to express the hope that 1969 will not indicate a trend and that, in line with the action already undertaken which Mr. McNamara mentioned to the United Nations Economic and Social Council on October 27, 1969, a policy more compatible with our interests will be stamped on the Association's policy toward Africa. The members of the Board of Directors have always complained of the imbalance of IDA's assistance and of the disproportionate share given to India and Pakistan. Our Governors have repeatedly demanded, at Annual Meetings and in their memoranda to the President, an equitable geographic distribution of IDA assistance and a revision of its operating criteria. Since Mr. McNamara's arrival, our claims appear to be receiving more consideration.

The second point that we should like to mention arises from our observation that the number of loans to industry has not increased in the same proportion as for other sectors and IFC's new commitments in Africa have fallen from US\$27.3 million in 1968 to 9.9 million in 1969. Not to disparage the industrial component of some of our agricultural projects — I am thinking of the SOPAME Company project in Cameroon, SONADER in Dahomey and SODEPALM in Ivory Coast — we are of the opinion,

as the Chairman of the African group emphasized in his memorandum of September 30, 1969, that the under-industrialization of Africa is a considerable handicap.

It seems to us that assistance to development banks is one effective means of encouraging industrialization in our countries. We note, however, with some disappointment, that the assistance of the World Bank Group has hitherto been limited to 6 out of 38 African countries. To improve this situation our countries should seek ways of creating markets of sufficient size, while the World Bank Group should promote the development of our private industrial sector by creating appropriate institutions that would ensure not only financing but also a broad range of technical assistance and training. In this regard, I wish to mention the very useful contacts that the President and General Director of the UAMBD made with the World Bank Department of Development Banks on the occasion of the Annual Meeting of the Governors in Washington in September/October, 1969. There is no doubt that our institutions will take part in and will follow with special interest the meeting of UAMBD set for June 1970.

It is desirable to recognize that a recent evolution of World Bank Group policy toward development finance companies, especially in French-speaking Africa, is beginning to bear fruit. The imminent creation of the Société Congolaise de financement du développement (SOCOFIDE) (Congoese Development Finance Company) in the Democratic Republic of the Congo, with IFC capital participation and technical and financial assistance from the Association, is the first concrete manifestation of this. Several World Bank missions will come to our countries

this year to make thorough investigations and ascertain the possibilities for technical and financial assistance to our development banks and to suggest, where necessary, possible reforms of their organization.

On the question of education we see no lack of interest and I am thinking here of the Ivory Coast project, for which the Bank will, for the first time, directly finance primary education through television. One must note, however, that the loans and credits in this sector have not increased at the same rate as those in other sectors. Also, it is apparent that methods and programs should be adapted to the special needs and conditions of Africa. This would result, among other things, in a more selective system of education which would prevent uncontrolled expansion of the operating budget and production of more graduates than the market can absorb. We think that the Bank can play a very great role in this respect and we expect it to respond to our hopes.

As regards town planning, the Group has so far been only moderately active in financing water-supply and drainage projects in urban areas and has never financed housing. We do not dispute that one of the solutions to the problems posed by the rapid overpopulation of the large cities involves a broadening of the basis of production and an improvement of employment conditions in rural areas. But we also think that the Bank should, as of now, pay more attention to the need for ensuring organized control of expansion of some of our cities.

As for the financing of public health projects, no serious progress has been recorded since last year, when, from this same platform, we drew attention to the need for a bolder policy by the Bank Group. We noted the terms of Mr. McNamara's letter of March 3, 1969 to their

Excellencies, Presidents Houphouet-Boigny and Lamizana, who had officially informed him of the problem of onchocercosis, in which he said he was ".... aware of the human and economic problems posed by this disease". We shall not disguise the fact that we base great expectations on this indication of interest. Similarly, we would welcome any other indication that the Bank would be prepared to commit itself systematically wherever a health problem endangers the possibilities of economic and social development.

Likewise, the action of the World Bank to promote and develop the tourism sector in member countries is a recent one and still quite limited. However, there is no doubt that this sector has become an object of immediate concern for Mr. McNamara. It was reflected in the creation last year of a special department for the identification, preparation and evaluation of tourism projects.

I shall not continue on a pessimistic note. Such an attitude would not be justified in view of Mr. McNamara's latest statements before the United Nations Economic and Social Council in New York on October 27, 1969. He said, in effect, that the Bank has now gone beyond the stage where an annual budget is sufficient for the planning of its operations. A five-year program is already established for the period 1969 to 1973. It is anticipated that, during that period, the Bank Group should double its loans in relation to the preceding five years, so that the volume of operations carried out during the five-year program would be close to the total of operations carried out during the first 22 years of the Group's activity. On this basis, therefore, the Group's new development operations would exceed the impressive figure of US\$12 ^{billion} ~~million~~.

Mr. Chairman, Excellencies, I have perhaps appeared frequently to speak with some enthusiasm of our institutions and especially of their new President. Actually, my statements could in no way be interpreted as an expression of satisfaction, pure and simple, with the World Bank Group. The road to be covered is long and full of pitfalls. Certainly, progress has been made, but as yet it is far short of our legitimate needs and the obligations of those Institutions towards our States.

I have in particular hoped that on the whole, bearing in mind that the Group only began operations in our countries as recently as 1963-1964, we can frankly measure the progress made and say that, all in all, this is comforting. The ideal remains that, to appreciate the scope of the task still to be done and to find the enthusiasm that makes sacrifice bearable, we can detach ourselves, if only for a second, from the cold environment of statistics and the aridity of plans and balance sheets to become newly aware that economic development is in the final analysis a question of men working for other men.

You have done me the honor, Mr. Secretary, of inviting me to participate in these meetings as an observer. I am most grateful, Mr. Chairman, Excellencies, for your attention and I apologize if I have involuntarily taken up too much of your time.



CONFERENCE DES CHEFS D'ETAT ET DE GOUVERNEMENT
DE L'ORGANISATION COMMUNE AFRICAINE ET MALGACHE

(O.C.A.M.)

YAOUNDE

28 - 31 JANVIER 1970

COMMUNICATION AUX CHEFS D'ETAT FAITE PAR

MONSIEUR MOHAMED NASSIM KOCHMAN

ADMINISTRATEUR DE LA B.I.R.D.

DE L'I.D.A. ET DE LA S.F.I.

Monsieur le Président en Exercice,
Excellences,

C'est avec joie -et non, je l'avoue, sans une certaine satisfaction- que je ressens l'honneur qui m'est fait aujourd'hui de m'adresser à vous. Je remercie dont la Présidence et le Secrétariat Général de l'OCAM d'avoir bien voulu m'inviter, en tant qu'observateur, à vos importantes assises, me permettant ainsi de venir vous rendre compte de l'action qui, grâce à leur confiance et au soutien attentif dont m'ont constamment entouré les Gouverneurs, est en cours au sein de la Banque mondiale et des Institutions affiliées.

Ce sera, si vous le permettez, un témoignage et non pas un bilan dont je voudrais vous faire part à un moment où il devient de plus en plus clair que la grande idée de la coopération internationale cherche encore sa voie à travers d'immenses difficultés dont la découverte progressive est de nature à remettre en cause tout à la fois les structures, les institutions et les techniques.

Qu'il s'agisse, en effet, de la Commission PEARSON qui déplore certaines formes de ralentissement de l'aide au développement, qu'il s'agisse du Rapport JACKSON ou qu'il s'agisse d'autres sources, on assiste à une tentative de bouleversement fondamental des moyens par lesquels il convient que les pays nantis apportent leur concours à la réalisation des objectifs qu'appelle l'exigence prioritaire du développement économique de nos Etats. Cette exigence devient d'autant plus pressante que nos pays ont abondamment fait la preuve de leur volonté de redressement malgré l'insuffisance irritante des ressources. Si telles sont les perspectives, il n'est guère encourageant de constater que le mouvement de coopération internationale, loin de marquer un accroissement du volume et

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l'élargissement des conditions de l'aide, tend plutôt à la stagnation.

Si l'aide officielle au développement en provenance des pays développés non-communistes a en effet rapidement augmenté entre 1956 et 1964, période pendant laquelle elle a presque doublé passant de 3,3 milliards de dollars à 6 milliards de dollars, elle ne s'est par contre que très faiblement accrue entre 1964 et 1967, année où elle n'a atteint que 6,6 milliards de dollars. L'année 1968 a amorcé un net renversement de tendance puisque le volume de cette aide a baissé à 6,4 milliards de dollars. Sur la base des engagements enregistrés, il y a de bonnes raisons de penser que ce mouvement à la baisse se serait poursuivi en 1969.

Tout aussi important est le fait que les termes et conditions de l'aide se sont durcis. Depuis 1960, l'aide est de plus en plus liée, ce qui, d'après certaines estimations, en réduit la valeur réelle d'au moins 20%. Les mécanismes de fonctionnement du système s'alourdissent considérablement. Le pourcentage de dons inclus dans l'assistance officielle au développement a aussi connu une chute sensible, passant de 87% en 1961 à 63% en 1968.

Le bilan de l'objectif adopté par l'Assemblée générale des Nations Unies visant à obtenir que les pays donateurs consacrent 1% de leur revenu national et transformé par le Comité d'Assistance au Développement (CAD) en 1964 en 1% du produit national brut aux prix du marché s'est révélé dans l'ensemble décevant. A l'exception de la France qui, en 1968, dépassait encore aisément cet objectif de 1% et se plaçait à 1,24% et de trois ou quatre autres pays donateurs traditionnellement moins engagés à l'égard du Tiers Monde, le flot de ressources en provenance de la majorité des pays nantis est resté en deçà de 1% de leur produit national brut.

En termes de pourcentage du produit national brut combiné des pays riches, le courant d'assistance officielle a connu une pointe de 0,54% en 1961 mais a régressé depuis aux environs de 0,39%, ce qui est le pourcentage du milieu des années 1950. Il convient enfin d'ajouter que si en 1968 le rythme de déboursement avait été atteint sur la base de l'objectif de 1%, le flux de transfert de ressources aurait atteint non pas 6,4 milliards de dollars comme déjà signalé mais 11,6 milliards de dollars et on prévoit que le total des besoins en ressources du Tiers Monde devrait s'élever, en prix courants, à 16,2 milliards de dollars vers 1975.

Retracer quelle fut à l'égard de l'Afrique -dans ce sombre contexte- l'action du groupe de la Banque mondiale, qui a compté en 1967 pour 60% des déboursements bruts des agences d'aide multilatérale alors que la part de l'aide multilatérale est de 10% du montant total de l'aide officielle au développement, exprimer notre satisfaction des résultats enregistrés ces dernières années et particulièrement depuis l'arrivée de Monsieur McNAMARA mais aussi dire, modérément sans doute mais non sans conviction, ce que sont nos espoirs et parfois nos inquiétudes au seuil de cette nouvelle tranche de dix ans qui sera, à beaucoup d'égards, déterminante dans l'accélération du processus de croissance économique de nos pays, telles seront les grandes lignes de mon exposé.

L'histoire des relations du groupe de la Banque mondiale en Afrique pendant les dix dernières années passe par trois phases successives très distinctes dont chacune marque un pas en avant dans le niveau et dans la qualité des interventions.

Avant 1960, sur les 38 pays africains qui sont aujourd'hui membres de la Banque, huit seulement étaient indépendants. C'est dans la seule année 1960 que 16 pays accédèrent à l'indépendance de sorte que 24 pays africains devinrent

membres de la Banque en 1962 et en 1963. Il n'est donc pas surprenant que la Banque, avant 1961, n'ait financé qu'un très petit nombre de projets en Afrique (en moyenne 2 ou 3 par an entre 1954 et 1960). Ces opérations ont d'ailleurs représenté une part non négligeable du volume total des opérations globales de prêts de la Banque, soit plus de 35% en 1960 et 13,50% en moyenne sur la période de sept ans. Mais le rythme d'intervention n'en était pas moins sporadique et presque exclusivement limité à un petit nombre de grands projets dans le financement desquels la part de prêts Banque était de l'ordre de 25,6 millions de dollars en moyenne par projet.

Avec la création en 1962 du premier Département Afrique, la Banque s'engage, quoique timidement, dans une tentative de rapprochement avec les économies africaines, petites ou grandes, et aussi d'intensification et de diversification de ses opérations. Au nombre des facteurs qui contrarient en quelque sorte l'évolution normale de ce mouvement réside le fait que cette période coïncide avec la phase d'adaptation dans nos pays des structures tant administratives que politiques et que, par suite, elle se prête mal en général à la tâche de la préparation de programmes d'investissement qui répondent aux critères pratiqués par la Banque. De plus, on observe également de la part de nos pays une assez nette inclination vers le recours à l'aide bilatérale et aussi à des institutions multilatérales autres que la Banque. Toutefois, la période 1961-1964 n'en apparaît pas moins comme une tranche de transition - au reste d'inégal intérêt- au cours de laquelle si la moyenne des projets financés par le Groupe en Afrique passe à 5 ou 6 par an, la taille moyenne des prêts tombe à 12 millions de dollars et où la part de l'Afrique en pourcentage du total des opérations de la Banque tombe également en moyenne à moins de 9%.

Ce ne sera que pendant les années 1965-68 que commencera vraiment de se concrétiser, de manière sensible et continue, l'intérêt du groupe de la Banque pour l'Afrique. Il s'agit là d'un redressement radical que je n'hésiterai pas

à qualifier de spectaculaire puisque le nombre de projets financés passe à une moyenne de 17 par an, dont 20 en 1968. Tout aussi important à noter est le fait que ce revirement dans le volume des interventions s'accompagne de certaines implications qualitatives sur lesquelles vous me permettez d'appeler l'attention.

Pour la première fois depuis le début des rapports de l'Afrique avec nos Institutions, le volume des opérations de la Banque mondiale et de sa "filiale", l'Association Internationale de Développement, cesse d'enregistrer les larges fluctuations d'une année à l'autre qui caractérisaient les périodes antérieures et s'établit autour d'une moyenne de 167 millions de dollars par an, ce qui représente 14% du montant total des opérations de la Banque et de l'Association dans le monde.

Durant cette même période, on constate une diversification des grands secteurs d'intervention dans le temps où se dessine, à l'intérieur même des secteurs, une tendance croissante à accorder de l'attention à ceux des projets qui s'harmonisent mieux avec les besoins de nos économies.

Jusqu'en 1960, en effet, les opérations du groupe étaient limitées aux deux secteurs des transports et des services publics d'intérêt municipal notamment en 1954-1958 et des transports et de l'industrie en 1954. Les premiers prêts à l'agriculture datent de 1960 et le premier crédit à l'éducation est de 1963.

A partir de 1966, les opérations de la Banque en Afrique ont couvert pratiquement tous les grands secteurs et dorénavant la Banque tend à financer en matière de transports davantage de routes et moins de chemins de fer; dans l'agriculture, moins d'irrigation et davantage d'élevage et de projets de crédit agricole.

Telles sont résumées, aussi brièvement que possible, les étapes d'une évolution dont on peut dire qu'elle a procédé par tranches successives, à travers parfois des difficultés certaines et même des remous, passant du stade de la

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découverte à celui du rapprochement. Il convenait dès lors qu'elle aborde le stade de la connaissance au sens où l'entend un penseur et poète africain célèbre et récemment honoré. S'agissant de la Banque mondiale, je crois en toute bonne foi que l'année 1969 a été celle de la connaissance.

Compte tenu des opérations d'entretien routier et de transport faites au Tchad, en République Centrafricaine et au Togo, de l'opération de télécommunications faite en Haute-Volta et de l'opération agricole Grand Hinvi au Dahomey, il n'existe plus un seul pays de notre Groupement de 17 Etats qui n'ait à ce jour bénéficié (à l'exception de l'Ile Maurice, membre depuis 1968 seulement) d'au moins une intervention financière du Groupe de la Banque. Le montant total du transfert de ressources du Groupe de la Banque mondiale vers nos 17 pays approche pour l'année 1969 90 millions de dollars, répartis presque également entre l'Association et la Banque, celle-ci comptant pour 42,3 millions et celle-là pour 45 millions de dollars.

Il est cependant intéressant de relever que ce total d'environ 90 millions de dollars couvre 16 opérations dont 5 seulement ont été financées par la Banque, le Cameroun et la Côte d'Ivoire comptant à eux seuls pour 30 millions de dollars sur le total Banque de 42,3 millions, alors qu'avec 45 millions, l'Association a assuré le financement de 11 projets répartis dans un nombre égal de pays.

L'année 1969 a également vu se poursuivre la politique de diversification des secteurs. Sans doute, les projets de grande infrastructure ont-ils continué de compter pour la plus grosse part des opérations de la Banque en Afrique, la proportion de projets de transport s'est même accrue de 41% en 1965-1968 à 47% en 1969. Par contre, les opérations dans le secteur agricole ont enregistré des progrès remarquables, puisque le nombre de projets financés passe d'une moyenne de 3 en 1965-1968 à 13 en 1969 et que la proportion de prêts et de crédits à l'agriculture a augmenté de 13,5% en 1965-1968 à 19% en 1969.

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Année charnière donc que celle-là, à beaucoup d'égards riche d'enseignements, qui a vu un homme réaliser son pari -que l'on s'accordait unanimement, pourquoi ne pas le dire, à tenir pour particulièrement audacieux- de tripler en un an le volume des opérations du groupe de la Banque en Afrique, soit 148% de plus qu'en 1968. Je note aussi que ce pourcentage d'augmentation sur une année est de 128% au-dessus de la moyenne de quatre années précédentes, l'Afrique recevant avec 345 millions de dollars plus de 19% du total des fonds de la Banque et de l'IDA. La part des états de notre groupe, c'est-à-dire l'OCAM, la Mauritanie et la Somalie, s'est élevée à 25%. Un tel résultat est d'autant plus remarquable qu'il a été obtenu grâce uniquement à une augmentation considérable du nombre de projets financés, soit presque trois fois plus que la moyenne enregistrée pendant la période 1965-1968.

Sans doute ce bilan d'ensemble -plutôt encourageant- de l'année 1969 s'inscrit-il dans le cadre de la politique annoncée par Monsieur McNAMARA dès 1968 et atteste-t-il de sa volonté, actuellement indiscutable, d'imprimer une vigueur accrue à l'effort de coopération du Groupe de la Banque vers des pays comme les nôtres dont la part n'a pas été substantielle au début de la décennie qui vient de s'achever. Mais c'est aussi et d'abord le fruit de la sagesse et de la détermination de ceux des hommes de notre continent à qui incombe la responsabilité constante d'opérer des choix souvent combien difficiles -du fait de la précarité des ressources financières- entre le socialement nécessaire et l'économiquement souhaitable.

Il va de soi que, au moment d'aborder les échéances de la nouvelle décade qui commence, nous devons nous pénétrer de l'idée qu'il convient de faire mieux et plus encore, en ce qui concerne notamment le travail de reconnaissance, d'identification et de préparation des projets.

C'est dire aussi qu'il faudra redoubler d'attention et de vigilance, ne pas hésiter à exprimer notre satisfaction chaque fois que cela est justifié mais aussi intervenir et continuer d'appeler l'attention des autorités de la Banque sur ceux des problèmes -il en existe encore malheureusement plusieurs- dont la solution nous apparaît comme un préalable à la réussite de nos efforts de développement. Je n'en retiendrai aujourd'hui que trois:

- participation plus substantielle de l'Association Internationale de Développement au financement de nos projets;
- aide à apporter à l'industrialisation et,
- diversification encore plus poussée des secteurs d'intervention.

Si nous ne pouvons que nous louer des succès obtenus par la Banque en 1969 dans le cadre de ses efforts en vue de mobiliser sur le marché des capitaux les ressources nécessaires à ses opérations, soit 1.250 millions de dollars, nous nous devons également d'exprimer quelques inquiétudes devant la diminution du taux de participation de l'Association dans le financement des projets en Afrique. Nous avons dû par exemple constater que la proportion de fonds IDA par rapport au total de fonds Banque et Association reçus par les pays africains est tombée de 58% en 1968 à 22% en 1969. Nous avons également été frappés par le fait que la part africaine des ressources de l'Association est passée de 70% en 1968 à 20% en 1969. Sans doute, le caractère exceptionnel de l'année 1968, pendant laquelle, en raison de la rareté des ressources, certains gros clients traditionnels de l'Association ont été relativement sacrifiés à notre bénéfice, n'est-il pas sous-estimé.

Mais nous tenons à exprimer le souhait que l'année 1969 ne marque pas une tendance et qu'à la faveur de l'action déjà entreprise, dont Monsieur McNAMARA a entretenu le Conseil économique et social des Nations Unies lors de son discours du 27 octobre 1969, une orientation plus conforme à nos intérêts soit imprimée

à la politique de l'Association vis-à-vis de l'Afrique. Les membres du Conseil d'Administration ont toujours dénoncé le déséquilibre des interventions de l'Association Internationale de Développement et la part privilégiée accordée à l'Inde et au Pakistan. Nos Gouverneurs, de leur côté, n'ont guère cessé d'exiger, au cours des assemblées générales annuelles et dans leurs memoranda au Président, une répartition géographique équitable de l'aide fournie par l'Association et une révision de ses critères d'opération. Depuis l'arrivée de Monsieur McNAMARA, nos revendications semblent être prises en considération chaque jour davantage.

Le second des points que nous voudrions aborder découle de notre constatation que le nombre des prêts à l'industrie n'a pas augmenté dans la même proportion que pour les autres secteurs et que les nouveaux engagements de la Société Financière Internationale (SFI) en Afrique sont tombés de 27,3 millions de dollars en 1968 à 9,9 millions en 1969. Sans vouloir tenir pour négligeable la "composante industrielle" de certains de nos projets agricoles, je pense au projet de la Société SOPAME au Cameroun, de la SONADER au Dahomey et de SODEPALM en Côte d'Ivoire, nous sommes d'avis, comme le Président du groupe africain le soulignait dans son memorandum du 30 septembre 1969, que la sous-industrialisation de l'Afrique est un handicap considérable.

Il nous semble que l'aide aux banques de développement représente un des moyens efficaces de favoriser l'industrialisation dans nos pays. Nous relevons cependant avec une certaine déception que l'assistance du groupe de la Banque mondiale a été jusqu'ici limitée à six pays africains sur 38. Il semble que, pour améliorer cette situation, une double action devrait s'engager qui tendrait, de la part de nos pays, à rechercher les moyens de créer des marchés de taille suffisante et de la part du groupe de la Banque, à promouvoir le développement de notre secteur privé industriel par la création d'institutions appropriées qui assureraient non seulement du financement mais aussi une large gamme d'assistance technique et de formation. A cet égard, je tiens à mentionner

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les contacts fort utiles que le Président et le Directeur Général de l'UAMBD ont pris avec le Département des Banques de développement de la Banque mondiale à l'occasion de la Conférence annuelle des Gouverneurs à Washington, en septembre/octobre 1969. Nul doute que nos Institutions participeront et suivront avec un intérêt tout particulier la réunion de l'UAMBD prévue en juin 1970.

Ceci dit, il convient de reconnaître qu'une récente évolution de la politique du groupe de la Banque mondiale vis-à-vis des sociétés financières de développement, en particulier en Afrique francophone, commence à porter ses fruits. En effet, la création imminente de la "Société congolaise de financement du développement (SOCOFIDE)", en République Démocratique du Congo, avec la participation de la SFI à son capital et l'assistance technique et financière de l'Association, en constitue la première manifestation concrète. Par ailleurs, plusieurs missions de la Banque mondiale sillonneront cette année nos Etats pour procéder à des investigations approfondies et déterminer les possibilités d'assistance technique et financière à nos banques de développement et suggérer, là où cela est nécessaire, d'éventuelles réformes de leurs structures.

S'agissant de l'éducation, nous sommes témoins qu'il n'y a pas manqué d'intérêt et je pense ici au projet Côte d'Ivoire pour lequel la Banque financera directement, pour la première fois, l'éducation primaire par la voie de l'expérience originale que constitue la télévision. Force est cependant de noter que les prêts et crédits dans ce secteur n'ont pas connu le même rythme de croissance que celui d'opérations dans d'autres secteurs. De même, il apparaît à l'évidence qu'il convient de réformer les méthodes et les programmes, de manière à les adapter aux besoins et aux conditions particulières de l'Afrique. Il en résulterait notamment un système d'enseignement plus sélectif qui éviterait les inconvénients sur les budgets de fonctionnement d'une expansion incontrôlée et aussi la production d'un nombre de diplômés hors de proportion avec la demande du marché. Nous pensons

que la Banque peut jouer un très grand rôle à cet égard et nous attendons d'elle qu'elle réponde à nos espoirs.

Par ailleurs, en ce qui concerne l'urbanisation, le Groupe n'a été jusqu'ici que très modérément actif dans le financement des projets d'adduction d'eau et d'assainissement dans les zones urbaines et n'a jamais financé l'habitat. Nous ne contestons pas que l'une des solutions aux problèmes posés par la surpopulation rapide des grandes villes passe par un élargissement de l'assiette de la production et par une amélioration des conditions d'emploi dans les campagnes. Mais nous pensons aussi que la Banque devrait, dès à présent, se pencher avec nous de manière plus attentive sur la nécessité d'assurer un contrôle organisé de l'expansion de certaines de nos villes.

Quant au financement de projets dans le secteur de la santé publique, aucun progrès sérieux n'a été enregistré dans ce sens depuis l'année dernière, époque à laquelle, en pareille occasion, nous attirions l'attention sur la nécessité d'une politique plus hardie du groupe de la Banque. Nous avons toutefois relevé, comme il convient, les termes de la lettre du 3 mars 1969 de Monsieur McNAMARA à leurs Excellences les Présidents HOUPHOUET-BOIGNY et LAMIZANA qui l'avaient saisi officiellement du problème de l'onchocercose et par lesquels il déclarait "... être conscient des problèmes humains et économiques posés par cette maladie". Nous ne cacherons pas que nous fondons de grands espoirs sur cette indication d'intérêt. De même, c'est avec satisfaction que nous accueillerions toute autre indication qui tendrait à montrer que la Banque serait prête à s'engager systématiquement partout où un problème de santé met en danger les possibilités de développement économique et social.

De même, l'action de la Banque mondiale en vue de promouvoir et de développer le secteur du tourisme dans les Etats-membres est toute récente et demeure quelque peu limitée. Cependant, il ne fait aucun doute que ce secteur

est devenu un sujet de préoccupation immédiate pour Monsieur McNAMARA. Cela s'est traduit d'ailleurs par la création l'an dernier d'un département spécial chargé de l'identification, la préparation et l'évaluation de projets touristiques.

Je ne poursuivrai pas sur une note pessimiste. Une telle attitude ne se justifierait pas si l'on se pénétrait des dernières déclarations de Monsieur McNAMARA devant le Conseil économique et social des Nations Unies, à New York, le 27 octobre 1969. Il devait dire, en effet, que la Banque a maintenant dépassé le stade où le cadre du budget annuel suffisait pour la planification de ses opérations. Un programme quinquennal est déjà en place qui couvre la période allant de l'exercice financier 1969 à celui de 1973. Il est prévu qu'au cours de cette période, le groupe de la Banque devrait doubler ses prêts par rapport aux cinq années précédentes, de sorte que le volume des opérations réalisées pendant ce programme quinquennal serait proche du total des opérations effectuées durant les 22 premières années d'activité du Groupe. Sur cette base donc, les nouvelles opérations de développement du groupe de la Banque mondiale dépasseraient le chiffre impressionnant de 12 milliards de dollars.

Monsieur le Président, Excellences, j'ai peut-être donné l'impression fréquente de parler parfois avec quelque enthousiasme de nos Institutions et surtout de leur nouveau Président. En vérité, mes propos ne sauraient, en aucune façon, être interprétés comme une expression de satisfaction pure et simple vis-à-vis du groupe de la Banque mondiale. Le chemin à parcourir reste long et semé d'embûches. Certes, des progrès ont été enregistrés mais ils demeurent sans commune mesure, pour le moment, avec nos besoins légitimes et les obligations de ces Institutions envers nos Etats.

J'ai voulu surtout confier que dans l'ensemble, en ayant présent à l'esprit le démarrage des opérations du groupe de la Banque mondiale dans nos Etats qui date des années 1963-64, donc très récemment, nous pouvions franchement

mesurer le chemin parcouru et dire que cela, au fond, est réconfortant. L'idéal demeure que, pour apprécier l'ampleur de la tâche qui reste à accomplir et retrouver l'exaltation qui rend les sacrifices supportables, nous puissions nous abstraire, ne fut-ce que pour une petite seconde, du froid environnement des statistiques et de l'aridité des plans et bilans pour prendre à nouveau conscience de ce que le développement économique est en dernier recours une affaire d'hommes faite pour les hommes.

Vous m'avez obligé, Monsieur le Secrétaire Général, en m'invitant à participer en observateur à ces hautes assises. Je vous suis très reconnaissant, Monsieur le Président en Exercice, Excellences, d'avoir bien voulu m'écouter et vous prie de m'excuser d'avoir involontairement abusé de votre temps.

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

STATEMENT OF MR. MOHAMED NASSIM KOCHMAN

EXECUTIVE DIRECTOR OF THE WORLD BANK GROUP

CONSULTATION ON WORLD HUNGER AND DEVELOPMENT

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The last five years have witnessed not only a large expansion of the World Bank Group's financing operations but a shift in emphasis to relate its lending more closely to projects which contribute most to creating a better, fuller and more productive life for the people.

Shortly after Mr. Robert McNamara became President of the Group in 1968, he launched a program that promised to double the volume of lending in the five-year period ending June 30, 1973 over the previous five years. By the end of April 1973, the combined operations of the World Bank and its affiliate, the International Development Association (IDA) had nearly reached that goal -- \$11,144 million versus \$5,633 million

Mr. McNamara also stressed that the Bank's role is not just that of a bank but of a development agency in the broadest sense. Not long ago, many looked upon the growth of the Gross National Product (GNP) as almost the sole measure of a nation's economic progress. This view has been modified by the fact that in some countries where the GNP was soaring, the mass of the people continued to scrape together only the barest subsistence. It is now realized that development is incomplete without its social dimensions -- without progress in health, nutrition, literacy and skills, for example. The practitioners of development have learned that people are the object of development.

In recent years, therefore, the Bank Group has taken a much broader view of the development process and has launched a more intensive

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search for new ways of attacking such problems as population pressures, unemployment, income distribution, malnutrition, disease and degradation of the environment. It of course has not begun to solve any of these problems. But in its financing these aspects are taken into account, and it has greatly expanded the number of projects which contribute to a lessening of such problems.

I think that the Bank Group's activities in Africa over the last five years best demonstrate this new approach, quantitatively and qualitatively. Lending in Africa has encompassed not only the traditional fields of transportation, electric power, telecommunications, industry and large agricultural projects, but also the new types of Bank operations in support of education, tourism, family planning, and urbanization. So it is to the African experience that I will address my remarks today.

First I shall deal with the volume of lending. The 1969-73 program which provided for a doubling of global lending, over the previous five years, envisaged a trebling in Africa. By the end of the third quarter of the fiscal year of 1973, the volume in Africa had reached over \$2.1 billion versus \$803 million, and this goal seemed well within reach. It is interesting to note that lending for African development in the current five-year period surpassed the total for the previous 22 years of the Bank's existence.

It is only fair to say that part of this was due to the great increase in African membership from 1960 onwards and to the advent of IDA. In 1960 only eight African countries were members and following a

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wave of independence the number rose rapidly and is now 42. IDA's concessionary terms are particularly suited to the needs of African countries many of which cannot afford to take relatively "hard" loans.

Of equal importance is the number of projects financed, since the time required for identifying, preparing, appraising and implementing a project bears no direct relation to the size or the amount lent for a project. This point is particularly significant for the Bank's work in Africa. There, the trend has been more toward smaller projects, especially those which have a direct impact on the socio-economic life of the people. During the past five years, the Bank and IDA have provided financing for 206 African projects, against 74 in the previous five years. Furthermore, a special effort has been made to meet the needs of the very small and very poor countries. Projects are now under way in all 42 of the African member countries with the exception of Libya which does not need financial assistance. In fact, the Bank has borrowed funds in Libya.

In most of Africa, agriculture is the main source of livelihood for the great mass of the people and at the present time it offers the greatest scope for expansion, both for export and home consumption. The Bank Group has thus far made 91 loans and credits totaling \$654.5 million for agricultural projects in 31 African countries. Agriculture has also benefited directly or indirectly from other loans, such as transportation and education. Of particular significance in Africa has been the wider variety of agricultural lending aimed not only at higher production for

export but also to provide more and better food, jobs and incomes for the desperately poor in rural areas. Agricultural projects in Malawi, Senegal and Lesotho are examples of the multi-pronged attack on rural unemployment and income maldistribution. Through schemes for land settlement, integrated development or small-scale agriculture, the unemployed, the landless and the peasant farmer are being assisted in their efforts to rise to a better standard of work and well-being. The greater flow of livestock and fishery projects reflects the Bank Group's increasing concern about protein deficiencies that constitute the core of the malnutrition problem. And more attention is also being given to agricultural credits for producers and to marketing and distribution arrangements, both recommended by the Pearson Commission.

Bank Group lending for education began in 1962 with an IDA credit to Tunisia. A total of \$711 million has now been lent for education of which over 35%, or \$253 million, has been in 22 African countries. The Group's financing of education in Africa has been concentrated on those aspects which will have the greatest impact in hastening economic development. Emphasis has been on the training of teachers, both for primary and secondary schools, and the expansion and improvement of secondary education. The latter has included the introduction of commercial, technical agricultural, and scientific subjects to provide the kind of skills most needed. Some of the projects included adult vocational training. Of special interest was the Bank's support of educational television facilities on an experimental basis on the Ivory Coast.

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No African country is typical in terms of its transport needs and problems. A number of countries are landlocked and dependent on their neighbors for access to the sea. Others have extensive desert areas. The density of population varies widely both between and within countries. Variations in economic, population and urban growth rates produce different transport demands, as well as differences in the relative importance, problems and priority of the various modes of transport. Within this varied environment, the Bank and IDA have made a significant contribution to transport development. Although the relative importance of agriculture and education has increased rapidly in recent years, transportation continues to be a major object of the Bank's concern on the continent. Lending for transportation in Africa now totals \$1,618.7 million, far larger than for any other sector. It has encompassed the development of railways, ports, roads and airports. The greatest part of the financing has been for roads, with emphasis on feeder roads serving rural areas and on improved highway maintenance. More effort is being devoted to solving the many training and institutional problems involved. More, too, is being done to encourage the development of local contractors, to ensure that design standards fit local conditions, and to substitute labor for capital wherever appropriate. This past year the Group also lent for the expansion and equipping of the Dakar and Nairobi airports to enable them to handle large jets, a boon to tourism which has become of key importance to African countries.

Although a large part of Bank/IDA lending has been urban oriented, it is only recently that an urbanization department has

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been set up to deal specifically with this problem. As in the case of other regions of the world, in Africa a large part of lending for electric power, water supply, telecommunications, port facilities and industry has been for urban purposes. In 1972 an IDA credit was granted for a new type of urban project known as "sites and services", designed to accommodate lower income households in Senegal's two largest cities, Dakar and Thies. It involves the preparation of sites on which purchasers will build their own dwellings, the provision of social services, technical assistance in construction, and the establishment of cooperative institutions to help carry out the project and encourage community welfare. The project should help solve two major urban problems of growing severity -- lack of shelter and basic services, and alleviation of unemployment. An important feature is the emphasis on self-help, without which there is little prospect of solving the urbanization problems of the majority of developing countries over the next decades. Several cities of Africa have received financing to improve their water supply necessary for health reasons and also for their rapidly growing urban populations. These have included Bujumbura, the capital of Burundi; Yaounde, the capital and Douala, the main port and industrial center of Cameroon; Accra, the capital of Ghana and the neighboring port of Tema; Addis Ababa, Ethiopia (not only water but extension of the sewer system); and Rabat and Casablanca in Morocco.

Tourism, a relatively recent field for the Bank Group, is of

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particular importance to African countries. In Tunisia and Morocco it has already become the largest single earner of foreign exchange, and is an important source of earnings for the countries of East Africa. Other countries also have tourist attractions that could be developed. Both the Bank and IDA as well as the third member of the Group, the International Finance Corporation (IFC) which finances private enterprises, have invested in tourism in African countries, both directly and through development finance companies. The projects have involved the construction of hotels in Morocco, Kenya, and Mauritius and Tunisia, and a chain of six game lodges and hotels and automobile touring services for tourists visiting four of the most interesting game parks in Kenya and Uganda. In Tunisia the Bank and IDA are also financing an infrastructure package which includes roads, water, sewerage, electricity and telecommunications in six major tourism zones. Furthermore, the Bank is exploring possibilities of developing tourist circuits in West Africa.

It might be well here to mention the Bank's concern for the environment since one of its first experiences in this field was in Africa. Upon its recommendation the Government of Tanzania rerouted an electric power line which not only helped to preserve the area's tourist attractions but also saved money. It is well understood that the environmental problems of the poorer nations are very different from those of the affluent. The Bank's approach is based on the belief that developing countries cannot afford to ignore the threats to their ecology and to the health and well-being of their own people. Thus it is that measures have been taken to monitor

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and mitigate the harm which might be done to the people, the flora and fauna of the surrounding countryside by gaseous pollutants from a copper-nickel mining complex the Bank is helping to build in Botswana. In Upper Volta, the Bank is cooperating with the World Health Organization and other agencies in studies aimed at eliminating the transmission of onchocerciasis (river blindness) and thus possibly re-opening fertile tracts to settlement by farmers now crowding the limited area of cultivable land in the heart of the country.

The Bank's concern about the rapid growth rate of world population was first voiced by Mr McNamara in 1969 when he said that "the greatest single obstacle to the economic and social development of the majority of the peoples in the underdeveloped world is rampant population growth". He added that the solution of the population problem is in no way a substitute for the more traditional forms of development assistance, but nothing would be more unwise than to allow development projects to fail because they are finally overwhelmed by a tidal wave of population. Many African leaders do not believe they have a population problem, with a quarter of the earth's surface and less than a tenth of the world's population. However, Africa does not have anywhere near the arable land area its size would suggest, and its population is expected to double by the year 2000. Many cities of Africa are already overcrowded because of the influx of people unable to earn a living on the land. The only country that has so far sought Bank assistance in slowing population growth is Tunisia.

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Tunisia's growing population has impeded economic progress, aggravated unemployment and created other serious social problems. The project is designed to provide family planning services through improved maternal and child health services -- the latter a key element to its success.

As one can see, the efforts made by the World Bank Group are all the more important as they coincide with a gradual falling off in bilateral aid to Africa. One result of this movement is to increase considerably the Bank's responsibilities in the development of our countries. These responsibilities are all the larger as the African countries have much smaller public savings than most other developing countries and, therefore, can themselves finance only a small proportion of their major public investments. Furthermore, their contribution to their investment program overall varies from less than 10% to a little over 50% and is largely taken up by projects which are often too small to interest foreign donors. For projects of any size, therefore, the African countries have to look to foreign assistance. It is in this context that we have on several occasions indicated that, even if the goals set five years ago are achieved, it is incumbent upon us to press for an ever larger share for Africa in the Bank's activities.

For a full appreciation of the efforts made by the World Bank in our countries, we must step outside the confines of statistics and note that this increase in Bank lending has been accompanied by diversification in its operations. At the urging of our countries, the Bank has done much more for agriculture and education and is now becoming interested, as stated before, in what are very new sectors for it (rural development

funds, tourism and population). However, because of the complexity of certain sectors (notably agriculture) and the natural - and probably excessive - prudence of the Bank, it has, while diversifying, had to finance smaller and smaller projects, sometimes even pilot projects. This means that the Bank, with the assistance of our governments, has had to make a much greater promotional effort to identify and evaluate a larger number of projects than is shown simply by the overall rise in total lending.

However, I do not wish to express boundless optimism regarding the growth of Bank operations in our area and I feel that, now that our countries, after years of effort, have obtained results from the Bank that can be described as noteworthy, they should continue - and perhaps even step up - their campaign to ensure that the Bank Group pay increasing attention to our problems.

If we do not take care, several factors may work together to slow down Bank Group operations in our countries. The first of these is the growing unwillingness of the developed countries to increase their economic aid and their wish to assign absolute priority to solving their own economic, political and social problems. We have already noted a decline in bilateral aid in real terms, which has been only partially offset by expanded multilateral assistance, principally from the European Development Fund (FED) and the World Bank. In the longer terms, there are grounds for apprehension that multilateral aid itself will be increasingly affected by the difficulties and disagreements of the rich countries. The top management of the World Bank is aware of this problem

and, I feel, we must join our efforts with theirs to ensure that the developed countries remain willing to maintain and increase their contribution to the Bank's lending resources and - even more important - to those of the International Development Association. We should not therefore miss any opportunity of telling those countries how much we appreciate the effort made in our behalf by the World Bank Group and how greatly we should like to see an expansion of the funds available to it.

The second problem which I see looming up is a certain exhaustion of the conventional large-scale infrastructure and export crop projects in which the World Bank has so far been mainly interested, running parallel to a considerable expansion in the Bank's activities in the general fields of development promotion such as agriculture, education, population planning, urbanization and tourism. In the face of this expansion and given its prestige, experience and proven management ability, the Bank is - to my mind - running the risk of tackling too many problems that are both too diverse and too difficult for it to deal effectively with them all. The Bank seems to have had some difficulty in evaluating, negotiating and supervising all the new projects submitted to it, and consequently it recently seems to have slowed down slightly its prospecting efforts, more particularly in small countries where the average size of projects financed is relatively small. Consequently, although the coming financial year should be an excellent one, I do feel concern for the future because I do not have the impression that the pipeline of future projects is sufficiently full to permit a new upsurge in Bank operations in our countries.

The attention of the World Bank staff has already been drawn

to this subject and I feel that the importance of this problem has been recognized and that a decision has been taken to make the necessary prospecting effort, chiefly by expanding the permanent missions and adding to their responsibilities. We should not, however, try to delude ourselves that this new prospecting effort will be easy; we ourselves must take the initiative in proposing to the Bank a larger number of project ideas and putting forward new suggestions, if we do not wish to see the Bank being tempted, in order more easily to maintain high lending rates, to give priority to larger scale projects of the conventional type which are to be found more easily in the large countries of Latin America or Asia. I feel I am right in saying that the Bank will assist us in our task and that we can count on its understanding of our problems.

The expansion of Bank operations in our countries will be possible only if a more systematic effort is made to develop new types of projects and new procedures. Encouraging progress has already been achieved in this direction. After having adapted certain financing procedures to the special features of large scale plantation projects (long disbursement period and long grace periods), the Bank has been able to carry through projects relating to annual crops (cotton and rice for example) and provide finance for recurrent expenditure. After supporting major road construction projects, the Bank has agreed to finance maintenance programs and feeder roads. After focusing mainly on secondary and technical education, the Bank is now assisting primary and advanced education. In the agriculture sector, substantial financing has allowed

.../...

the start up of new categories of projects such as those dealing with irrigation, agricultural credit, general agricultural development, agro-industrial complexes and related activities such as fisheries and livestock.

In conclusion, past years have often been characterized by occasional difficulties for which there are unfortunately no simple or obvious solutions. "Development is like life itself: complex", as Mr. McNamara rightly said in his address to the Board of Governors in September 1971. Like life, development is a source of constant concern, but also a wellspring of hope. The past record of the Bank, the evidence it has given of imagination and dynamism, the attentive support of its President and above all the establishment of a frank, loyal and fruitful dialogue between our States and the Bank Group are all factors which should encourage us to view the future with a measure of confidence and to cherish the hope that our apprehensions will be understood, that the development effort in Africa, so dear to all our hearts, will continue to pick up speed, thus responding to the justified impatience of our economies and of our societies to forge ahead and to find themselves as quickly as possible on the path to sound, balanced growth.

Perhaps I have on occasion given the impression of speaking with enthusiasm of the Bank Group and of its President. However, my remarks should not be interpreted in any way as an expression of satisfaction pure and simple with the World Bank Group. The road ahead is still long and fraught with difficulties. Progress has been achieved, but it is still far from commensurate with our legitimate needs and the obligations of the Bank vis-à-vis our countries. What I wish to express

in particular is my confidence that, overall, and bearing in mind the fact that World Bank Group operations in our countries started only in 1963-64, we can, in a spirit of frankness, measure the road we have already traveled and say that, all in all, this is reassuring. To enable us to appreciate the magnitude of the task ahead and to regain that exaltation of spirit that makes sacrifice bearable, the ideal situation would be for us to be able to withdraw, if only for an instant, from the chill environment of statistics and the lifeless aridity of plans and balance sheets to regain an awareness that economic development is in the final analysis a matter of people working for people.

FACTS ABOUT THE WORLD BANK AND
THE INTERNATIONAL DEVELOPMENT ASSOCIATION

March 31, 1973

Fiscal Year	Number	WORLD BANK LOANS		Number	IDA CREDITS	
		Amount	Disbursements		Amount	Disbursements
1947	1	\$ 250,000,000	\$ 92,000,000			
1948	5	263,000,000	378,055,751			
1949	10	137,100,000	56,235,263			
1950	12	166,345,000	87,871,146			
1951	21	297,080,000	77,564,969			
1952	19	298,608,000	184,777,004			
1953	10	178,633,464	226,756,982			
1954	26	323,682,000	302,296,920			
1955	20	409,610,000	274,169,870			
1956	26	396,050,000	283,926,916			
1957	20	387,858,000	332,379,283			
1958	34	710,846,429	498,683,137			
1959	30	703,125,000	582,630,254			
1960	31	658,700,000	543,879,250			
1961	27	609,890,000	398,488,190	4	\$ 101,000,000	---
1962	29	882,300,000	485,366,490	18	134,100,000	12,168,476
1963	28	448,650,000	620,417,274	17	260,050,000	56,192,417
1964	37	809,850,000	558,884,723	18	283,200,000	124,130,697
1965	38	1,023,300,000	605,723,972	20	309,090,000	222,197,090
1966	37	839,200,000	668,421,586	12	284,100,000	266,898,667
1967	46	876,750,000	790,442,920	20	353,540,000	342,090,922
1968	44	846,950,000	771,946,891	18	106,550,000	311,820,723
1969	84	1,399,250,000	762,039,490	38	385,000,000	255,790,731
1970	70	1,680,350,000 ^{1/}	771,839,154	56	605,614,000	143,347,903
1971 ^{2/}	80	1,921,100,000	954,903,534	53	584,000,000	235,054,431
1972	74	2,026,100,000 ^{1/}	1,202,030,291	74	999,650,000	260,550,180
1973 to date	36	883,750,000	852,696,787	41	587,035,000	342,778,896
	895	\$19,428,077,893	\$13,364,428,047	389	\$4,992,929,000	\$2,580,021,133

PURPOSES

(In US\$ millions and excluding Bank loans of \$260 million to IFC)

	Bank Loans	IDA Credits	Total
Agriculture	\$ 1,776.1	\$ 1,377.0	\$3,153.1
Education	385.6	325.4	711.0
Industry	3,049.0	257.7	3,306.7
Non-Project	1,428.1	880.0	2,308.1
Population	10.0	39.2	49.2
Electric Power	5,687.4	419.4	6,106.8
Technical Assistance	--	10.0	10.0
Telecommunications	540.2	237.7	777.9
Tourism	66.0	14.2	80.2
Transportation	5,759.6	1,319.6	7,079.2
Urbanization	21.4	10.3	31.7
Water Supply & Sewerage	444.9	103.0	547.9
	\$19,168.3	\$4,993.5	\$24,161.8 ^{3/}

^{1/} A \$100 million Bank loan made to IFC in 1966 was consolidated into a single loan of \$200 million in December 1969. The first \$100 million is still shown in FY67. Bank lent \$60 million to IFC in FY72.

^{2/} Beginning with FY71, amounts of loans and credits include those approved by the Executive Directors, whereas earlier years show only those signed.

^{3/} Figures rounded. Cancellations, terminations and refundings amounted to \$721.5 million (\$543.5 million Bank and \$178.0 million IDA).

^{4/} Including amounts receivable under contracts.

GEOGRAPHICAL DISTRIBUTION

BANK LOANS					IDA CREDITS				
	NO.	NET AMOUNT ^{5/}	NET AMT. LESS SALES & REPAYMENTS		NO.	NET AMOUNT ^{5/}	PRINCIPAL REPAYMENTS		
		\$	\$			\$	\$		
AFRICA									
Algeria	3	80,500,000	9,000,000						
Botswana	1	32,000,000	32,000,000		5	11,840,000			
Burundi	1	4,800,000	436,000		3	3,251,158	25,774		
Cameroon	6	33,800,000	34,725,000		7	42,700,000			
Central African Rep.	-	---	---		3	12,400,000			
Chad	-	---	---		4	10,300,000			
Congo, People's Rep. of	1	30,000,000	26,290,000		5	15,339,375	39,375		
Dahomey	-	---	---		3	14,200,000			
Egypt, Arab Rep. of	1	56,500,000	10,800,000		3	56,175,000			
Equatorial Guinea	-	---	---		1	2,000,000			
Ethiopia	12	108,600,000	83,012,000		11	88,200,000			
Gabon	4	54,788,722	17,400,000		-	---			
Gambia, The	-	---	---		2	3,400,000			
Ghana	2	53,000,000	44,489,000		7	47,310,958	288,550		
Guinea	3	73,500,000	73,500,000		-	---			
Ivory Coast ^{a/}	12	101,891,567	94,355,000		-	---			
Kenya ^{b/}	15	292,324,026	259,623,000		13	88,679,776			
Lesotho	-	---	---		2	9,700,000			
Liberia	6	20,949,811	20,365,000		2	8,400,000			
Malagasy Republic	4	26,100,000	26,100,000		6	59,400,000			
Malawi	-	---	---		9	57,100,000			
Mali ^{a/}	-	---	---		4	27,300,000			
Mauritania	1	66,000,000	1,223,715		3	13,850,000			
Mauritius	1	6,973,119	1,948,011		2	8,700,000			
Morocco	13	266,295,302	238,703,671		4	36,800,000			
Niger	-	---	---		4	13,903,224			
Nigeria	16	458,043,334	419,552,740		2	35,304,820			
Rhodesia ^{c/}	3	86,950,000	21,088,196		-	---			
Rwanda	-	---	---		2	12,300,000			
Senegal ^{a/}	5	19,650,000	19,035,000		10	47,850,000			
Sierra Leone	3	11,400,000	10,380,000		3	10,800,000			
Somalia	-	---	---		6	34,900,000	140,333		
South Africa	11	241,800,000	1,783,654		-	---			
Sudan	6	127,235,157	91,803,276		5	81,116,802	267,681		
Swaziland	2	6,950,000	3,945,000		1	2,800,000	29,200		
Tanzania ^{b/}	3	42,200,000	41,820,000		13	88,300,000			
Togo	-	---	---		1	3,700,000			
Tunisia	16	155,598,999	147,037,183		9	58,662,598	25,946		
Uganda ^{b/}	1	8,400,000	52,680		7	44,031,012			
Upper Volta ^{a/}	-	---	---		4	12,000,000			
Zaire	5	91,582,854	11,002,299		6	53,500,000			
Zambia ^{c/}	12	178,556,360	123,911,157		-	---			
	169	\$2,741,389,251	\$1,869,087,612		172	\$1,116,214,723	\$816,789		
ASIA									
Afghanistan	-	---	---		5	23,977,313			
Bangladesh	-	---	---		9	135,650,000			
Burma	3	33,123,943	9,147,000		-	---			
China	14	310,953,354	281,744,501		4	13,073,716	174,216		
India	40	1,109,348,279	540,673,614		50	2,107,240,696	2,293,171		
Indonesia	-	---	---		26	341,500,000			
Iran	25	856,107,386	640,135,597		-	---			
Iraq	5	105,693,946	97,165,000		-	---			
Israel	9	214,371,979	168,963,235		-	---			
Japan	31	857,041,004	459,403,607		-	---			
Jordan	-	---	---		6	21,415,502	23,146		
Korea	8	267,449,713	263,568,570		8	86,938,129	68,317		
Lebanon	2	33,600,000	20,431,000		-	---			
Malaysia	21	363,346,554	324,648,658		-	---			
Nepal	-	---	---		4	14,400,000			
Pakistan	31	599,556,238	380,351,319		39	443,257,884	828,321		
Philippines	17	267,498,176	222,407,904		2	22,700,000			
Singapore	11	122,853,244	108,029,975		-	---			
Sri Lanka	8	73,513,509	55,066,701		4	19,624,479			
Syrian Arab Republic	-	---	---		2	22,300,000			
Thailand	26	461,561,854	324,265,879		1	19,500,000			
Yemen Arab Republic	-	---	---		1	7,700,000			
Yemen, People's Rep. of	-	---	---		2	2,160,000			
	251	\$5,676,019,179	\$3,896,002,560		163	\$3,281,437,719	\$3,387,171		
EUROPE									
Austria	9	104,860,083	40,222,336						
Belgium	4	76,000,000	---						
Cyprus	8	51,493,510	46,523,212						
Denmark	3	85,000,000	20,669,581						
Finland	17	296,526,846	142,458,500						
France	1	250,000,000	---						
Greece	6	118,875,000	108,840,386						
Iceland	8	30,014,000	22,538,200						
Ireland	5	72,500,000	71,024,120						
Italy	8	398,028,000	112,911,866						
Luxembourg	1	11,761,983	---						
Malta	1	6,040,080	20,080						
Netherlands	10	235,451,985	---						
Norway	6	145,000,000	64,190,146						
Portugal	5	57,500,000	47,229,751						
Spain	10	426,831,646	387,976,582						
Turkey	21	459,679,609	401,680,559		14	\$178,115,987			
Yugoslavia	21	659,735,030	574,899,483						
	144	\$3,486,297,772	\$2,041,184,802		14	\$178,115,987	\$ ---		

<u>LATIN AMERICA & CARIBBEAN</u>						
Argentina	9	\$ 509,102,049	\$ 461,306,000	-	\$ ---	\$
Bolivia	1	23,250,000	23,250,000	7	40,591,884	
Brazil	45	1,546,291,274	1,309,194,970	-	---	
Chile	18	232,537,762	150,018,631	1	18,997,755	290,939
Colombia	52	967,688,021	781,056,755	1	19,500,000	300,899
Costa Rica	15	119,276,251	97,003,998	1	4,550,243	70,452
Dominican Republic	1	25,000,000	25,000,000	3	22,000,000	
Ecuador	10	71,300,000	42,057,000	5	31,400,000	
El Salvador	10	67,418,024	35,685,709	2	13,599,331	42,702
Guatemala	6	66,499,234	46,553,875	-	---	
Guyana	5	20,219,017	19,200,000	3	9,500,000	
Haiti	1	2,600,000	---	1	349,855	3,643
Honduras	11	70,365,029	57,775,416	5	24,027,974	168,534
Jamaica	8	59,959,421	55,905,000	-	---	
Mexico	30	1,329,299,450	1,050,899,353	-	---	
Nicaragua	18	101,758,828	76,302,000	1	2,994,834	31,286
Panama	8	83,447,426	70,481,000	-	---	
Paraguay	6	21,838,182	16,700,000	5	26,494,648	95,156
Peru	24	244,102,066	165,180,207	-	---	
Trinidad & Tobago	8	60,690,424	40,568,807	-	---	
Uruguay	10	141,661,189	75,923,000	-	---	
Venezuela	12	355,903,865	296,439,340	-	---	
	<u>308</u>	<u>\$6,120,207,512</u>	<u>\$4,896,501,061</u>	<u>35</u>	<u>\$214,006,524</u>	<u>\$1,003,611</u>
<u>OCEANIA</u>						
Australia	7	\$ 417,730,000	\$ 95,122,457	-	\$ ---	\$
Fiji	3	18,200,000	18,200,000	-	---	
New Zealand	6	120,058,680	94,285,123	-	---	
Papua New Guinea	4	44,700,000	39,764,039	5	25,200,000	
	<u>20</u>	<u>\$ 600,688,680</u>	<u>\$ 247,371,619</u>	<u>5</u>	<u>\$ 25,200,000</u>	<u>\$ ---</u>
<u>INTERNATIONAL FINANCE CORP.</u>						
Bank Total 90 Countries	3	\$ 260,000,000	\$ 260,000,000			
+ IFC	<u>395</u>	<u>\$18,884,602,394</u>	<u>\$13,210,147,654</u>			
IDA Total, 63 Countries				<u>389</u>	<u>\$4,814,974,953</u>	<u>\$5,207,571</u>
Combined Bank/IDA Total, 109 Countries + IFC						

s/ Net of cancellations, refundings, and terminations.

a/ One loan for \$7.5 million shown against Ivory Coast is shared with Mali, Senegal and Upper Volta.

b/ Eight loans aggregating \$197.3 million shown against Kenya are shared with Tanzania and Uganda.

c/ Three loans totaling \$106.7 million have been assigned in equal shares to Rhodesia and Zambia.