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Folder Title: Chronological files - (outgoing) - Chrons 12

Folder ID: 1771870

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4541S

Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: October 10, 2012

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THE WORLD BANK
Washington, D.C.

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The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
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McNamara Papers

1970 (Jan - Febr.)
Vol 12

The World Bank Group
Archives



1771870

A1995-252 Other #: 1

309646B

President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 12

488/4/82

FEB 26 1970

Dear Mr. Linner,

I write to thank you most sincerely for the very effective help, care and personal attention which you and Mrs. Linner extended to the Bank's staff member, Mr. Michael Payson and his wife, when he was taken seriously ill in Tunis.

I should also like to express my gratitude for the personal kindness displayed by Mr. and Mrs. Roger Booth in their efforts to help during this difficult period.

Mr. Payson has now been flown to the Massachusetts General Hospital and is still a very sick man. I sincerely hope that we shall see him back at work soon. In the meantime, I should like to thank you once again for your unfailing assistance.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Sture Linner
Resident Representative of United
Nations Development Programme
P.O. Box 863
Tunis, Tunisia

cc: Mr. Paul Hoffman
Administrator
United Nations Development Programme
New York, N.Y.

cc: Mr. McNamara's Office(2)

SJulin/MPBEnjenk:ab
February 24, 1970

488/4/81

FEB 26 1970

Dear Mr. Ambassador,

I have been told of the very effective help which you extended to Mr. Michael Payson, a staff member of the Bank of U.S. nationality, when he was recently taken seriously ill in Tunis.

I should like to say how grateful I am for everything which you personally did for Mr. Payson, as well as for the help he received from the Embassy staff, and in particular, the arrangements made for his evacuation by the U.S. Air Force. He is now safely in the Massachusetts General Hospital, still very ill, I am sorry to say. I know that without the emergency steps which were taken with your assistance his chances of recovery would have been very slim.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
John A. Calhoun
Ambassador of the United States
United States Embassy
144 Avenue de la Liberte
Tunis, Tunisia

cc: The Honorable
David D. Newsom
Assistant Secretary of State
African Affairs
State Department
Washington, D.C.

cc: Mr. McNamara's office (2)

SJulin/MPBenjenk:ab
February 24, 1970

488/4/80

Mr. Knapp:
Mr. Gaud:

February 26, 1970

I wish to involve the Bank's Area Department economists more directly in the determination of whether existing or proposed import protection for potential IFC projects may be considered consistent with the country's development objectives and industrial policies. Whenever a proposed IFC project comes under the "25%" rule, I expect the Area economist responsible for the country concerned to express a judgment on this point. This statement should be included in the note which is submitted to me by Mr. Gaud whenever an investment proposal falls under the above rule.

Robert S. McNamara

488/4/79

FEB 25 1970

Dear Mr. Minister,

I wish to acknowledge with thanks your letter of February 6, 1970 presenting Brazil's second plan of action for the transport sector. We regard this plan as a key element in the building of a continuing relationship between the Bank and Brazil in support of your Government's program for transport development. On the basis of this plan we have proceeded to negotiate with your Government and the Departamento Nacional de Estradas de Rodagem a loan of \$100 million for the Second Highway Construction Project. In addition, the presentation of the transport plan enables us to move ahead in considering possible lending for railways and ports.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Mario David Andreazza
Minister of Transport
Ministry of Transport
Rio de Janeiro, Brazil

RDosik: tg

488/4/78

FEB 25 1970

Dear Mr. Watanabe:

I deeply appreciate your personal invitation to me to attend the Third Annual Meeting of your Board of Governors in Seoul in April. Unfortunately, commitments that I have already made prevent me from accepting on this occasion. The World Bank will, of course, be suitably represented and, while I cannot be there in person, I hope you will accept my very best wishes for a fruitful and pleasant meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Takeshi Watanabe
President
Asian Development Bank
Commercial Center P.O. Box 126
Makati, Rizal D-708, Philippines

MLHoffman/pnn
February 20, 1970

cc: Mr. McNamara's files (2)

488/4/77

FEB 25 1970

Dear Mr. Ambassador:

Thank you for your letter of January 24. I was most interested in your impressions of the members of the recently appointed Cabinet, and I am sure you are right that the coming session of Parliament will be a crucial one.

The Minister of Planning, Dr. Sarabi, has mentioned to Mr. Zenick and Mr. Eschenberg that the Government might ask the Bank for assistance in improving fiscal policy and performance. We have not yet received any official request for such help. However, given the importance of raising public revenues, we had planned to include public finance specialists in our next economic mission which, as you know, is planned for the coming spring. In the light of their report we shall be able to decide what further help, if any, we can give.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Robert G. Neumann
American Ambassador
Embassy of the United States of America
Kabul, Afghanistan

IPMCargill/lm

488/4/76

FEB 19 1970

Dear Mr. Parker and Mrs. Wedel:

Thank you for the gracious invitation to join you at the inaugural dinner of the International Development Conference next week. Typically, the conference has come up with another outstanding agenda. This year's looks especially appealing.

It is with deepest regrets, therefore, that I must decline. My prior engagements simply will not permit it.

I am well aware of the splendid role the conference has played in providing a vehicle for first rate discussions of development problems. Such discourse is vitally needed and you and others who have helped make it possible deserve highest praise.

Again my regrets and best wishes for a successful meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Daniel Parker
Mrs. Theodore Wedel
International Development Conference
Suite 501
1717 Massachusetts Avenue, N.W.
Washington, D.C. 20036

TAB:apz

488/4/74

FEB 19 1970

Dear Secretary-General:

This is to acknowledge and thank you for your letter (PO 230 SOAF (5)) of February 10, 1970, with which you transmitted to us the text of resolution 276 (1970) adopted by the Security Council on January 30, 1970. We have duly noted paragraph 7 of the enclosed resolution.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

U Thant
Secretary-General
United Nations
New York, 10017

cc: Mr. McNamara (2)

Cleared with and cc: Mr. Suratgar (with copy of incoming
correspondence)
Central Files with incoming correspondence

EFranco:mmcd
February 18, 1970

488/4/73

February 19, 1970

Dear Sir Alec:

Thank you very much for your report on the Economic Development Institute. I can see that it is a comprehensive and thoughtful document, and I agree that after I have had time to consider the report, it would be very desirable for us to get together to discuss your recommendations and the future of the Institute. I will certainly try to arrange to meet you either in London or on the continent some time during the next few months.

I am very grateful for your help on this matter, and am pleased to know that you enjoyed the assignment.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sir Alec Cairncross, K.C.M.G.
The Master
St. Peter's College
Oxford, England

MLHoffman:RSMcNamara:ml

488/4/71

FEB 19 1970

Dear John:

My first reaction to the suggestion in your letter of February 6, 1970, for a concentrated series of presentations and discussions built around the World Bank, is good. I understand that you have arranged to meet with William Clark and Dick Demuth next week. I think this is a good way to proceed and I am telling them I hope we can work something out with you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Professor John P. Lewis
Dean
Woodrow Wilson School of Public
and International Affairs
Princeton University
Princeton, New Jersey 08540

MLHoffman/pnn
February 18, 1970

cc: Mr. Clark (with copy of incoming)
Mr. Demuth " " " "

cc: Mr. McNamara's files (2)

488/4/68

FEB 18 1970

U Thant
Secretary-General
United Nations
New York, 10017

Dear Secretary-General:

Thank you for your letter of January 23, 1970, with which you sent to me resolution 2605A (XXIV) adopted by the General Assembly on December 16, 1969. You also ask that I send you a report on the action taken by the Bank in relation to the recommendations contained in that resolution and also in General Assembly resolution 2456A (XXIII) adopted on December 20, 1968.

In my letters of January 16 and February 24, 1969, I gave you the Bank's position with respect to General Assembly resolution 2456A (XXIII). Moreover, in my letter of November 1, 1968, I had referred to Resolution J adopted by the Conference of Non-Nuclear-Weapon States which is also of relevance to this question.

The new resolution adopted by the General Assembly (2605A (XXIV)) suggests that in evaluating projects in the field of atomic energy in the developing countries, the international sources of finance should consider "not only the immediate benefits from initial projects but also their long-term contributions" to the developing countries' technological and economic development, and recommends that the IAEA, the various international and regional financial institutions, including the UNDP and the Bank "cooperate in finding ways and means of financing meritorious nuclear projects."

I should first say that in discussions I have had in the recent past with the Director General of the IAEA, I have expressed to him the Bank's continued readiness to help that Agency in connection with its study on the possible ways and means of financing of nuclear projects. I have also reiterated that the Bank is prepared to consider requests for the financing of nuclear energy projects whenever they represent the most advantageous of the alternatives for expanding generating capacity in our member countries. In this respect I should note that in appraising projects, the Bank always considers their short and long term benefits to the economy.

The Bank will, of course, maintain its contacts with the IAEA on these matters of common interest. Our representatives have, whenever possible, attended meetings on nuclear reactors and other related matters organized by that Agency and we expect to continue to do so in the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara (2)

cc: Messrs. Hoffman/Demuth

Mr. Console

Mr. Piccagli

Mr. Weiner

Central Files with incoming correspondence

EFrance/FConsole/MWeiner/MLHoffman;mmcd

February 18, 1970

488/4/67

February 18, 1970

Dear Gene:

Many thanks for your letter of February 12 in which you call my attention to the National Association of Mutual Savings Banks and their growing interest and involvement in savings efforts in developing countries. Unfortunately, due to prior commitments, I shall be unable to see their representatives on March 4, but I have instead arranged for Bill Gaud and Bill Diamond to meet with them.

As you know, we recognize the importance of helping these countries strengthen their domestic savings, and I am sure the opportunity to exchange ideas with key U.S. savings bankers on this matter will be of mutual interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Eugene R. Black
1 Chase Manhattan Plaza
New York, New York 10005

cc: Mr. Gaud w/incoming
Mr. Diamond w/incoming
LEChristoffersen:ml

488/4/66

February 18, 1970

Dear Mr. Mills:

Many thanks for your letter of February 4 and for your kind words about the work of the World Bank Group. The mobilization of domestic savings is indeed a most important task for developing countries and it is one which we have supported in the past and will continue to support in the future, through our economic work, appraisals of national development programs, advice on financial policies, and support for capital market improvements in developing countries. The Bank and IFC have also given substantial financial assistance to industrial development finance companies and agricultural development banks, in which domestic capital always plays an important role.

Unfortunately, due to prior commitments, I shall not be able to meet with you and your representatives on March 4. I have instead arranged for a meeting with Mr. Gaud, Executive Vice President of IFC, and Mr. Diamond, Director of the Bank's Development Finance Companies Department. They expect to see you, unless they hear from you to the contrary, at 3:30 p.m. on March 4 in Mr. Gaud's office, Room A-900, at our headquarters here in Washington.

I have noted with interest the active involvement by the savings bank industry in development. This is another indication of what I believe is a growing general awareness by the world community of the urgent need to strengthen our development efforts. As such it is of considerable encouragement to those of us whose daily tasks are in this field.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Alfred S. Mills
National Association of Mutual
Savings Banks
200 Park Avenue
New York, New York 10017

cc: Mr. Gaud w/cpy of incoming
Mr. Diamond w/cpy of incoming
cc: Mr. Eugene R. Black

LEChristoffersen:ml

488/4/65

FEB 17 1970

Dear Mr. Madhvani:

Thank you very much for your letter of January 31. I also regret missing the opportunity of meeting with you during my recent visit to Uganda, as it would certainly have provided me with the benefit of your insights useful to my understanding of developments in the country and its private sector.

My associates in IFC and I are pleased to hear that you may be coming to see us again in the near future to discuss the progress of Mulco Textiles Limited. You are always welcome in Washington and I have asked to be informed of your visit.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jayant M. Madhvani
Director
Maljibhai Madhvani & Co., Ltd.
P.O. Box 54
Jinja, Uganda

CSM/eh
Feb. 16, 1970

c.c. Messrs. Gaud
von Hoffmann
Lisle

c.c. for Mr. McNamara's office

488/4/84

February 17, 1970

Mr. McNamara:

Major Differences in Board Forecasts Dated 1/15 and 2/13

1. Costa Rica Highways

Transportation mission which left on January 25 to update the appraisal report of August 1968, has urged restudy of a six kilometer road stretch which has been affected by recent changes in nearby port facilities. However, negotiations will start on March 2 and Area Department now believes that the project will come up for Board presentation on either March 31 or April 7.

2. Zambia Maize and Tobacco Farming

Area Department has already issued invitation to negotiations which, if the Government had accepted, would have brought the project to the Board at the end of March or early April. However, the Government did not agree to negotiate on the basis of the items proposed to them by the Bank. Area Department is recommending that the Bank agree to accept the Government's point. Mr. Knapp will be asked to agree to this tomorrow. Board action not expected until the middle of May. (See attached memo from Mr. Lejeune.)

3. Dahomey Road Maintenance

The military coup on December 10, 1969, installed a provisional government. Dahomey's Supreme Court announced that, since the government is provisional, it cannot enter into international agreements. Elections will be held in March which should clarify the political situation. Another problem has been the fact that French budget support has been withheld after the coup and the whole financing of the development program therefore seems uncertain.

4. China Power Project

The major problem is the financing plan for the power sector program. The revised appraisal report has just been completed. Negotiations are expected to be completed in mid-March. Since the Government sometimes needs as much as six weeks to process the documents for translation into Chinese and for final approval by the Government, Board action in April cannot be assured.

L.E.C.
February 17, 1970

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Sir Denis:

February 16, 1970

In connection with Mr. McNamara's pending visit to Paris, Messrs. Benjenk, Chauffournier and Dumoulin are preparing background briefs. I expect to have most, if not all, of these briefs by the end of the week and, at that time, I will show you what has been produced so far. Mr. McNamara has now asked that his briefing book be submitted to him Tuesday morning, February 24. We spoke about the usefulness of having you prepare an up-to-date summary of the progress of the IDA negotiations and the French attitudes expressed so far. Could you in addition prepare some brief background sketches on the people with whom Mr. McNamara will meet in Paris?

L.E. Christoffersen

cec

488/4/62

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

488/4/67

OFFICE OF THE PRESIDENT

Mr. Aldewereld:

February 16, 1970

In connection with your briefing paper on "The Bank's Access to French Capital Markets," Mr. McNamara would like to have an analysis of the over-all flow of savings in the French capital markets, and of the types of investments which these savings finance, including a description of major institutions involved and their rates of return on typical securities.

L.E. Christoffersen

lec

488/4/60

Mr. Benjenk:

February 16, 1970

Mr. Chauffournier:

Mr. McNamara has just asked me to have his briefing book for the Paris visit ready by Tuesday morning, February 24. Since most of the tables and briefs will have been completed by February 19, I would suggest that we meet on Thursday afternoon. Perhaps 3:00 p.m.?

For your information, in addition to the list prepared last Friday, Mr. McNamara has asked that the following be included:

- (a) Brief background sketches on the people he will meet (Sir Denis).
- (b) Brief on recent and prospective changes in the French economy (Mr. Sacchetti).
- (c) In connection with brief number 9, an analysis of the French capital markets, channels and amounts of savings and investments, rates of return on typical securities and major institutions involved in the capital market (Mr. Aldewereld).

L.E. Christoffersen

488/4/59

FEB 12 1970

Dear Bill:

Thank you for your letter of January 20 concerning the proposed meeting on population at the Villa Serbelloni on April 6-8. I am making arrangements for a member of the Bank staff to prepare the resource paper requested on the subject "Population Growth; The Implications for Economic and Social Development".

The most convenient arrangement for us would be for the paper to be distributed direct by the Bank to the participants. I look forward, therefore, to receiving a list of names and addresses of such participants when you can provide it. We intend to have it ready for such distribution by March 20.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. W.M. Myers
The Rockefeller Foundation
111 West 50th Street
New York, N.Y. 10020

EKHawkins:pmrr

February 11, 1970

cc: Messrs. Friedman, Clark, Kamarck, Hawkins

Outline - Population Growth; The Implications
for Economic and Social Development

1. The paper reviews common objections to our previous economic arguments for reducing the rate of growth of population. It will be assumed explicitly that the arguments, which will be summarised, are logically correct and that, subject to the availability of data, they can be quantified.
2. Given the nature of these arguments the objections made against them will be reviewed. They fall into the following groups:-
 - (a) Technical arguments against the methodology. Most of these are directed against the form of cost/benefit analysis which has tried to show that the benefits of reducing the rate of growth of population can be demonstrated in terms of the productivity of a single member of the population over his lifetime, compared with the "maintenance costs" of that individual to society. However, these benefits can be demonstrated through a macro-economic approach which looks at all the aggregates in the economy, and does not concentrate upon the marginal change that would follow from the existence of one more individual. In principle the macro-economic and the micro-economic cost/benefit approaches can be reconciled. Our experience with attempts to quantify the economic benefits of family planning programs indicates that the macro-economic approach is both logically more satisfactory and much easier to convey in a non-technical manner.
 - (b) The historical record. Objections are still raised from time to time based on the historical record which contains examples of satisfactory rates of economic progress, combined with relatively high rates of growth of population. These arguments can be met principally

by underlining the historical uniqueness of the present population situation in the developing world. Whilst it is true that the historical record always associates economic growth with rising populations, the rates of growth of the now developed countries were never as high as those now being experienced in the developing world.

(c) Objections to the arguments also stem from a variety of difficulties connected with the time horizon of those concerned with this problem. Most political figures, and the officials and administrators associated with them, operate within a time horizon which is too short to take into account the cumulative effects of population change. Once population pressure has built up, those responsible for public policy and action are more open to persuasion. The difficult cases are clearly where there is still time to avoid the extreme effects of population pressure, if action were to be taken now. In such countries (mainly in Africa) persuasion has not been very successful.

(d) One other difficulty connected with the persuasion of officials and politicians is the conflict that often arises between a scientific approach to a problem and the missionary zeal that often accompanies an attempt to persuade officials to take action. Such zeal often results in the over-statement of a case, or otherwise detracts from the intellectual rigor required to establish a scientific argument. The population field has been particularly subject to this difficulty since it has always been dominated by those who see it as their task to persuade people and governments to take action.

3. The reasons why the arguments fail to persuade often relate to the absence of any consensus on national development objectives as related to population size and rate of growth. The size and rate of growth of population is determined by individual family decisions which take no account of the effects of such decisions upon society as a whole. Two levels of persuasion are required to translate a national population policy into practice; national leadership must be convinced of the case for lower rates of growth and then parents must be persuaded that smaller families are desirable. There is no necessary reason why the latter should take account of macro-arguments that relate higher incomes per head to lower rates of population growth.

4. It is suggested that a widening of the scope of economic development objectives would help to illuminate the reactions of different interests to arguments in favor of lower rates of growth of population. Development objectives have been stated in the form of the aim of raising incomes per capita. This is an index of relative poverty, but changes in it should be accompanied by other changes reflecting improvements in the quality of life. These are: (a) improvements in the quantity and quality of public services - better administration, and law and order, better educational facilities and improved health and social services. Not only should there be an increase in the quality and quantity of these public goods, but they should be more widely available amongst the population as a result of economic growth. Other objectives include the provision of adequate employment opportunities and a satisfactory distribution of the gains from economic development amongst the population. All the above are aspects of the "modernisation" of economies that should accompany economic growth if permanent changes are to occur in the structure of the economy.

5. Concentration on growth in incomes per capita is restrictive from the point of view of population, because there are indications that it is the wider aspects of modernisation that have an impact upon the parents choice of size of family.
6. The quality of economic development includes access to more and better public services, improved employment opportunities and an equitable distribution of incomes and wealth. Rising incomes per capita are the sources of such improvements, but they do not guarantee that such improvements will take place. A reduction in the rate of growth of population will always make it easier to bring about such changes by reducing the relative pressure on resources, increasing the resources available per capita with any given rate of growth of GDP and reducing the rate of increase of the labor force seeking employment.
7. Not all the above objectives will be equally acceptable to those in power in developing countries; some of them are political value judgments, especially the more equal distribution of incomes and wealth. It is not to be expected, therefore, that additional arguments for lower rates of population growth which go beyond the impact upon national incomes per capita will necessarily be more acceptable at first. In some key countries, however, where serious social problems are now emerging from rising unemployment and discontent over the distribution of the gains from development, such arguments may ultimately be the most persuasive.
8. Possible concluding theme - the issue is not whether a reduction in fertility will accompany the modernisation of the economy; historically this has always been the experience and a priori arguments demonstrate that the development process will be speeded up if such reductions can be brought about quickly. The question is then the best way in which this can be engineered in a particular country.

Chow. copy

488/4/58

February 12, 1970

Dear Dr. Abdel-Rahman:

Thank you for your letter of January 28, inviting the World Bank Group to be represented at the meeting to be held this March in Paris on the subject of Cooperation between Industrial Development Financing Institutions of Developing and Industrialized Countries.

We would like very much to be represented at this meeting. I propose to send as the Bank Group's representatives Mr. William Diamond, Director, Development Finance Companies Department, and Mr. Alfred E. Davidson, who has recently been appointed as IFC's Representative in Europe.

I am sure the meeting will be an interesting and valuable one.

With my best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. I. H. Abdel-Rahman
Executive Director
United Nations Industrial
Development Organization
Felderhaus, Rathausplatz 2
A-1010 Vienna, Austria

Cleared in substance and cc: Mr. Consolo
Cleared with and cc: Mr. Diamond
cc: Mr. Davidson
Mr. Demuth

WSGaud:db5

488/4/57

February 11, 1970

Dear Mr. Boerma:

I have read with interest your thoughtful letter of January 29, commenting on certain of the recommendations of the Pearson Commission report. As you may know, we are in the process of analyzing, for the consideration of the Executive Directors of the Bank, IDA and IFC, thirty-three of the Commission's recommendations directed to or bearing on the activities of these institutions. The recommendations on local expenditure financing, technical assistance, program aid and research, to which you have drawn attention, are among those which are being analyzed. I have proposed that after the Directors complete their review, a report summarizing their conclusions and decisions should be transmitted to the Boards of Governors. I shall be pleased to send you a copy of that report.

I may say now that I fully agree with you that increased emphasis on sectoral groupings would be desirable, and I think it likely that the experiment in forming a sub-group of the Tunisia Consultative Group to discuss the needs of the country's agricultural sector will, in time, be applied elsewhere. I also hope that, now that the World Food Program's resources have been so substantially increased, there will be opportunities for supplementing financial assistance from the Bank Group with food aid under the WFP. Finally, I agree that there is scope for further development of the cooperative relationship which now exists between FAO and the Bank/IDA. We have already taken certain initial steps to broaden and strengthen that relationship, in the field of agricultural research, which you mention, and through the expanded program of Bank economic missions in which FAO has agreed to cooperate. I am sure that there will be other opportunities for our institutions to enhance the effectiveness of their developmental role through closer association.

I appreciate your sharing with me your reactions to the Pearson Commission report.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. H. Boerma
Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
Rome, Italy

cc: Mr. Evans w/cpy incoming letter

SEBoskey:RSMcNamara:ml

488/4/56

February 11, 1970

Dear High Commissioner:

I am writing to you about your request that the World Bank Group consider the possibility of assisting with the proposals for supplying water to a refugee settlement in the Kassala Province of the Sudan, which you brought to my attention in November last.

A copy of the field report has now been carefully reviewed by the Bank's staff. Our conclusion is, regretfully, that the scheme as presented would not qualify for Bank Group financing as a development project and that it is most unlikely that even intensive further preparation would lead to a project that would fall within the pattern of our operations.

I am very sorry that we are unable to proceed with the proposal. Should you consider it helpful, however, I would be glad to arrange for the Bank staff who have reviewed the proposal to meet with your engineers at our headquarters here in Washington and to give them the benefit of their analyses.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Prince Sadruddin Aga Khan
High Commissioner for Refugees
Office of the United Nations High
Commission for Refugees
United Nations
New York, N.Y. 10017

cc: Messrs. Demuth, Hoffman, Shipman, Burney

JHWilliams:LEChristoffersen:ml

488/4/55

WALTHER CASPER
6 FRANKFURT A.M.
REUTERWEG 14
GERMANY

FEBRUARY 11, 1970

NLT

REGRET TO INFORM YOU THAT BECAUSE OF COLUMBIA UNIVERSITY CONFERENCE ON
INTERNATIONAL ECONOMIC DEVELOPMENT MR. MCNAMARA WILL NOT BE ABLE TO SEE
YOU DURING YOUR FORTHCOMING VISIT TO WASHINGTON AND NEW YORK STOP
INSTEAD WOULD BE PLEASED TO ARRANGE MEETING WITH ONE OF OUR VICE
PRESIDENTS IF YOU THINK THIS WOULD BE USEFUL.

LEIF CHRISTOFFERSEN

PERSONAL ASSISTANT TO MR. MCNAMARA

INTBAFRAD

Leif E. Christoffersen
Office of the President
LEC:ml:pay

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

488/4/54
INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Mr. Benjenk:

February 10, 1970

In connection with the forthcoming visit by Mr. McNamara to Paris and his discussions with the French Government, I would very much appreciate a background brief from your Department on the Bank's past and future operations in countries in the Middle East and another brief on countries in North Africa. The briefs would pay particular attention to operational and economic policy problems where the views of the Bank Group have been different from those of the French Government. They should also bring out ^{those} areas where we have achieved successful cooperation with the French. In regard to the brief on North Africa, it will be particularly important to bring out the details of our past and present relationship with Algeria.

L.E. Christoffersen



OFFICE OF THE PRESIDENT

INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U. S. A.

488/4 153

FEB 9 1970

Dear Mr. President,

Thank you very much for your kind letter of January 28, 1970. We were very happy to have Vice Minister Woun Gie Kim with us to discuss the highway projects to which, I know, you attach great importance.

Vice Minister Kim will of course report to you in detail on his discussion, but I would like you to know that from our point of view his visit provided a good opportunity for a fruitful exchange of ideas and resulted in an understanding on the steps to be taken next in the implementation of the highway program.

I take this opportunity to reciprocate your kind wishes for 1970.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Robert S. McNamara', written in a cursive style.

Robert S. McNamara

His Excellency
Chung Hee Park
President of the Republic of Korea
Seoul, Korea

488/4/152

FEB 9 1970

Dear Mr. Minister:

Thank you for your letter of January 21 about the desirability of coordinating missions from the Bank and the Fund. In this particular instance there must have been some misunderstanding, since we have no plans to send a Bank economic mission to Malawi about the middle of 1970. Our last economic mission visited Malawi in June and July 1969 and its report was issued to our Executive Directors on January 7, 1970. We look forward to keeping ourselves informed about current developments in Malawi by drawing on information that the next Fund mission would obtain.

That being said, I am in full agreement with you on the general principle that the country economic work of the Bank and the Fund should be as closely coordinated as possible in order to alleviate burdens that these missions inevitably impose on the Ministers and officials of our member countries. You will be pleased to know that this is a matter to which Mr. Schweitzer and I have been giving considerable thought, and we expect to issue a statement to the Executive Directors of our two institutions in the near future setting out the measures that we propose to take.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Aleke K. Banda
Minister of Finance
Zomba, Malawi

JHWilliams:dr
February 6, 1970

cc: Mr. Knapp
Mr. Cope
Mr. Demuth
Mr. Friedman

Mr. Schweitzer, IMF
Mr. Burney

488/4/151

FEB 9 1970

Dear Mr. Fal:

In reference to your letter of January 26, I would like to assure you that we will be most pleased to meet with you again in the Bank during your next visit to Washington.

As your letter does not contain any indication of the exact date of your visit, I cannot foresee whether I will be able to welcome you personally. However, I know that Mr. Chauffournier, who is well known to you, will be happy to receive you and to renew the discussions that you have had with us on the future of Hoteafric and tourism in West Africa.

We look forward to receiving from you the date of your arrival.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Cheikh Fal
Président-Directeur Général
Air Afrique
B.P. 21017
Abidjan, Ivory Coast

SCSchott:pg

cc: Messrs. W. Gaud
Christoffersen
D. Davis
Kreuter
Suratgar

OFFICE MEMORANDUM

488/4/50

TO: Mr. Abderrahman Tazi
FROM: Robert S. McNamara
SUBJECT: Bank's Correspondence with Morocco

DATE: February 6, 1970

DECLASSIFIED
CONFIDENTIAL
SEP 19 2012

WBG ARCHIVES

Thank you for your memorandum of February 2 concerning correspondence with Morocco.

This is to confirm that the Bank will now apply the agreed procedure, with the slight modification suggested in your memorandum.

(Signed) Robert S. McNamara

MPBenjenk:ab

bcc: Mr. M. P. Bart

488/4/49

February 6, 1970

The Honorable
S. Dillon Ripley
Smithsonian Institution
Washington, D.C. 20560

Dear Dr. Ripley:

Many thanks for your thoughtful letter of January 15. Kathy did indeed have a most interesting tour in Nepal. From the way she has been relating her impressions from the visit, she certainly seems to share your fascination with that country.

As you already know, I do agree with you that there is a need for more careful ecological assessments of proposed investment projects in the developed as well as the developing parts of the world. You may be interested to know that we in the World Bank are presently in the midst of studying how we may set up a regular system of appraising the ecological effects of proposed Bank projects.

With respect to the Atitlan Project I should like to clarify the present situation. As you may know several preliminary studies of the hydro-power potential of the lake and the adjacent rivers have been made during the past 15 years. As a result of these surveys, Guatemala is now about to sign a contract with consulting engineers for a comprehensive feasibility study of the Project. The proposed contract for the feasibility study requires the consultant to make detailed studies of both the economic and ecological effects of the diversions and the variations in the lake level. Methods (including forestation and reforestation) are to be studied to minimize the inflow of solids in the lake, the spread of turbidness, the repercussions of the inflow on the chemical and bacteriological balance, and in general "the harmful effects to the recreation aspects, the beauty of the lake and the ecology of the region."

The subject has also been discussed with the General Manager of INDE (Instituto Nacional de Electricidad), who visited the Bank on January 22 and 23. He reconfirmed that INDE is aware of the growing public sensitivity to environmental changes due to the proposed power facilities and that the studies will pay particular attention to the regional and local ecological and economic effects of diverting waters to Lake Atitlan and of regulating the level of the lake itself. Any recommendations on the limits of diversions and regulation will be justified by quantifying these effects to the highest degree possible, particularly these on the immediate vicinity of Lake Atitlan, its shores and its shore facilities.

488/4/28

As to the point regarding the lowering of the lake level raised in the letter you and your colleagues sent to the President of Guatemala, this does not appear to be a serious factor. Because of the large surface area of the lake, the fluctuation of the surface level caused by power generation would be of the order of plus or minus one meter, which is about the same as the present annual natural variation.

From the above, it appears that progress is now being made on the major points you mentioned to me. I am delighted to note that the Smithsonian Institution now stands ready to advise us on problems in connection with ecological assessments.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

488/4 147

"For Mr. McNamara's Office"

FEB 6 1970

Dear Mr. Perez-Guerrero:

I have your letter of January 21, 1970, transmitting the agenda for the forthcoming session of the UNCTAD Intergovernmental Group on Trade Expansion, Economic Co-operation and Regional Integration among Developing Countries and asking whether the Bank has any views as to subjects that might usefully be included in the review of programs in this area that you are preparing for consideration by the Intergovernmental Group.

We have carefully considered your letter and the proposed agenda. I note particularly your request for suggestions as to aspects of our organizations' action which relate to economic co-operation among developing countries and which might benefit from "international consideration at this time." I do not believe there are any aspects of the Bank Group's operations that fall in this category. The proposed agenda appears to be comprehensive and we have no additions to suggest or specific problems to be included in your review.

We will, of course, try to participate in the deliberation of the Group if invited to do so.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Manuel Perez-Guerrero
Secretary-General
United Nations Conference on
Trade and Development
Palais des Nations
CH-1211 Geneva 10
Switzerland

Cleared with and cc: Mr. Friedman
Central Files with incoming correspondence

MLHoffman:mmcd
February 5, 1970

488/4/46

Office of the President

February 6, 1970

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount not exceeding \$175,000,000 in markets outside the United States of America through an issue of Two Year Bonds of the Bank. The bonds are to be dated March 15, 1970 and to mature March 15, 1972. The interest rate of the bonds has not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the borrowing by the Bank in markets outside the United States of America of such amounts as may be raised by the issue of not exceeding \$175,000,000 aggregate principal amount of bonds. The Government of the United States of America is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
David M. Kennedy
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

cc: Mr. Charles R. Harley
Secretary
National Advisory Council on International
Monetary and Financial Policies
Room 3212, Main Treasury
Washington, D.C. 20220

WvanSaagsvelt/CTVu:aa

February 3, 1970

cc and cleared with: Legal Department



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S. A.

488/4/45

OFFICE OF THE PRESIDENT

February 6, 1970

MEMORANDUM TO THE PROFESSIONAL STAFF

As the staff is aware, the Bank faces a growing need to extend its scheduling of investments for each member country for a longer period of time; and to assure that preinvestment studies are planned and carried out as a foundation for the future investment programs. At the same time, there is increasing recognition on the part of governments and of other international agencies that each country needs to prepare systematically a development strategy, including both investment and preinvestment priorities, sector by sector. The objective should be for each country to have a development program which assures that its own investment resources and also external assistance, financial and technical, are used to meet priority needs.

Assisting governments with the preparation of such a development program, covering preinvestment as well as investment priorities, is a very large task, involving difficult judgments and substantial numbers of technical personnel. It necessitates the establishment and maintenance of very close working relationships between the government and the various development assistance agencies to which it looks for support, including the Bank, the UNDP, and other international and bilateral development assistance agencies. In some more advanced countries a substantial amount of this work is being, or can be, done by existing planning agencies. In other countries, the governments will, for some time to come, have to look to the international agencies, and perhaps to a very large extent to the Bank, for technical help.

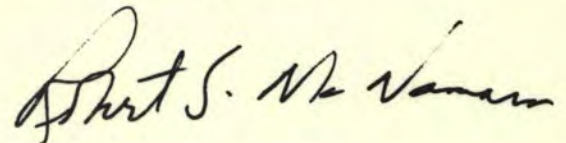
Because of the interdependence of investment and preinvestment planning, the Bank and UNDP must work closely together in helping governments to program preinvestment studies, particularly sector and project feasibility studies and resource surveys. This matter is currently under discussion with UNDP. Meanwhile, if only as a basis for planning our own operations, we must endeavor to reach agreement with governments on priorities for those preinvestment studies which are basic to our operations as well as to investment from other sources.

The chief means of accomplishing this will eventually be through both expanding and deepening the coverage of the reports of our regular comprehensive economic missions. We have asked for, and have been

promised, the cooperation of FAO, ILO, Unesco and WHO in the work of these missions. These agencies have agreed, when requested by the Bank, to provide access to the specialized knowledge they already have available and, when appropriate, to assign specialized staff to Bank missions. The UNDP has also agreed, at our request, to associate the UNDP Resident Representative with appropriate Bank country missions, the Resident Representative to play a central role in connection with the analysis of technical assistance and preinvestment requirements. Experience gained during the next year or so should enable both the UNDP and the Bank to have a clearer view of exactly how responsibility for helping governments to program preinvestment studies can most effectively be divided between our two organizations.

Where inadequate knowledge of certain sectors makes it impracticable to envisage assistance to the government in country-wide programming of investment and preinvestment activities through a general economic mission, special sector missions will be scheduled for the purpose of improving our knowledge and that of the planning agencies of the countries concerned. This will be a long-term process. Some countries may require several years before, with our help and that of other international agencies, they can formulate effective country-wide development strategies that include preinvestment as well as investment priorities.

But we must make a beginning. And in order to begin properly, it is important that all members of the staff likely to be concerned with the preinvestment aspects of this work have as clear an idea as can be given, at this stage, as to what is involved in preparing a report that can be used by a government in working out a program of preinvestment studies. The attached paper, "A Proposed Approach to Preinvestment Study Programs for Developing Countries," prepared by the Office of the Director, Projects, is an internal Bank document designed primarily to provide guidance to Bank staff. It is also intended to provide a basis for further discussions with the UNDP, and with other international agencies, in the light of which the Guidelines may be revised. Nothing in these Guidelines should be taken to prejudge the conclusions which will eventually emerge as to the respective responsibilities in the international community of the Bank, the UNDP and other international agencies for assisting governments in the programming of preinvestment studies.



Attachment

A Proposed Approach to
PREINVESTMENT STUDY PROGRAMS FOR DEVELOPING COUNTRIES

February 6, 1970

Prepared by the Office of the Director, Projects
International Bank for Reconstruction and Development

CONTENTS

1. INTRODUCTION
 - (a) The Need for Programming Studies
 - (b) The Purpose of this Paper

2. WHAT STUDIES ARE NEEDED PRIOR TO INVESTMENTS?

3. OBJECTIVES OF PREINVESTMENT STUDY PROGRAMS

4. PROPOSED TYPES OF STUDY PROGRAMS
 - (a) "Comprehensive Country Programs" of Studies
 - (b) "Sector Programs" of Studies

5. PROPOSED STEPS IN PROGRAM PREPARATION
 - (a) Inventories of Studies
 - (b) Identification of Study Needs
 - (c) Definition of Studies
 - (d) Compiling of Programs

Annex A - Study Data Sheet

Annex B - Study Data Supplement

1. INTRODUCTION

(a) The Need for Programming Studies

Most developing countries will need assistance in identifying and preparing the preinvestment studies which should underlie and provide the basis for their future investment programs. In recent years, there has been an increasing demand for a comprehensive approach to provide such assistance in the form of preinvestment study programs, so that proposals for study grants will be brought to the United Nations Development Programme (UNDP) and other sources of finance on a systematic basis. Such programs should ensure that studies for high priority investment projects are planned and carried out at the appropriate time, that the studies cover all issues relevant to investment decisions, and that the limited human and financial resources available for studies are used efficiently.

There is now wide agreement among governments and international organizations that programs of preinvestment studies should be prepared systematically in each country and linked to the country's overall strategy for economic and social development. It is also clear, however, that the preparation of such study programs will be a very large task for the responsible government and external development assistance agencies, involving difficult judgments and substantial inputs of competent technical personnel.

The scope and complexity of this work in most developing countries will require a phased approach to the planning of preinvestment studies. The process should lead to agreed programs of studies, ensuring that major investments are based on adequate preinvestment work for which financial resources will have been allocated according to meaningful priorities. The programs should be within the capabilities of the countries to execute studies, with foreign assistance, and to carry out the subsequent investments. Moreover, the preparation of these programs should be part of a continuing process of sectoral development planning, in which the completed study programs are updated periodically.

(b) The Purpose of this Paper

This paper outlines a proposed approach to the preparation of preinvestment study programs. Its purpose is to define the tasks involved and to suggest relevant methods that can be used by the responsible government agencies and by the various development assistance organizations to which the governments may look for support.

Preparing such study programs will require the establishment of very close working relationships between governments and participating external assistance organizations. In some countries a large part of this work is being, or can be, done by existing planning agencies. In other countries governments will, for some time to come, need substantial assistance from international and bilateral organizations. The administrative framework in which such assistance is to be provided and the roles of various agencies in this process are currently being discussed and are outside the scope of this paper.

2. WHAT STUDIES ARE NEEDED PRIOR TO INVESTMENTS?

Programs of "preinvestment studies" should comprise all studies needed to (1) establish investment priorities, (2) determine the feasibility of individual projects, and (3) define such changes in governmental policies, operations or institutions as may be necessary to ensure the successful implementation and functioning of investment projects. The studies should therefore cover the full range from basic resource inventories, river basin surveys and studies of alternative development patterns or of sectors on a regional and country-wide scale, to the functional design, preliminary engineering and financial or economic analyses required for specific projects. To the extent necessary for launching investments, the studies should also include analysis of (or advisory services in) project-related organizations, administrative problems, planning machinery, regulatory and marketing policies, manpower resources and training requirements.

The programs should not include final engineering for projects, the preparation of contract documents for construction or procurement, or more specialized types of studies such as those required to establish research and training institutes or to draft legislation that would implement recommended policy and administrative changes. Thus, the programs would not deal with the whole range of preinvestment assistance as that term is understood in the UNDP.

In compiling programs of preinvestment studies, there are two extremes which should be avoided. The first extreme concerns the preparation of lengthy catalogues of studies which, however useful in themselves, would be beyond the country's capacity; this could retard rather than improve the investment process. In the course of program formulation, arguments will be advanced by (1) sincere advocates of excellence or innovation in the conceptual design of studies and (2) agencies or consultants who are more interested in promoting studies than in achieving results. Therefore, each study proposal will have to be assessed carefully on its merits. It is easy to study problems indefinitely, since knowledge is always imperfect and preinvestment study programs are a classic case where the "better" may become the enemy of the "good."

The other extreme concerns the familiar complaint that no study is required because "the need is obvious" or "the project has already been studied nearly to death." Where previous studies have caused excessive delay, the urgency of implementing projects which are clearly of high priority, may have a bearing on the type and scope of additional studies that should be recommended, but impatience with the study process itself should not be allowed to affect the programming of preinvestment studies.

3. OBJECTIVES OF PREINVESTMENT STUDY PROGRAMS

The preparation of preinvestment study programs is intended to:

- (1) assist developing countries in defining and scheduling studies which accord with their development objectives;
- (2) provide the UNDP and other agencies with a sound basis for allocating funds for preinvestment assistance; and
- (3) accelerate and improve the preparation of development projects for financing by the Bank Group and other lenders.

The preinvestment study programs should contain recommendations on the appropriate timing and scope of studies required prior to the implementation of projects. The studies should be ranked in order of priority, and a preliminary indication of the study cost should be given for studies which may require foreign assistance. Further refinement of study scopes and budget estimates would be needed, however, before governments can make formal application for study grants to the UNDP or other agencies; this should be done in subsequent steps, by governments or by the agencies interested in sponsoring or assisting the studies.

4. TYPES OF PREINVESTMENT STUDY PROGRAMS

The feasibility of preparing programs of preinvestment studies will depend on the state of knowledge of each sector in a given country. As this knowledge is not uniform, it is proposed that two types of programs be prepared: (a) Comprehensive Country Programs and (b) Sector Programs.

(a) "Comprehensive Country Programs" of Studies

In a small number of countries, there is now sufficient knowledge of most of the principal sectors to prepare a program of preinvestment studies on a country-wide basis. Typically, these "Comprehensive Country Programs" would comprise preinvestment studies in most of the following areas:

- (1) Agriculture, Forestry and Fisheries
- (2) Education and Training
- (3) Health and Population
- (4) Industry and Mining
- (5) Power
- (6) Water Supply and Sanitation
- (7) Telecommunications
- (8) Transportation
- (9) Tourism
- (10) Urban Development and Housing

(b) "Sector Programs" of Studies

In most countries, it will probably be impossible to prepare "Comprehensive Country Programs" until major sector components for these programs have been developed. Primary emphasis should therefore be placed on the preparation of partial preinvestment study programs for specific sectors ("Sector Programs").

This paper does not cover criteria for establishing sectoral development policies or for the technical and economic aspects of study planning in individual sectors, which are subjects requiring separate treatment in considerable detail. The proposed outline given in the next section of this paper is concerned only with those aspects of preinvestment study programs which are common to all sectors.

5. PREPARATION OF PREINVESTMENT STUDY PROGRAMS

The circumstances of individual developing countries are so diverse that procedures for preparing study programs cannot be rigid. This section gives only the outlines of a general approach and a few basic criteria which should apply to all study programs. It also indicates a typical sequence of steps, which will have to be adapted to specific situations.

(a) Inventories of Studies

To avoid duplication of effort, it will be necessary to determine whether existing studies provide an adequate basis for the ultimate investment decisions. For this purpose it will be essential as a first step to have an inventory of all recently completed and current studies in the sectors for which programs of preinvestment studies are to be prepared.

Prior to the commencement of work on such programs, the UNDP Resident Representative and the government agencies responsible for the sectors should be requested to compile an inventory of all available data on the recently completed, current and proposed studies that may be of relevance.

Once the inventory has been compiled, the important studies in it will have to be reviewed. In some cases it may be necessary to employ consultants to assist in the review of studies.

(b) Identification of Study Needs

The identification of needed studies is a critical part of the process of preparing a preinvestment studies program. Within each sector, the approach should be:

- (1) to start with a development strategy for the sector as a whole, identifying both the principal investment needs with their relative priorities and the policies and institutional changes necessary for the development of the sector;
- (2) to identify deficiencies in the knowledge of sector problems and resources, defining the areas where further study is needed to provide a proper basis for investment planning if this does not now exist;
- (3) to work back from prospective investments, in the order of their priority, to the studies needed for establishing project feasibility and the best alternative; and
- (4) to review government operations and the administrative framework in the sector, in order to identify more precisely the advisory services or studies needed for improving policies, organization, management, personnel training, etc., as required for the successful execution of projects.

In this process, the following questions should be explored:

- (i) Where future investments depend on previous or current studies, is the depth and coverage of these studies satisfactory? (This should be answered in the review of the studies contained in the inventory).

- (ii) Where future investments depend on proposed studies, do the studies cover all topics that are relevant to a sound investment decision? And will all important alternatives be considered?
- (iii) Where no investments are currently contemplated, would studies help to identify projects that could make an important contribution to development?

This should result in a broad definition of overall needs for preinvestment studies. It is important that these overall needs be discussed with the responsible government agencies in each sector before proceeding with the next step, which is the definition of individual studies.

(c) Definition of Studies

It is not practical to define the scope of studies included within preinvestment programs with the accuracy used in terms of reference for those who will carry out the studies, nor is it possible to make a thorough analysis of available data and evaluate alternative study designs in sufficient depth to ensure that optimum solutions have been found. Nevertheless, preliminary judgments on these subjects must be made to provide a meaningful basis for estimating the time and cost requirements of studies. The result at this stage will be a "preliminary design" of studies, which should be internally consistent, though subject to change at a later stage.

The "preliminary design" of each study in the program should include:

- (1) a statement of purpose, containing the main questions to be answered by the study and the development objectives that would be served;
- (2) an indication of the type of detail (or degree of accuracy) expected in the study results;
- (3) an outline of main areas of investigation, with a list of the important study tasks; and
- (4) a general assessment of data availability and of the difficulties likely to be encountered in data collection.

Based on this preliminary definition of scope, the duration and approximate cost of studies should be estimated. Duration will be a function of both the administrative arrangements for the study and the size of the study team, about which appropriate assumptions should be made; but other factors should also be considered, such as seasonal variations under which data must be collected or the need to have one full year's cycle of field observations. Time estimates should take into account all phases of the work, from mobilization of the team in the field through to drafting and production of the final report.

In estimating study costs, as a minimum, order-of-magnitude figures should be given, supported by the above judgments of study duration and size of team. When possible, a tentative study budget should be prepared by estimating the likely composition of the team and the man-months required in each category of staff.

For each recommended study which may require foreign assistance, "Study Data Sheets" should be prepared (see example in Annex A). The information to be provided on these sheets will be of vital importance to the governments and financing agencies in implementing the proposed preinvestment work. "Study Data Sheets" may also be prepared for studies to be executed with domestic resources, if requested by the government or considered desirable by those who prepare the programs.

Where possible, more detailed information on tentative staffing and budgets for the studies should be given on "Study Data Supplements" (see example in Annex B), which should also be used to record comments or data that do not fit on "Study Data Sheets."

(d) Compiling of Study Programs

After each study has been identified and defined as above, the priority of the proposed studies should be assessed and a selection made of those to be included in the program. The selection should take into account (i) the country's administrative capacity to undertake the studies, (ii) the relative importance of the studies in sectoral development, and (iii) prospects of implementing the projects that may result. These points should be discussed with the responsible government agencies before making the selection.

To the extent possible, preinvestment study programs should cover all studies required for investment decisions that are expected to be made within the next five years. As a minimum, the programs will cover studies that should be started within two years.

An indication should be given of the ranking of studies within each program. All studies should be listed by the calendar year in which they are to start. Within each calendar year, the studies should be ranked (or grouped) in order of their importance to the development objectives of the country.

Preinvestment study programs should consist of three parts:

- (1) A "Summary," giving the rationale for the proposed program. This should include (i) a brief statement on the development objectives to which the studies are related, and (ii) an outline of the sequence of interdependent studies.
- (2) A "List of Proposed Studies" giving (i) the name, (ii) the approximate cost and (iii) the ranking of each study.
- (3) "Study Data Sheets" and, where possible, "Study Data Supplements" (Annexes A and B) for all studies that may require foreign assistance.

PREINVESTMENT PROGRAM - STUDY DATA SHEET

No. : _____

Area:	Country:	Sector(s):
1. NAME OF PROPOSED STUDY:		
2. PURPOSE:		
3. SCOPE:		
4. BACKGROUND: (a) Related Studies (b) Other Available Data (c) Expected Data Problems		
5. TIMING: (a) Duration and Phasing of Study (b) Desired Starting Date		
6. COMMENT ON POTENTIAL STUDY SPONSORS:		
7. PROJECT(S) EXPECTED TO RESULT FROM STUDY (if known): (a) Description (b) Estimated Investment (US\$ equivalent) (c) Financing Need and Potential Source		
8. ORDER OF MAGNITUDE OF STUDY COST (US\$ equivalent):	Sheet Prepared by: Dept. or Agency: Date:	
9. STAFF'S COMMENT ON PRIORITY RANKING OF STUDY:	Sheet Revised by:	
	Item(s) Revised:	
	Dept. or Agency:	
	Date:	

INFORMATION TO BE PROVIDED ON STUDY DATA SHEETS

<p>Item 1: Give an appropriate name to the proposed study for identification purposes.</p>	<p>Country:</p>	<p>Area:</p>
<p>Item 2: State the purpose of the study, giving the main issues to be resolved and indicating development objectives relevant to the study.</p>	<p>NAME OF PROPOSED STUDY:</p>	
<p>Item 3: Summarize the scope of work envisioned. In this space give (a) limits of subject, geographic area and time to be covered by the study, (b) major types of required field investigations, mapping, laboratory work etc., (c) categories of analytic work, and (d) alternatives to be studied.</p>	<p>PURPOSE:</p>	
<p>Item 4: Indicate related studies which preceded or are to be undertaken concurrently with or subsequent to the proposed study. Outline the types of basic data which will be used in conducting the proposed study and indicate any special problems in data collection which are expected.</p>	<p>SCOPE:</p>	
<p>Item 5: Indicate the likely duration and desired starting date of the proposed study and, where applicable, give the scope of suggested phases in which the studies are to be executed, together with the duration of each phase.</p> <p>Example: "Phase 1 - Site selection and functional design ----- 4 months Phase 2 - Preliminary engineering and economic analysis ----- 6 months Total duration (including approval of site selection) ----- 12 months"</p>	<p>DURATION:</p>	
<p>Item 6: If agencies are known to be potential sponsors of the proposed study, indicate their name and comment on the prospective role of the agency in conducting the study. For instance, give relevant information on government participation in the country of the study, such as the responsible ministry or technical agency dealing with the sector; mention any agency which may have expressed the intention to administer the study as "Executing Agency" (FAO, Bank, UNESCO, etc.); and record any expressions of interest in providing funds for the study.</p>	<p>BACKGROUND: (a) Related Studies (b) Other Available Data (c) Expected Data Problems</p>	
<p>Item 7: Give a brief description of the projects to be prepared by the study (if known), together with an indication of the estimated investments and the likely need for foreign financing. If the project is being discussed in terms of Bank Group financing, this should be indicated; if alternative sources of finance have been named, this should also be noted.</p>	<p>TIMING: (a) Estimated Investment (b) Estimated Investment (c) Financing Need and Potential Sources</p>	
<p>Item 8: Indicate the order of magnitude of the cost of the study, based on an assessment of the information given in Items 3, 4 and 5 of the "Study Data Sheet" and, where possible, support this information by filling in Items 1 and 2 of the "Study Data Supplement."</p>	<p>ORDER OF MAGNITUDE OF STUDY COST (US\$ equivalent):</p>	
<p>Item 9: Give staff's view on the priority ranking of the study, indicating year in which study should start and importance of study to sector development.</p>	<p>STAFF'S COMMENT ON PRIORITY RANKING OF STUDY:</p>	
<p>Note: Use "Study Data Supplement" to give any comments or data for which space on this sheet is insufficient.</p>	<p>PROJECT(S) EXPECTED: (a) Description (b) Estimated Investment (c) Financing Need and Potential Sources</p>	
<p>Date:</p> <p>Dept. or Agency:</p> <p>Staff Revised by:</p> <p>Date:</p>	<p>Date:</p> <p>Dept. or Agency:</p> <p>Staff Revised by:</p> <p>Date:</p>	<p>Date:</p> <p>Dept. or Agency:</p> <p>Staff Revised by:</p> <p>Date:</p>

PREINVESTMENT PROGRAM - STUDY DATA SUPPLEMENT
(to be filled in when possible)

No. : _____

1. TENTATIVE STAFFING	Type of Specialist	Number on Team	Total Man-Months
(a) Foreign Professional Staff:			

3. OTHER COMMENTS

Supplement Prepared by:

Dept. or Agency:

Date:

Supplement Revised by:

Item(s) Revised:

Dept. or Agency:

Date:

INFORMATION TO BE PROVIDED IN STUDY DATA SUPPLEMENT

<p>Item 1:</p>	<p>Indicate the likely staff effort required for completion of the study. In 1-(a), give the mission's estimate of the main categories of foreign specialists, their number, and the total number of man-months of work (field and home office work combined). 1-(b) should be completed only if it is intended that professional staff of domestic firms participate in the study; this part should be left blank if the only professional contribution by the member country will be "government counterpart personnel" of the sponsoring agency. (Tentative staffing and budgets should exclude personnel who would not be responsible for completing the study). In 1-(c) indicate the type, approximate number and man-months of local supporting staff required (i.e. survey crews, draftsmen and other non-professional staff).</p>
<p>Item 2:</p>	<p>Give the tentative budget estimate for the proposed study. This should be based on the staffing given in Item 1 and on unit prices for various professional services of each category which will be provided for budgeting purposes by each Projects Department. The estimate should also include the cost of foreign and local travel, subsistence for foreign staff, and the cost of major pieces of equipment or supplies required during the execution of the study. (The estimate should not include amounts required for fellowships or other training related to the subject unless this is required for the execution of the study.)</p>
<p>Item 3:</p>	<p>In this space give any comments or data for which space on "Study Data Sheet" is insufficient.</p>

Date:	
Dept. or Agency:	
Project Name:	
Project No.:	
Dept. or Agency:	
Date:	

488/4 144

Office of the President

February 6, 1970

Dear Dave:

I am enclosing a letter formally requesting authorization to borrow \$175,000,000 outside the United States through an issue of Two Year Bonds. As you may know, this dollar denominated offering is restricted to Central Banks and other governmental institutions outside the United States and certain international organizations. In accordance with our usual practice, this matter has been discussed between our respective staffs.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Enclosure

The Honorable
David M. Kennedy
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

WvanSaagsvelt/CTVu:aa

February 3, 1970

cc and cleared with: Legal Department

488/4 143

February 6, 1970

Dear Dave:

Many thanks for keeping me informed, by your letter of January 29, of ILO's plans for studying integrated employment promotion in Jordan.

We shall be happy to discuss the matter with Dr. Abbas Ammar. As the Bank does not have local representatives in the Near East, I would suggest that either Dr. Ammar stop in Washington if he has an early opportunity of coming to the United States or, alternatively, that members of our Europe, Middle East and North Africa Department visit him in Geneva towards the beginning of April. Meanwhile, the Director of that Department, Mr. Benjenk, will be sending to Dr. Ammar a copy of a recent Bank economic report on Jordan.

It was good to see you again earlier this week--your performance was most impressive.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. David A. Morse
Director General
International Labour Office
Geneva, Switzerland

MPBart:RSMcNamara:ml

KIBAKI
FINANCE
NAIROBI

(KENYA)

FEBRUARY 4, 1970

LT

*Mr. McNamara
to see
lee 2/5*

*(Mr Knapp
initialed)*

488/4/42

GRATEFUL YOURCABS FEBRUARY THREE AND FOUR STOP PLEASED TO LEARN PROPOSED
RAILWAYS AND TELECOMMUNICATION LOANS APPROVED BY KENYA GOVERNMENT STOP
BEST REGARDS

MCMANARA

Robert S. McNamara
President

RClements:rs

President has seen

INCOMING CABLE

DATE AND TIME OF CABLE: FEBRUARY 3, 1970
LOG NO.: WU TELEX/3
TO: MCNAMARA INTBAFRAD
FROM: NAIROBI

ROUTING	
ACTION COPY:	<i>Mr. Clements</i> MR. LEJEUNE
INFORMATION COPY:	MR. MCNAMARA
DECODED BY:	

TEXT:

36. REFERENCE E.A. RAILWAYS CORPORATION LOAN KENYA GOVERNMENT HAS APPROVED AND WILL TABLE GUARANTEE MOTION AS SOON AS KENYA PARLIAMENT CONVENES. HEREBY DESIGNATE KENYA AMBASSADOR KIBINGE TO SIGN ON BEHALF OF KENYA GOVERNMENT.

MWAI KIBAKI
MINISTER FOR FINANCE
885570 KENIA D

488/4/47

(for President's Office)

FEB 2 1970

Dear Mr. Ambassador,

Thank you for your letter of January 22, with its additional information, and for coming to see me last week. I very much enjoyed your visit.

I have looked into appropriate possibilities for you in the Bank Group but find, regretfully, that we do not have an opening at the moment commensurate with your senior status and experience. It is seldom that a position for someone of your ability and level becomes available, but I shall be glad to keep you in mind for specific assignments which may arise, calling for your impressive talents.

I was very glad to have the opportunity of meeting you, and appreciate your interest in us.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
N.V. Rao
Ambassador of India
c/o Mr. K.K. Naidu
1601 Allerton Avenue
Bronx, New York

FGStone:elb
January 28, 1970

488/4/39

The Honorable
J. M. Okae
Minister of Planning and Economic
Development
P.O. Box 13
Entebbe, Uganda

FEB 2 1970

Dear Mr. Minister:

As I promised during our discussions in Kampala, I have reviewed the World Bank Group's involvement with agricultural credit in Uganda.

The project presented to the World Bank in June 1968 was appraised in the field in October 1968. We were not able to proceed with the project as presented for a variety of reasons that were discussed with the officials of the various Ministries of the Government by the Deputy Director of the Eastern Africa Department in February 1969, and subsequently in considerable detail by a staff mission in May. The principal difficulties at that time were the undetermined nature of the marketing prospects for maize, sorghum and non-confectionary groundnuts, and uncertainty about the economic viability of most parts of the cotton sub-project. There were, in addition, problems arising from the financial position of the cooperative unions and societies which would have been involved in the project, problems which your Government was also considering in the light of the comprehensive commission of enquiry established by the Uganda Government.

In the opinion of the Bank's staff, considerable additional preparatory work would have been necessary before a viable project along the original lines could emerge. Precisely in order to avoid further delay, we suggested concentrating on the elements in the original proposals that would require the least amount of additional preparatory work, and which could be implemented as the first stage of what we hoped would be a series of credit projects. Based on those recommendations, with which your Government agreed, the present proposals for a Smallholder Tobacco Project were prepared with assistance from the staff of our Permanent Mission in Eastern Africa, and this project was appraised by a further mission in August 1969. I am glad to say that we expect to invite your Government to send representatives to Washington shortly for negotiations. As discussed with officials of your Government

The Honorable
J. M. Okae

- 2 -

during appraisal, we shall propose that the credit to be negotiated should include funds to finance services of consultants to assist Uganda in the concentrated preparatory work needed for a further, and hopefully more extensive, credit project.

I should draw to your attention that the Bank Group has in fact been working on various other aspects of agricultural credit in Uganda for some years and has already provided financial assistance. I refer, of course, to the work in connection with smallholder tea and private ranching which culminated in IDA credits of \$3.4 million for a Smallholder Tea Project in 1967 and \$3.0 million for a Beef Ranching Project in 1968. In both cases the project included the provision of a significant element of credit. Moreover, preparatory work is underway on the second stages of both the tea and the livestock project, which again would include provision for their credit requirements.

With the wisdom of hindsight, I think it is now clear that the efforts prior to 1968 to put together a comprehensive credit project covering many fields at once were too ambitious. Uganda was required in effect to resolve too many and too wide a range of problems at once, on the one hand problems affecting the economics and market position of individual crops and, on the other hand, financial and administrative problems facing the institutions that would be involved in the implementation of credit programs. I believe that the approach that we are now agreed on of tackling progressively and systematically the requirements of a narrower range of activities in any one operation is constructive and manageable. Taking into account our intention to provide funds in the proposed Tobacco Credit operation to finance consultants to help Uganda prepare credit projects covering other crops and the ongoing preparation of further stages of tea and livestock, I believe we can say that the World Bank Group is making a determined effort to broaden and deepen its assistance in what I agree with you is a vital sphere.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

GSKaji/SDEccles/JHWilliams:dr
February 2, 1970

cc and cleared with: Mr. Wapenhans

488/4 138

JAN 30 1970

Excellency:

I wish to thank you for the good wishes for the New Year and your invitation to visit Panama which you conveyed in your letter of January 15.

I look forward to the resumption of Bank Lending operations in Panama in the coming months. Consideration of the proposed loan for the Bayano hydroelectric project is well advanced, and we hope to be able to invite negotiators very shortly. We shall also be reviewing the feasibility study on the expansion of the Tocumen airport which has just reached us.

I would very much like to visit Panama, but unfortunately there is little chance of my being able to do so this year because of other commitments.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mr. Demetrio B. Lakas
Presidente de la Junta Provisional
de Gobierno
Presidencia
Republica de Panama

cc: (with copy of incoming): Dr. Machado
Messrs. Christoffersen
Carmichael/Hayden
Davar

HWyss/EPWright/jim

Typed January 28, 1970

488/4/37

January 30, 1970

Dear Dr. Wallenberg:

I thank you and Mr. Hill for your letter of January 21, telling me that the ICC-UN, GATT Economic Consultative Committee has decided to request National Committees in France, Germany, Japan and the United Kingdom once again to urge their governments to support the international investment insurance scheme under consideration in the Bank.

As you may know, since we met together in New York last November, the Governor of the Bank for the United States has informed me that the United States is interested in participating in the scheme, provided that agreement can be reached on a soundly structured program, and is prepared to join in further discussion looking toward establishment of such a program. It is the United States' view, however, that participation by most, if not all, of the capital-exporting members of the Bank is essential. The Government of France, which was formerly unwilling to take part in a multilateral scheme, is now prepared in principle to do so. There is no indication that Germany, Japan and the United Kingdom have changed their negative attitude; it is the position of those governments which may be critical.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Marcus Wallenberg
Co-Chairman, ICC-UN, GATT
Economic Consultative Committee
International Chamber of Commerce
38, Cours Albert 1^{er}
Paris, France

SEBoskey:tsb
January 29, 1970

Cleared with Mr. Broches

cc: Office of the President (2) ✓

488/4/36

January 30, 1970

Dear Dr. Robinson:

I am replying to your letter of January 15, concerning participation in the Cambridge Conference on Development, 1970, to be held next September.

I regret that it will not be possible for me to accept your kind invitation to attend the Conference. I am, however, designating Mr. E. K. Hawkins to represent the Bank. Mr. Hawkins is Chief of the Population Studies Division of the Economics Department, and in his work is concerned with many of the issues appearing on the agenda of the Conference enclosed with your letter. If any additional documentation for the Conference is produced, please send it directly to Mr. Hawkins at Bank headquarters.

Sincerely,

Robert S. McNamara

Dr. R. E. Robinson
St. John's College
University of Cambridge
Cambridge, England

SEBoskey:tsb
January 29, 1970

cc: Mr. Hawkins

cc: Office of the President (2) ✓

488/4/35

JAN 30 1970

Dear Dave:

I very much appreciate your invitation to the Ninth Conference of American States Members of the ILO to be held in Caracas from April 13 to 24 of this year, and for me to address the plenary meeting. I fully realize the significance of the Conference but much to my regret find that it will not be possible for me to be there. I have a very heavy schedule in April and I can't possibly go to Caracas.

We will write to you again shortly regarding the formal invitation.

With all best wishes,

Sincerely,

15/ Bob

Robert S. McNamara

Mr. David A. Morse
Director-General
International Labour Office
154 rue de Lausanne
Geneva, Switzerland

EFranco:mmd
January 29, 1970

488/4/34

MAMOUN BEHEIRY
PRESIDENT
AFRICAN DEVELOPMENT BANK
ABIDJAN

JANUARY 28, 1970

FULL RATE

IVORY COAST

MY COLLEAGUES AND I HAVE RECEIVED THE NEWS OF YOUR RESIGNATION WITH
MUCH REGRET STOP THE AFRICAN DEVELOPMENT BANK HAS BEEN FORTUNATE TO
HAVE BENEFIT/ED FROM YOUR WISE AND ABLE LEADERSHIP STOP PLEASE BE
ASSURED THAT THE NEW PRESIDENT AND YOUR BOARD OF DIRECTORS MAY COUNT
ON OUR FULL SUPPORT AND COOPERATION

ROBERT S. MCNAMARA

INTBAFRAD

Leif E. Christoffersen
Office of the President

c.c. Mr. Shoab

LEChristoffersen:emcc

488/4/32

January 28, 1970

Dear Prince Bernhard:

Thank you for your kind invitation to attend the Bilderberg Meeting in April. I very much regret that previously scheduled meetings with a foreign government will make it impossible for me to be there.

I wish you much success for another very stimulating conference.

With high esteem and best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Royal Highness
Prince Bernhard
Bilderberg Meetings
1, Smidswater, The Hague

/pay

488/4/31
✓

JAN 28 1970

Dear Mr. Minister:

Thank you for your letter dated January 7, 1970 giving me further information about the proposed meeting of external lenders being called by the Government of Honduras.

I am pleased to inform you that the Bank supports your desire to coordinate the financing of the Government's public investment program and, to this end, will be glad to play an active part in the proposed meeting. Mr. Edgar Gutierrez, Director of the Central America and Caribbean Department, will represent the Bank at this meeting and I know that he is looking forward to this opportunity of discussing the plans for development being prepared by the Government of Honduras.

I would like to take this opportunity to wish the proposed meeting every success.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Manuel Acosta Benilla
Ministro de Economía y Hacienda
Secretaría de Economía y Hacienda
Tegucigalpa, Honduras

cc: Messrs. Lari
DeCosta
Echeverria

cc 2/4

HMrza: gbo
January 27, 1970

488/4/29

January 28, 1970

Dear Governor:

Upon my return to the Bank, I received the formal notification of your appointment as Governor of the International Bank for Reconstruction and Development. On behalf of the Executive Directors, Officers and Staff of the Bank I send you a warm welcome. We shall look forward to your participation in our activities.

I also wish to express my sincere thanks for the warm hospitality extended to my associates and myself during our visit to Kenya. The interesting and enjoyable program you arranged for us broadened our understanding of the problems facing your development efforts as well as the immense potentials of the Kenyan economy. We in the World Bank not only will continue to assist your endeavors to promote meaningful economic and social progress in your nation but we also hope to increase that support in the years ahead.

Once again many thanks for a most splendid visit to Kenya.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Mwai Kibaki, M.P.
Minister for Finance
The Treasury
P.O. Box 30007
Nairobi, Kenya

488/4/28

January 26, 1970

Dear Mr. President:

On my return to Washington I wish to send you my warmest thanks for the hospitality which you and your Ministers extended to me and my colleagues during our visit to Kenya. I am particularly grateful to you for finding time to talk with me personally, and for providing me with such an interesting exposition of the development issues facing your country.

I came away from Kenya deeply impressed by what is being achieved under your leadership, but fully aware of the difficult problems you still face. It is my hope and intention that we at the World Bank can be ever more active partners in overcoming those problems, and in achieving the full development of your country.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Jomo Kenyatta
President of the
Republic of Kenya
Nairobi, Kenya

LEChristoffersen:emcc

488/4/27

January 26, 1970

Dear Mr. Minister:

On my return to Washington I would like to send you warm thanks on behalf of myself and my colleagues for all the trouble you took to make our visit to Uganda so enjoyable and useful.

I am particularly grateful to you and your colleagues for all the time you gave us in explaining the problems and prospects of your country's development. It will, I hope, enable us to play a more effective role as your partners in the development process.

I was greatly impressed by the beauty of your country and would like to thank you especially for the field visits you arranged for us, climaxed by the unforgettable boat trip on the Nile.

I look forward to a close cooperation between the World Bank Group and your country in the future and hope to see you again at Copenhagen in September.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Laurence Kalule-Settala
Minister of Finance
Kampala, Uganda

LEChristoffersen:emcc

488/4/26

January 26, 1970

Dear Mr. President:

On my return to Washington I wish to thank you most warmly for your kindness in receiving me and also for all the help your Ministers gave to my associates and myself during our interesting and memorable visit to Uganda.

I saw enough of Uganda to realize both its great potential and its severe economic problems. It is my hope and intention that we at the World Bank may provide increasing support for your development efforts in the years ahead. We wish you all the best of success in your endeavors to promote economic progress and we share your hope that this will bring about significant and steady improvements in the well-being of your people.

May I send you my warmest good wishes for health and strength to meet the tasks ahead of you.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Apollo M. Obote
President of the
Republic of Uganda
Kampala, Uganda

LEChristoffersen:emcc

488/4/25

January 26, 1970

Dear Mr. Owen:

I am very grateful to you and your able staff for the splendid visits my associates and I had to Ngorongoro Crater and to the Serengeti National Park. We did indeed take with us pleasurable memories of Northern Tanzania and Mrs. McNamara was as disappointed as I that she could not accompany me on that occasion.

The presentation you gave me on the work of the Serengeti Research Institute was most interesting and I agree with you that such important research work deserves a more secure financing arrangement. In your letter of January 15 you indicate that you hope to visit Washington in April or May. I would be very pleased to discuss this matter further with you then.

My wife joins me in sending you our warm regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. John Owen
Director
Tanzania National Parks
P.O. Box 3134
Arusha, Tanzania

LEChristoffersen:emcc

488/4 124

January 26, 1970

Dear Mr. Nsekela:

I wish to convey to you my warm appreciation for your part in making my visit to Tanzania so interesting and enjoyable. I am particularly grateful to you for accompanying me on the visits to Ngorongoro Crater and to Arusha, and for the stimulating conversations we had on that part of the trip. As you know, it is my earnest intention to increase the support of the World Bank Group for your country's development efforts. Hopefully this will also involve a close relationship with your institution in the coming years.

I hope we may have an opportunity to meet again next time you visit Washington.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Amon J. Nsekela
Chairman and Managing Director
National Bank of Commerce
Dar es Salaam, Tanzania

LEChristoffersen:emcc

488/4 /23

January 26, 1970

Dear Mr. Minister:

I wish to express once again my gratitude for the warm hospitality which my associates and I received when we visited Arusha. As I mentioned to you when we met in Washington last Tuesday, I very much enjoyed the interesting dinner meeting which you and your two Ministerial colleagues arranged during our visit. We in the World Bank Group share your conviction in the importance and urgency of strengthening the Community efforts and we are proud to have been associated with these endeavors in the past. It is our sincere hope that in the coming years we may provide a substantial increase in lending to East Africa and that the Community framework will continue to play an important role in this respect.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Robert J. Ouko
Minister for Finance and Administration
East African Community
Arusha, Tanzania

LEChristoffersen:emcc

488/4/22

January 26, 1970

Dear Mr. Minister:

On behalf of my associates and myself, I wish to express our sincere appreciation for the assistance and courtesies received during our visit to your country. The program which you very kindly arranged for us was both interesting and enjoyable, and I left Tanzania with a broader understanding of your development objectives and of the important and challenging tasks which lie ahead of you. It is my earnest hope that we in the World Bank Group may provide significant assistance to your efforts to promote economic development and that we may substantially increase our lending to your country.

I look forward to seeing you again soon and hope we may have such an opportunity, if not before, at the Annual Meeting in Copenhagen in September.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Paul Bomani
Minister for Economic Affairs
and Development Planning
P.O. Box 9242
Dar es Salaam, Tanzania

LEChristoffersen:emcc

488/4/21

January 26, 1970

Dear Mr. President:

Upon my return to Washington I wish to convey to you my warm appreciation and gratitude for the generous hospitality extended to my associates and myself during our visit to Tanzania.

I was immensely impressed by the dedication and commitment with which you and your Ministers endeavor to bring about economic and social development in your country. I realize how much is owed to your inspiring leadership. Your development strategy, which aims at improving agricultural productivity and the incomes of the smaller farmers, who constitute the bulk of your rural population, is indeed commendable.

The task of implementing your overall development objectives may appear formidable, but I agree with you that at the same time it is providing an exciting challenge for the years ahead. The World Bank Group is ready to help and is prepared to increase its support for your development efforts. I share your hope, Mr. President, that it will be possible to bring about a significant and steady improvement in the well-being of your people.

Once again let me thank you for the warm reception and the kind assistance we received in your country. I wish you success in the tasks ahead.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Julius Nyerere
President of Tanzania
Dar es Salaam, Tanzania

LEChristoffersen:emcc

480/4/20

January 26, 1970

Dear Mr. Minister:

I was delighted to have the opportunity to meet with you again during my visit to Tanzania and I want to thank you for the interesting program which you and your staff helped to arrange for my associates and myself on that occasion. The objectives outlined in your country's development program are indeed commendable and exciting. The emphasis on improvements in agricultural productivity, functional literacy, educational reform, and rural development will clearly be important factors in your development strategy in the years ahead. I shall be most interested in following the progress you make in these areas. We in the World Bank Group wish you success in these endeavors and want you to know that we plan to bring about a substantial increase in lending to your country.

You know that I share your strong conviction and fervent belief that the East African Community can be of increasing and major importance to economic development in the region. The degree to which progress already has been achieved in your common market effort is unique in the developing world and has become an important test case for regional cooperation. The World Bank Group also stands ready to continue our support for these regional efforts.

In both respects we look forward to a continuous close relationship with your country in the coming years.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
A. H. Jamal
Minister of Finance
Dar es Salaam, Tanzania

LEChristoffersen:emcc

488/4/78

JAN 24 1970

Dear Mr. Minister,

I returned this week after a visit to Eastern Africa and find your kind wishes for the New Year waiting for me. Allow me, even belatedly, to reciprocate the hope you express for close cooperation between the Algerian Government and the Bank.

With best wishes.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Abdelaziz Bouteflika
Ministre des Affaires Etrangères
de la République Algérienne Démocratique
et Populaire
Algiers, Algeria

MPBenjenk:ab



INTERNATIONAL FINANCE CORPORATION
WASHINGTON, D.C. 20433, U.S.A.

488/4/17

OFFICE OF THE PRESIDENT

JAN 23 1970

Dear Mr. Ku:

Thank you for your letter of December 26, 1969, and attachments about the recent Asian Parliamentarians' Union Survey Mission to Laos which I have read with interest.

As you may know, following an exchange of letters between Secretary General U Thant and myself last year, the Bank Group is becoming more actively involved in the problems associated with the development of the Lower Mekong Basin and of its riparian countries. In this connection we need to become better acquainted with economic conditions and prospects in Laos and we are discussing with the Government how this could best be done.

With kind regards,

Sincerely,

Robert S. McNamara

Mr. Ku Cheng-Kang
President
Asian Parliamentarians' Union
Taipei, Republic of China

488/4/16

JAN 23 1970

Dear Mr. Hirsch,

As you know, the matters in dispute between the Union Minière and the Congolese authorities have been settled in direct negotiations between the interested parties.

I want to thank you for your willingness to assist me in this matter. Your analysis of the problem and your evaluation of possible terms of settlement have been extremely valuable to me in my conversations with the interested parties during my visit to the Congo and Brussels last February.

In closing my files on this matter I noticed that the terms of your compensation did not provide for a minimum fee, since they were proposed by us in the expectation that you would be called upon to perform a substantial amount of work over a protracted period of time. As this expectation has not been realized, I would like to set the minimum at \$5000, if acceptable to you, and have instructed our Controller to send you a check for the difference between that amount and your time charges.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Etienne Hirsch
10, rue de la Justice
Sèvres (S.-at-O.)
France

ABroches:lf
January 22, 1970

For Mr. McNamara's office



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S.A.

480/4/15

OFFICE OF THE PRESIDENT

JAN 22 1970

Dear Governor:

Following my visit with you recently, I was pleased to learn that you have been reappointed for a further term as Governor of the International Bank for Reconstruction and Development.

The Executive Directors, Officers and Staff of the Bank join me in extending best wishes to you. We look forward to your continued participation in our activities.

With kind regards,

Sincerely,

Robert S. McNamara
Robert S. McNamara

*I very much enjoyed talking
to your son-in-law
yesterday afternoon*

Su Excelencia
Antonio Ortiz Mena
Secretario de Hacienda y
Crédito Público
Palacio Nacional
México 1, D. F., México

January 22, 1970

488/4/14

Dear Lewis:

Thank you very much for your kind note of January 19. I would indeed hope that we soon will have the chance to meet again. It is, however, not likely to be at the Montebello conference, but you could perhaps call me the next time you visit Washington. Please know that you have an open invitation to have dinner with us.

Yours sincerely,

Leif E. Christoffersen

Mr. Lewis Perinbam
Special Adviser to the President
Canadian International Development
Agency
Ottawa 4, Canada

488/4/13

January 21, 1970

Dear Mr. Dawood:

Thank you for your letter of January 7. Mr. McNamara has just returned from a visit to Africa. He regrets very much that, due to an extremely busy schedule during the next few weeks, he shall not be in a position to meet with you during your stay here.

I understand that you recently met with Mr. Cargill. He has told me he would be very pleased to meet with you again if there are further points you might wish to discuss with senior officials in the Bank.

Sincerely,

Leif E. Christoffersen
Personal Assistant to
Mr. McNamara

Mr. Ahmed Dawood
Suite 1502
Beverly Hotel
125 E. 50th Street
New York, N. Y. 10022

cc: Mr. Cargill

"For Mr. McNamara's Office"

488/4/92

JAN 20 1970

Dear Secretary-General:

I wish to acknowledge and thank you for your letter of December 26, 1969 (TR 210 (3)), with which you sent to me a copy of resolution 2555 (XXIV) concerning the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations, adopted by the General Assembly on December 12, 1969.

The resolution has been brought to the attention of the Bank's Executive Directors.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

U Thant
Secretary-General
United Nations
New York, 10017

Cleared with and cc: Mr. Suratgar (with copy of incoming)
Central Files with incoming correspondence

EFranco:mmed
January 9, 1970

488 / 4 / 10

SON EXCELLENCE

January 6, 1970

JEAN BEDEL BOKASSA

PRESIDENT DE LA REPUBLIQUE

NLT FULL RATE

BANGUI

CENTRAL AFRICAN REPUBLIC

AI ETE TRES SENSIBLE AUX VOEUX FORMULES A MON EGARD ET A CELUI DE MES
COLLABORATEURS STOP A MON TOUR JE FORMULE MES MEILLEURS VOEUX POUR
VOUS ET POUR VOS COLLABORATEURS POUR L'ANNEE 1970 STOP JE RESTE PERSUADE
QUE L'ANNEE NOUVELLE RAFFERMIRA LA FRUCTUEUSE COLLABORATION ENTRE LA
REPUBLIQUE CENTRAFRICAINE ET LA BANQUE STOP TRES HAUTE CONSIDERATION

ROBERT S MCNAMARA
PRESIDENT
INTBAFRAD

ENGLISH TRANSLATION NOT TO BE TRANSMITTED

VERY GRATEFUL WISHES EXPRESSED YOUR CABLE TO MESELF AND MY STAFF STOP
WOULD LIKE TO EXPRESS TO YOU AND YOUR COLLEAGUES MY BEST WISHES FOR
1970 STOP AM SURE NEW YEAR WILL STRENGTHEN FRUITFUL COOPERATION BETWEEN
THE CENTRAL AFRICAN REPUBLIC AND THE BANK STOP BEST REGARDS

Robert S. McNamara
President

cl. & cc: Mr. Cheek
sa: Ambassador Gallin-Douathe ✓
Mr. Kochman
Mr. Christoffersen ✓

PNFall:mb

488/4/9

January 6, 1970

Your refs.: DP 141/32 (IACB)
DP 151/4

Mr. C. V. Narasimhan
Deputy Administrator
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Narasimhan:

In his letter of November 21, 1969, Mr. Hoffman asked me to send you my informal and confidential views on the Report of the Commissioner for the Capacity Study. At this stage in the consideration of the Report, I think that perhaps the most useful thing I can do is to give you some general observations on the paper as a whole without attempting to comment in detail on all of the recommendations.

1. I am in full agreement with the general thesis of the Report that improving the efficiency of the U.N. system as a supplier of development assistance can only be accomplished by adopting what is now generally known as the "country approach," i.e., looking at each country's requirements for technical and financial assistance over a period of years in the context of a development strategy and a rational set of priorities. Passing judgment on unrelated projects one at a time, whether they are preinvestment or investment projects, is not a sensible way of carrying out the obligations of the international community towards developing countries. In fact, as you may know, the Bank's first submission to Sir Robert Jackson strongly argued the case for applying throughout the U.N. system the "country approach" which has become over the years the foundation stone of our own operations.

2. However, the references throughout the Report to the programming of preinvestment requirements reveal, I believe, a very much oversimplified conception of what that process involves. The Bank itself is still at a very early stage of operations in this area, but it is already clear that assisting governments in the programming of preinvestment requirements is a highly technical matter requiring teams of specialists under the direction of senior officers experienced in the analysis and implementation of development programs. The programming of preinvestment studies cannot be done properly except as part of the formulation by each developing country of a comprehensive development strategy covering investment priorities in each major sector and the adoption and implementation of appropriate economic and financial policies; this process involves delicate judgments about the resources of the country and the capacities of its population and institutions.

3. The Report, in my judgment, overstates the weaknesses in the system as presently constructed. There are many weaknesses and it was

488/4/8

certainly part of the Commissioner's assignment to point them out. But despite disclaimers that stress on negative aspects is not intended to underrate the positive aspects, the Report leaves an impression of inefficiency and lack of capacity that I believe to be only partially warranted. In fact, it is our impression in the Bank that performance on UNDP-financed preinvestment projects is gradually improving, not deteriorating as indicated by the Report. Even if one accepts the Commissioner's judgment that 20% of the resources devoted to technical assistance within the U.N. system has been in some sense wasted, the fact that 80% has been usefully and productively applied is a significant achievement, considering the wholly unprecedented task confronting the system.

4. One difficulty which the United Nations system faces in trying to direct its energies to development activities selected according to strict standards of economic and social priority lies in the political structure of the United Nations and of most of the specialized agencies. The system is governed by plenary assemblies in which the rule of one country, one vote, prevails. One result is that the various elements of the system have to be staffed in accordance with rigid geographical quotas which, however desirable from the standpoint of equitable representation of all member countries, nonetheless have a seriously adverse impact upon the efficiency of the system. Another result is that it is very difficult for the executive heads within the system to reject, on grounds of low developmental priority, requests for assistance which have strong political support from the governments concerned. Up to now, the UNDP has been somewhat less affected by these factors than the U.N. itself, or the specialized agencies other than the Bank Group and the IMF. But if the UNDP were placed in the dominant position vis-a-vis the specialized agencies contemplated in the Report, it seems to me likely that the political pressures to which the UNDP is already subject would increase, thereby making it more rather than less difficult than it now is for UNDP to build up the high-level, technically expert staff necessary to operate, in accordance with strict developmental criteria, the kind of machinery envisaged by the Report.

5. I believe that effective development assistance requires that the research staffs and technical experts for sectors such as agriculture or education, and the operational staffs engaged in preinvestment work in the same sectors, should be under the same direction. The Report in effect proposes to divide control over these two types of activities. This strikes me as substantively wrong and administratively unworkable.

6. The Report does not properly reflect the mutually reinforcing roles which the Bank and the UNDP can play. In connection with both its financing and its aid-coordinating activities, the Bank is increasingly concerned with helping its members formulate over-all development strategies, including investment and preinvestment priorities and associated policy and institutional measures. Through regularly scheduled economic missions the Bank is undertaking to provide both the governments concerned and other development assistance agencies with a comprehensive analysis of

488/4/7

- 3 -

each country's economic and financial situation, performance and prospects, of its development plans and the amount and terms of foreign aid required for realization of those plans, and of the priorities for investment and preinvestment. As you know, the UNDP is associating its Resident Representatives with the work of these missions, to concentrate particularly on preinvestment and technical assistance. The reports of these missions, to which there is only passing reference in the Capacity Study, should provide most of the essential information which UNDP needs for intelligent planning, in consultation with the government and the specialized agencies concerned, of that part of its program dealing with sector and project feasibility studies and resource surveys. Moreover, these reports should enable UNDP to do such planning without any substantial addition to its personnel. On the other hand, from the standpoint of the Bank Group, participation by the UNDP Resident Representatives in the work of its missions will help to ensure that its economic reports effectively cover the preinvestment aspects of the program and, to the extent that the preinvestment study program is subsequently implemented by the UNDP, will provide an essential basis for future financing by the Bank Group and by other sources of development finance. The authors of the Study do not appear to have appreciated this essential association between UNDP and the Bank Group or the potential of that association for effective country programming of the development efforts of the U.N. system without any radical changes in structure or organization.

7. There are many specific points in the Report with which I fully agree; I want to single out four of these for special mention. One is that the pace of project execution can and should be accelerated. A second is that UNDP's preinvestment activities should expand at about the same rate as the financing of the Bank Group. A third is the proposal for the creation of a career U.N. Development Service (although I have reservations about some characteristics of the Service as outlined in the Report). A fourth is the suggestion for a significantly greater use of subcontractors in carrying out UNDP-financed preinvestment work. I hope action will be taken on all these matters.

I shall look forward to receiving in due course such comments as may be made on the Report by the Administrator and by my colleagues on the Inter-Agency Consultative Board.

Sincerely,

ROBERT S. McNAMARA

Robert S. McNamara

MLHoffman:RSMcNamara:pay
January 6, 1970

488/4 16

January 6, 1970

Dear Mr. Minister,

I am pleased to send you the attached comments on the questions raised in the Memorandum by the African Governors at the Bank's Annual Meeting in September, 1969. Many of these questions require further consideration, and I am sure we shall have occasion in the future to have further exchanges of views on them.

The attached reply reflects our position on the main questions raised by the Memorandum; on some points I think it is mainly a matter of time before we are able to meet your position; on some others, I allow myself to hope that you may be persuaded by our own point of view, and the results of our particular experience; on still others, and particularly on the question of commodity stabilization, the matter is not really within our own control. Indeed, on the commodity question, our role is at best to palliate or to mediate in a situation that depends on many other factors.

I confirm to you my intention to continue to increase the volume of Bank Group activity in African countries, particularly in agriculture and education. I am also asking my staff to explore what more we might do to assist in the development of industry, and to meet the problems of unemployment and urbanization. I continue to attach great importance to the African Nations achieving a more moderate rate of growth in population as one of the means for achieving a better standard of living. I look forward to meeting with the African Governors again to evaluate our progress in the attainment of our goals.

May I close by thanking the African Governors through you, Mr. Minister, for both the kind sentiments and the candid views expressed in their Memorandum, and in the discussion during the Caucus which you invited me to attend.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Louis-Pascal Negre
Minister of Finance
of the Republic of Mali
Bamako, Mali

LMHansen:CRWilkinson:mb

488/4/2

January 5, 1969

Dear U Thant:

Thank you for your letter of December 22. If, in your judgment, it would be desirable, at the time of the IACB special session in February, to have an informal meeting on the issues directly affecting the ACC which are raised by the Jackson Capacity Study, I would be glad to participate.

I am also entirely agreeable to the proposal that the autumn meetings of the ACC and the IACB should be held during the period October 26-28.

With kind regards,

Sincerely,

Robert S. McNamara

U Thant
Secretary General
United Nations
New York 10017

RHD:tsb
December 31, 1969

cc: President's Office (2)