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

Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

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Digitized: November 5, 2012

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THE WORLD BANK
Washington, D.C.

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McNamara Papers

Vol. 26
1972 (Mar. - Apr.)

The World Bank Group
Archives



1771884

A1995-252 Other #: 2

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Series 10

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WBG Archives

1. B.L.
2. C.R.O.N.

490/5/168

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

4/28

To Messrs: Rickett
Cheney
Adler

I believe we should
formalize our approach
to the 4th Supplement to IDA.
If you have any comment
on the attached draft proposal
please let me hear it, orally
or in writing by close of
business Monday 5/1.
Rm

4/28

D R A F T

MEMORANDUM BY THE PRESIDENT

I.D.A. REPLENISHMENT

I have been considering how best to formalize the responsibility for all matters, both technical and operational, likely to arise in connection with the replenishment of IDA both in the remaining stages of action on the Third Replenishment and during the negotiation of a new agreement for the Fourth Replenishment.

These questions will include not only the steps needed to raise additional funds for IDA but also any changes in the methods of using those funds which may make the task of financing IDA easier.

I have asked Sir Denis Rickett to assume responsibility for this work and for this purpose to act as chairman of a small group including Prof. Chenery, Mr. Adler, Mr. Stern, Mr. Hayes, and Mr. Schulmann with such other members of the staff of the Economics Department and of the Programming and Budgeting Department as the group may wish to call upon from time to time.

I hope that the group will be in a position to report to me not later than the first week in September on the general line to be followed in negotiations for the Fourth Replenishment and on what I should say to Governors on this subject in the course of the Annual Meeting.

4000/5/167

APR 28 1972

Dear Mr. van Lennep:

I appreciate your invitation to attend the meeting at Ministerial level of the O.E.C.D. Council. Unfortunately, I shall not be able to do so but I have asked Mr. Arthur Karasz, Director of the Bank's European office to represent us on this occasion.

Sincerely,

Robert S. McNamara

Mr. E. van Lennep
The Secretary-General
Organisation for Economic
Co-operation and Development
2, rue Andre-Pascal
Paris XVIe, France

cc - Office of the President (2)

Mr. Franco-Holguin
Mr. Karasz

RHDemuth:jg

490/5/166

For Mr. McNamara's Office

APR 28 1972

Dear Mr. Ambassador:

I wish to thank you for your letter of April 12, 1972.

As you may know, we have informed the Government of Upper Volta that we would be interested in receiving and reviewing the studies that your team is undertaking on the Banfora irrigation project.

I hope that this project will prove feasible, and that we may thus be able to carry it out jointly.

I welcome the suggestion of His Excellency Mr. Dakouré, the Minister of Agriculture of Upper Volta, that the agricultural experts of our Abidjan Mission keep in touch with you during project preparation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

ARGué:sjb

His Excellency
Mr. Siu-Mao-shi
Ambassador of the
Republic of China
Ouagadougou, Upper Volta

Cleared with &cc: Mr. Haasjes (Agriculture)
Mr. de la Renaudière
(PMWA)

April 26, 1972

HE ATO MAHMO TADESSE
MINFINANCE 21147
ADDIS ABABA

490/5/164
APRIL 26, 1972

LT

ETHIOPIA

THANK YOU FOR YOUR LETTER OF APRIL 9 ON FIFTH HIGHWAY PROJECT STOP I
UNDERSTAND THAT EXTERNAL FINANCING REQUIREMENTS FOR PROPOSED HIGHWAY
PROJECTS ARE \$24.75 MILLION STOP I ALSO UNDERSTAND THAT USAID IS PREPARED
TO PROVIDE \$8 MILLION ON CONCESSIONARY TERMS STOP SUBJECT TO SATISFACTORY
CONCLUSION OF NEGOTIATIONS I WOULD BE PREPARED TO RECOMMEND TO OUR
EXECUTIVE DIRECTORS AN IDA CREDIT OF \$16.75 MILLION STOP WE WOULD BE
PREPARED TO BEGIN NEGOTIATIONS ON THIS BASIS EARLY IN MAY SO THAT WE CAN
COMPLETE BOARD ACTION IN TIME FOR RATIFICATION IN YOUR CURRENT PARLIAMENTARY
SESSION STOP I UNDERSTAND USAID WOULD BE PREPARED TO DO THE SAME STOP
BECAUSE OF DELAY IN RATIFICATION OF IDA REPLENISHMENT AGREEMENT COMMA
SIGNATURE OF IDA CREDIT WOULD AWAIT AVAILABILITY OF FUNDS STOP I AM
HOWEVER OPTIMISTIC THAT THERE WOULD NOT BE AN INORDINATE DELAY

ROBERT S. McNAMARA
PRESIDENT
INTBAFRAD

Robert S. McNamara
President

by S. Shahid Husain
Eastern Africa

cc: Mr. McNamara (2)

cc: Mr. Demeksa

cc: Messrs. Cope
Tolley

AJalil/NETolley/SSHusain/RSMcNamara:neb

490/5/163

APR 26 1972

Dear Mr. Ambassador:

I wish to thank you very much for the kind invitation that you extended to me on behalf of the President of Bolivia to attend the inauguration of the Santa Cruz-Yacuiba gas pipeline.

Unfortunately, I shall not be able to attend the inaugural ceremonies in view of my other commitments. I have, however, designated Mr. Hendrik van der Heijden, Chief of the Bolivia-Argentina Division, to represent the Bank at the inauguration, and I shall give him a personal message to deliver on my behalf.

I wish to congratulate the Government of Bolivia on the timely and successful completion of this important project.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Gen. Edmundo Valencia-Ibáñez
Ambassador of Bolivia
Washington, D.C.

cc: Mr. Alter
Mr. van der Heijden
Mr. Ljungh (2 copies)

cc: Dr. Mey, Dr. Vega-López

HvdHeijden:mlr

490/5/1962

April 25, 1972

Dear Mr. Priestman:

Thank you for your letter of April 12, inviting the Bank to take part in a Round Table of the Committee on Economic Affairs and Development of the Consultative Assembly of the Council of Europe next November. I am pleased to accept the invitation. I have asked Mr. Vittorio Masoni of the European Office of the Bank to attend the inter-secretariat meeting which is to be held on Tuesday, May 9, to consider arrangements for the Round Table. Soon thereafter, I shall let you know who will represent the Bank at the Round Table itself.

Sincerely,

Robert S. McNamara

Mr. J. D. Priestman
Council of Europe
Strasbourg, France

SEBoskey:tsb
April 21, 1972

cc: Office of the President (2) /
Mr. Masoni
Mr. Franco

Cleared with Mr. Lind

490/5/161

APR 25 1972

Dear Dr. Mubashir Hasan:

Thank you very much for your letter of April 10, 1972, enclosing a copy of an "Outline of a Federal Constitution for Pakistan" by Mr. J. A. Rahim.

I have read with great interest the passage "East, West and Center" to which you referred in your letter. It was very thoughtful of you to send me this booklet.

Kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Mubashir Hasan
Minister for Finance,
Economic Affairs and Development
Government of Pakistan
Islamabad, Pakistan

MHW:ehen/lgl
April 24, 1972



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

490/5/160

OFFICE OF THE PRESIDENT

April 24, 1972

MEMORANDUM FOR MESSRS. DEMUTH AND CHADENET

I have received the following comments from neutral and experienced observers of our operations in the population sector:

Cooperation with the IBRD is a particular problem. As I see it in Tunisia, a crucial problem limiting the effectiveness of the UN, UN agencies and UNFPA, as of other donors, is their relationship to the World Bank. IBRD maintains the convenient fiction, presumably in order to simplify its programming, that its relations with the government are strictly bilateral, donor-to-particular-ministry, and private, hence information exchange and coordination with other donors is minimized, and little consideration is given as to how the latter's inputs might be well used. IBRD missions come to Tunis and do not, perhaps for lack of time, contact the UN Population Program Officer, nor other donors. Large measures, which radically affect the context of all other donors' inputs, are made on the basis of limited information and rare contact with the program, such as dictating the expulsion of one chief F.P. program administrator and designating which man should replace him. From its desire to mount impressive field-demonstrations of capital investment in family planning, World Bank programmed an extremely ambitious building plan whose operation would be highly dependent upon support of other donors, but has been reluctant to sit down to work out with other major donors, especially AID and UN agencies, the realistic alternative modalities for implementation of their programs. The Bank's position is that, since the Tunisian Ministry of Health accepted such an ambitious expansion of program, they will surely find a way to work it out. The actual result has been increase in administrative chaos in the F.P. program, loss of many good Tunisians from the central working team, and hampering of progress toward development of a larger and better used family planning services personnel system because of inordinate high level preoccupations with donor money, buildings and the considerations which derive therefrom. Although this is apparent from the field, the resident UNPPO has been unable to obtain adequate dialogue with IBRD officials about the impact of their program, their strategy, or their style of implementation upon his projects or upon the family planning program generally. IBRD should either establish a local representative or should arrange for effective coordination through UNPPO.

The director of the Indonesian national program has for well over a year been telling donor agencies, including those of the UN and UNFPA, that what he needs and wants most of all is competent help in administration. He still doesn't have any. A plan worked out by local representatives of UNDP, IBRD, AID, and Ford Foundation could have provided competent help eight or nine months ago, but it was sidetracked by disagreements between UNFPA and IBRD at headquarters level.

During the past year there have been in Indonesia among WHO, UNDP, UNFA, and IBRD deplorable evidences of mistrust, refusal to share information, lack of cooperation, and disregard of the views and preferences of Indonesians for their own program. One result has been that the Indonesian program director has been prevented for months in getting program and administrative help that he clearly requested many times, months that have been critical for program development since they came during the first full year of operation of the new program.

In Malaysia a first IBRD mission formulated a recommendation for a Population Studies Center at the University of Penang without knowing apparently that UNFPA is already negotiating to fund a similar Center at the University of Malaya.

I, myself, have observed similar situations involving the Population Projects Department. I would not be unduly disturbed if I felt we were moving promptly to overcome such problems since we must expect that any new department will face growing pains. Please investigate each of the incidents referred to above and make sure that we have taken corrective action and also that we have established procedures to avoid similar situations in the future.

15/ R. McN

Robert S. McNamara

For Dean file
490/5/158

April 21, 1972

Mr. Antonio Ortiz Mena
President
Inter-American Development Bank
808 17th Street, N.W.
Washington, D.C. 20577.

Sir:

The Chairmen of the Boards of Governors of the International Monetary Fund and the World Bank Group have appointed a Joint Committee on the Remuneration of Executive Directors and their Alternates, consisting of the Honorable Ali Wardhana, Minister of Finance of Indonesia, Chairman, and Mr. J.J. Deutsch, Principal and Vice-Chancellor of Queen's University, Kingston, formerly Alternate Governor, IBRD, and Secretary of the Treasury Board of the Government of Canada, and Mr. M.W. Holtrop, formerly President of the Nederlandsche Bank, Governor of the Fund, and President and Chairman of the Board of the Bank for International Settlements. The Joint Committee has been charged by our Boards of Governors with considering the adequacy of the remuneration of Executive Directors and their Alternates and submitting a report to the Boards of Governors by July 1, 1972.

As you may know, the Executive Directors of the Fund and the Bank are either appointed by member governments or elected for a two-year period by member governments. The Executive Directors are the policy-making body in both institutions and reach their decisions as a group. They carry no administrative operating responsibility in either institution.

In its deliberations, the Joint Committee would find it most helpful to learn whether your senior policy-making group could be considered as roughly comparable in duties and responsibilities and what your policies and practices are relative to their remuneration. It is specifically interested in the level of cash compensation, the range and mix of benefits and the perquisites and amenities associated with the position.

To facilitate its work, the Joint Committee has called on the assistance of McKinsey and Company, Inc. as a consultant. If you are able to help us, a member of the consulting firm would spend a day with your organization to review the information requested. This review

would be preceded by a submission to you, or to an officer designated by you, of a survey booklet which would outline in more detail the kind of information the Joint Committee seeks. Whatever data you may provide will be kept in strict confidence by the consultant and by the Joint Committee. The member of the consultant firm would be authorized to convey comparable information concerning the Fund and Bank if that would be useful to you.

We very much hope that you will be able to assist the Joint Committee in its survey. Because of the brief time for the completion of the Joint Committee's work, which requires that the consultants complete their survey by the end of May, it would be appreciated if you would inform us promptly whether you will be able to participate, and to whom further communications should be addressed.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

15/

P.-P. Schweitzer
Managing Director
International Monetary Fund

15/

Robert S. McNamara
President
International Bank for Reconstruction
and Development

April 21, 1972

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

Sir:

The Chairmen of the Boards of Governors of the International Monetary Fund and the World Bank Group have appointed a Joint Committee on the remuneration of Executive Directors and their Alternates, consisting of the Honorable Ali Wardhana, Minister of Finance of Indonesia, Chairman, and Mr. J. J. Deutsch, Principal and Vice-Chancellor of Queen's University, Kingston, formerly Alternate Governor, IBRD, and Secretary of the Treasury Board of the Government of Canada, and Mr. M. W. Holtrop, formerly President of the Nederlandsche Bank, Governor of the Fund, and President and Chairman of the Board of the Bank for International Settlements. The Joint Committee has been charged by our Boards of Governors with considering the adequacy of the remuneration of Executive Directors and their Alternates and submitting a report to the Boards of Governors by July 1, 1972.

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Contd.... /2

April 21, 1972

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If you have any questions, please do not hesitate to contact us.

Very truly yours,

/s/

P.-P. Schweitzer
Managing Director
International Monetary Fund

/s/

Robert S. McNamara
President
International Bank for Reconstruction
and Development

BIS	Mr. René Larre General Manager Bank for International Settlements Centralbahnstrasse 7 Basle, Switzerland
EEC	Mr. Sicco L. Mansholt President Commission of the European Communities 200, rue de la Loi 1040 Brussels, Belgium
EIB	Mr. Yves Le Portz President European Investment Bank 2, Place de Metz Luxembourg
OECD	Mr. Emile van Lennep Secretary-General Organization for Economic Cooperation and Development Château de la Muette 2, rue André-Pascal Paris 16 ^e , France
AsDB	Mr. Takeshi Watanabe President Asian Development Bank Commercial Center P. O. Box 126 Makati, Rizal, D-708 Philippines
AfDB	Mr. Abdelwahab Labidi President African Development Bank B. P. 1387 Abidjan, Ivory Coast
IDB	Mr. Antonio Ortiz Mena President Inter-American Development Bank 808 17th Street, N. W. Washington, D. C. 20577

ICAO

Dr. Assad Kotaite
Secretary-General
International Civil Aviation Organization
International Aviation Building
1080 University Street
Montreal 101, Canada

Central Banks

Federal Reserve
System

Dr. Arthur F. Burns
Chairman
Board of Governors
of the Federal Reserve System
Washington, D. C. 20551

Bank of England

The Rt. Hon. Sir Leslie K. O'Brien
Governor
Bank of England
Threadneedle Street
London, EC2R 8AH
England

Netherlands

Dr. J. Zijlstra
President
De Nederlandsche Bank NV
Westeinde 1
Amsterdam-1002
Netherlands

Germany

Dr. Karl Klasen
President
Deutsche Bundesbank
Postfach 3611
Taunusanlage 4-6
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Federal Republic of Germany

Belgium:

National Bank of Belgium

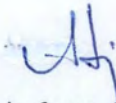
490/5/154

MEMORANDUM FOR THE RECORD

April 19, 1972

I spoke to Mr. Arturo J. Griffiths, Executive Director, Washington Ghetto Industrial Development and Investment Corporation, today. He had called and asked to speak to Mr. McNamara regarding the letter Mr. McNamara had sent in response to his request for financial support. Mr. Griffiths made a lengthy and persistent plea for Bank support no matter what amount, claiming that the Bank had given to UGF and that his project had widespread support among U.S. Government organizations and officials (which I have reasons to doubt). He even threatened to discredit the Bank if it would not provide its support. I explained that the Bank's policy was to donate only through UGF, suggested he apply to UGF for funds and reminded him that Mr. McNamara's letter had made the Bank's position clear. I said that if he wished the Bank to cooperate at all he would have to contact Mr. Westebbe who had previously volunteered to serve on an advisory panel.

cc: Mr. Hoffman
Mr. Wm. Clark
Mr. Westebbe


Anders Ljungh

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~~CONFIDENTIAL~~

March 16, 1972

TO: **SEP 19 2012** Mr. Ernst Michanek

WBG ARCHIVES

FROM: Oscar Harkavy

SUBJECT: Comments on UNFPA

COPY TO:

Messrs. David E. Bell,
William D. Carmichael,
Wayne Fredericks, and
Eugene S. Staples

Comments by Ford Foundation Population Advisors in the LDC's

You have received Lyle Saunders' memorandum of February 29. We now have further comments from our people in Indonesia, Ghana, Nigeria, Tunisia, Colombia, and Brazil. Our advisors in Mexico and Peru have indicated that they had no information on which to base comments, and Peter Bell, our Representative in Chile, noted that he has had relevant discussions with you on your recent visit to Santiago. We are expecting comments from our people in India and East Africa and will share these with you as they arrive.

In general, the comments of our other observers only serve to reinforce the points contained in Mr. Saunders' comprehensive memorandum. I have listed the dominant themes of their responses, together with some illustrative quotations from their memoranda.

1. UNFPA's grant making is handicapped by lack of long-term, highly qualified field staff. Its activities are sometimes hampered by failure to understand delicate and complicated inter- and intra-organizational situations within host countries. (The appointment of Senior Advisors should help alleviate this problem.)

The staff resources which have been available to UNFPA have been limited in quantity and quality. During the crucial period of UNFPA consideration of the Government of Indonesia's proposals, there was no resident representative of the UNDP in Indonesia and no population officer in the UNDP office in Djakarta.

The UNFPA has proven willing and able to fund projects presented to the Lagos UNDP office "ready to go." It has shown good judgment in rejecting bad proposals presented to it; and it has also made its willingness to accept family planning projects widely known within the appropriate Nigerian circles. The UNFPA's chief failing is its lack of ability to assist Nigerians to develop proposals, the most difficult aspect of program administration.

The UNDP Population Program Officer (PPO) responsible for Nigeria lives in Accra, visits Nigeria rarely, and is not well known in Nigeria, and has little influence among Nigerians and even less with the Lagos UNDP office.

2. There are problems of coordination with the several UN agencies operating in a given country. Cooperation with the IBRD is a particular problem. ←

As I see it in Tunisia, a crucial problem limiting the effectiveness of the UN, UN agencies and UNFPA, as of other donors, is their relationship to the World Bank. I.B.R.D. maintains the convenient fiction, presumably in order to simplify its programming, that its relations with the government are strictly bilateral, donor-to-particular-ministry, and private, hence information exchange and coordination with other donors is minimized, and little consideration is given as to how the latter's inputs might be well used. IBRD missions come to Tunis and do not, perhaps for lack of time, contact the UN Population Program Officer, nor other donors. Large measures, which radically affect the context of all other donors' inputs, are made on the basis of limited information and rare contact with the program, such as dictating the expulsion of one chief F.P. program administrator and designating which man should replace him. From its desire to mount impressive field-demonstrations of capital investment in family planning, World Bank programmed an extremely ambitious building plan whose operation would be highly dependent upon support of other donors, but has been reluctant to sit down to work out with other major donors, especially AID and UN agencies, the realistic alternative modalities for implementation of their programs. The Bank's position is that, since the Tunisian Ministry of Health accepted such an ambitious expansion of program, they will surely find a way to work it out. The actual result has been increase in administrative chaos in the F.P. program, loss of many good Tunisians from the central working team, and hampering of progress toward development of a larger and better used family planning services personnel system because of inordinate high level preoccupations with donor money, buildings and the considerations which derive therefrom. Although this is

March 16, 1972

apparent from the field, the resident UNPPO has been unable to obtain adequate dialogue with IBRD officials about the impact of their program, their strategy, or their style of implementation upon his projects or upon the family planning program generally. I.B.R.D. should either establish a local representative or should arrange for effective coordination through U.N.P.P.O.

3. There are many complaints with respect to the UNFPA's slowness of response to funding requests.

The way the UNFPA support to Egypt has been handled strikes me as rather strange. Although the agreement for \$1,175,000 was signed last Spring or Summer, I am informed by Dr. Bindary that he still does not have access to any of these funds (as of February 19, 1972). In talking to people in Egypt as well as in the U.N. agencies, I find that the U.N. agencies are going over each project, under the "umbrella agreement," with a fine tooth comb. It seems to me it would be much better to do this before the agreement is signed. For example, when I last checked, the Central Agency for Public Mobilization and Statistics had not received the agreed U.N. support for a survey they were supposed to do because the latest draft of their interview schedule still had not been accepted. I agree to the need for controls, but if the U.N. agency involved does not feel that the CAPMAS has the ability to prepare an interview schedule, they should not agree to support the survey or should insist upon providing an expert who will take responsibility for the survey or who will work with an Egyptian counterpart.

The Ministry of Education (of Colombia) expressed its disillusionment with working with the U.N. observing that previous programs have been two or more years in the making and that they wanted a quicker response and were hopeful of interesting the Ford Foundation in taking on a larger portion of their budget for the family life/sex education program than that portion in which I had expressed initial interest.

4. UNFPA missions are sometimes regarded as faultfinding, rather than fact finding teams.

5. Recruitment of UNFPA field staff seems to be a very slow process, apparently because of the need to obtain approval from the expert's home country as well as to obtain acceptance by the host country.

6. UNFPA salaries are attractive to people from the developing countries, but they are less attractive to people from Western Europe and the United States. It is asserted that some experts are taken from a country starved for a particular technical talent to provide assistance in another country.

* * * * *

It must also be noted that a number of our people are optimistic as to the potential of UNFPA for effective operation in the developing world. For example,

the Government of Nigeria would be much more comfortable working with the United Nations in population and family planning than with any bilateral external aid agency, including the Ford Foundation. The UNFPA thus has a potentially central role to play as the Government of Nigeria's interest in external assistance for family planning increases.

We would love to see the UNFPA share the burden of Brazilian fellowships for population studies. I know they have a fellowship program of their own, but I don't know what degree of host country sponsorship is required. Several of our 1972 candidates come from federal government agencies (IPEA, BASA) and most of the rest from federal universities. What's more, they have already been through a fairly rigorous selection process. It would be an easy, noncontroversial way to get started in Brazil.

UNFPA Support of Research

You and George Brown have asked me to comment on the role of UNFPA in the support of population research. I would urge UNFPA to help finance research, particularly through support of intermediary organizations such as the WHO Expanded Program in Human Reproduction and the International Committee for Contraception Research that provide expert staff for development and monitoring of research programs. I believe that UNFPA would have to develop this capability itself--through addition of expert staff and advisory panels--if it plans direct financing of research programs in institutions in the developing world.

March 16, 1972

It is our experience that extensive collaboration between expert staff of the funding agency and the research group receiving support is required for the development and maintenance of effective research programs.

As promised, I submitted the biomedical research proposals included in the Egypt Country Project to my biomedical colleagues. It is their opinion that the proposals as they stand are not ready for consideration by a donor but require project site visits to evaluate the competence of staff and the facilities of potential grantees. Dr. Southam makes the following comments based on her experience with our grantees in reproductive biology research in Egypt.

I do not believe that the University of Cairo Department of Obstetrics and Gynecology has any members qualified to study the effect of antiadrenergic drugs on ovulation.

Another point to consider is the originality of the research. The effects of oral contraceptives on carbohydrate metabolism have been studied by a number of groups, and I believe that it is unlikely that much will be added by the proposed research. Carbohydrate metabolism in rats differs from that in humans and this project may not be relevant.

Do the investigators consider the reported literature when planning research? It has been shown that fallopian tubes cannot be blocked with silicone. Dr. Hefnawi published negative results following his work at the Population Council using rabbits. There are several publications concerned with the measurement of menstrual blood loss in women using different contraceptive methods. Many investigators have shown that tubal ligation by laparoscopy is safe and effective.

I hope this memorandum will be of some help to you. Please be assured of our continued cooperation.

THE FORD FOUNDATION

Inter-Office Memorandum

TO: Mr. David E. Bell

DATE: March 1, 1972

FROM: Lyle Saunders *LS*

COPY TO:

SUBJECT: Observations about UNFPA activity in Southeast Asia

I enclose a copy of a memorandum that I have prepared for and am sending to Ernst Michanek in response to a letter from him dated January 31 and your memo to dated January 21. Unfortunately I was away from Bangkok the first two weeks in February and did not see either communication until February 14.

Ideally I would have preferred to have sent copies to you, Bud, and others for comment and criticisms before sending the memo on to Michanek, but I gather from both your memo and his letter that he may be under some time pressure and that my comments will be useful to him only if received without delay. There is also the fact that I will be going on the road again this weekend, will not be back until March 25, and will probably miss Michanek if he comes to Bangkok in mid-March. To date I have had no definite information about his itinerary.

As you will note, I have not made any attempt at a chronological review of the Indonesian situation. The reason is that much of what happened there was the result of discussions and decisions in New York, Washington, and Geneva and I don't have enough information about what went on in those cities--or in Djakarta--to prepare a coherent account.

I hope to be in touch with Bud about the memo on UNFPA he is preparing; if there are further inputs I can make to his memo I'll be pleased to try.

Encl:

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CONFIDENTIAL

SEP 19 2012

THE FORD FOUNDATION

WBG ARCHIVES

Inter-Office Memorandum

TO: Mr. Ernst Michanek, Director General
Swedish International Development Authority

DATE: February 29, 1972

COPY TO: Mr. David Bell
Mr. O. Harkavy
Mr. S. Bunker

FROM: Lyle Saunders

SUBJECT: Observations about the program of the
United Nations Fund for Population
Activities (UNFPA) in Southeast Asia

This responds to your letter of January 31 raising certain general questions about the organization and operations of UNFPA in Southeast Asia and asking for an expression of my views. Your letter has caught me between two extended trips out of Thailand. This, coupled with your need for a reasonably rapid reply, has precluded extensive interviewing in countries of the region and especially with nationals concerned with population matters. I have found also that during the time available for preparing a reply to your inquiry the two population program officers (PPO's) resident in Bangkok, the resident representative of UNDP, and several other UN agency people to whom I should have liked to talk have been out of the country. Thus my sources of information and opinion have been limited, and I am compelled to rely largely on my own knowledge and impressions supplemented by the few documents that are at hand.

For convenience and brevity, I will organize this response in terms of the questions you asked, adding such other comments as may occur to me.

1. What are the main needs of the LDC's in relation to the UNFPA program, as the LDC's perceive them?

I interpret the question in two ways: what are the substantive program areas in which various individuals and agencies within LDC's want help from UNFPA and/or other donor organizations? And, what are the administrative arrangements and procedures that these agencies and individuals require or want in their dealings with UNFPA? To take the latter question first, they need or want arrangements or procedures that will enable them:

- to be better informed about how projects are initiated and move through UNFPA processing. Specifically, they need continuity of contact with some responsible person or office during the often extended period after initial negotiations when the project is passing.

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through the somewhat cumbersome series of reviews. In the case of the Demographic Institute of Indonesia, for example, there was a period of much more than a year in which the Institute had no information about the status of a project request. Only after the Institute was close to running out of operating funds and following a suggestion by the Institute that it withdraw its UNFPA request and seek support elsewhere did it receive word that its proposal had been approved. (How long it will take to receive any funds remains to be seen since these will probably have to be handled through one of the UN agencies as executing organization.) To take another example from Indonesia, a project for support of a research program at the National Institute for Social and Economic Research (LEKNAS) has finally been approved after having been under consideration for more than a year, but the responsible officials of LEKNAS who will receive and administer the project did not know, even after hearing it had been approved, how much or what kind of support they were receiving.

- to have more rapid decisions. The two Indonesia projects mentioned above were in the works for more than a year. The joint UNFPA-IBRD massive support program for the Indonesia national program has been developing since at least early 1970 and the country agreements are just now being signed in Washington. A package of projects for Thailand has been under discussion about a year. A country agreement has been signed but details of program implementation remain to be worked out with the executing organizations.

- to know whom they are dealing with. UNDP personnel, UN specialized agency personnel, PPO's employed by the UN Population Division, and program officers from UNFPA headquarters all deal, sometimes more or less independently, with UNFPA matters. There are many concerned people in the LDC's who do not clearly know how these agencies relate to each other.

In regard to substantive program areas, it is not always certain that individuals or agencies in the LDC's know clearly and precisely what they want or need. They are thus open to program ideas that may be opportunely presented to them by UNFPA or other donor agencies. Thailand's program is fairly new, and those of Indonesia and the Philippines are still in the stage of assessing the job to be done and tooling up for it. They know that they are going to be active in the usual fields of logistics, service, training, information-education, evaluation, but they do not yet have their organization fully developed or their procedures and priorities clearly formulated. In this situation, the approach of UNFPA, to the extent that it is vigorous and aggressive, initiating rather than responding to program ideas, and concerned with negotiating packages of numerous diverse projects, may be doing countries of the region a disservice by locking them into a long term commitment to untested programs and procedures that may or may not be the most appropriate ones.

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A few specific areas in which I have heard expressions of need for assistance can be mentioned:

Almost all family planning programs in this area need transport. There is a chronic shortage of vehicles almost everywhere, but especially in rural areas. Some UNFPA projects have made provision for transport; some agencies, e.g., UNICEF, AID, at times make heavy contributions in this area. But in no country yet has the problem received comprehensive, systematic attention.

In two countries, at least, there is a recognized need for help with program planning and administration. The Director of the Population Commission in the Philippines has put people trained in business administration in associate director posts in the Commission. The director of the Indonesian national program has for well over a year been telling donor agencies, including those of the UN and UNFPA, that what he needs and wants most of all is competent help in administration. He still doesn't have any. A plan worked out by local representatives of UNDP, IBRD, AID, and Ford Foundation could have provided competent help eight or nine months ago, but it was sidetracked by disagreements between UNFPA and IBRD at headquarters level.

Malaysia has expressed interest in developing a Population Studies Center at the University of Malaya. For a time, a PPO was delayed in getting to Kuala Lumpur to discuss this interest by his inability to get clearance to visit Malaysia from the local UNDP office. He has visited the University, and a project has been worked up and tentatively submitted to UNFPA. However, Malaysia's interest has now cooled and, since it is their next move, the proposal is inactive.

The Philippine Population Commission would like to use Filipino short term consultants to help develop specific program areas the Commission is interested in. Among the nations in this region, the Philippines is relatively rich in trained and talented people who could make valuable contributions to the national program. However, UN regulations will not permit UN funds to be used to hire Philippine nationals to work in their own country. The director thus has to turn to other agencies for help he much wants. (Philippine government funds are not yet available to the Commission, although an appropriation was authorized some months ago.)

It may be a fair inference that the perceived needs of countries in the region are reflected in packages of projects under negotiation with UNFPA -- although in the case of the UNFPA-IBRD package in Indonesia there is cause for doubt about how much some of the components represent what Indonesia wants. A project agreement has just been signed (January) between UNFPA and the Government of the Philippines calling for over \$3 million in assistance during the next five years. The package specified nine projects in the areas of evaluation, population education, communications, training, supplies and equipment, and

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fellowships. Seven additional projects are listed that UNFPA has indicated it may consider funding after further negotiations. Although the Population Commission is probably more immediately concerned with problems of program administration than any other program of the region (the concern is real and deep but not being implemented in Indonesia), there is no project in the UNFPA package dealing with administration. Projects included in the recently signed agreement between UNFPA and Thailand include those concerned with providing transport for field workers, an expanded sterilization program, population education, mass communications, expanded MCH services looking toward a trial of the Taylor-Berelson proposal in a limited area, and provision of field workers for the Bangkok municipality.

Laos, South Vietnam, and Cambodia are just beginning to be concerned about population growth. A government decree in Laos has recently stated at least the beginnings of a population policy and has set up a ministerial level group that, among other population activities, will begin to make family planning services available to those who want them. The Laotians are eager to establish contact with neighboring countries that have policies and programs and would like a seminar to spread awareness and develop broader interest in their country. Vietnam, with stimulation and help from AID, is beginning its own training for family planning, is arranging to send a group to Thailand to observe how family planning is organized there, and is starting to provide some training experiences to Cambodians. All three countries are participating in the developing programs of the Inter-governmental Coordinating Committee, Southeast Asia Regional Collaboration in Population and Family Planning. It may be expected that interest in these countries will continue to increase, and that they will soon be requesting external aid in the development of policies and programs.

2. What are the main needs of the LDC's in relation to the UNFPA program as I see them?

To again take first what I have called administrative needs, there is need for:

- Less competition and more cooperation among UN agencies active in population. This is essential if the UN agencies are going to be the major executing organizations for UNFPA programs. Rivalry and disagreement between UNDP's Development Support Communications Service and UNESCO may be hindering the development of implementation plans for the communications project UNFPA has agreed to fund in Thailand. During the past year there have been in Indonesia among WHO, UNDP, UNFPA, and IBRD deplorable evidences of mistrust, refusal to share information, lack of cooperation, and disregard of the views and preferences of Indonesians for their own program. One result has been that the

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Indonesian program director has been prevented for months in getting program and administrative help that he clearly requested many times, months that have been critical for program development since they came during the first full year of operation of the new program. As a result of the disagreement and the inability of top level agency leaders to resolve it, WHO may be planning to operate in Indonesia independently of IBRD, and UNFPA is apparently having second thoughts about the planned joint project arrangement with IBRD and is likely to sign a separate project agreement with the Indonesian government. In Malaysia a first IBRD mission formulated a recommendation for a Population Studies Center at the University of Penang without knowing apparently that UNFPA is already negotiating to fund a similar Center at the University of Malaya.

- More attention to project and program substance. It is my impression that projects tend to be stimulated and discussed by ad hoc missions and often worked up by UNFPA representatives who may not always have had extensive experience with the country or program concerned, and that negotiations and program reviews tend to be heavily oriented toward administrative and bureaucratic considerations rather than with program substance. Country agreements are signed before there is full and clear understanding between the executing organization and the recipient organization about details of project implementation. ECAFE, I understand, is presently working up a demographic project that will involve participation of several countries; the project will be designed and its purposes and procedures fairly well set and UNFPA will have been approached for funding approval before any of the participating countries is approached.

- Improved staffing arrangements and procedures at national and regional levels. It is doubtful that present staff strength is adequate for developing, negotiating, and monitoring projects on the scale at which UNFPA is beginning to operate. UNFPA has no field staff of its own and is largely dependent on those of other agencies. UNDP has few field people experienced or interested in population matters, and during a large part of the past year when UNFPA programs were being developed in Indonesia, there was no UNDP resident representative in the country. PPO's, whose task it is to develop and work up projects, are employed by the UN Population Division and it is largely left up to them to work out their own relationships with local UNDP and UN agency personnel. In a talk to a global meeting of UNDP representatives in India in February 1971, Mr. Salas mentioned that UNFPA should take considerably more initiative in originating projects and implied that, with the agreement of governments, UNFPA might undertake projects of its own. Either of these seem unlikely with present staffing.

On the substantive side -- and briefly -- my perceptions of

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the needs of LDC's (in general) are the following. Each could be argued at length. All are familiar for having been discussed by many people many times before.

- Better vital records and demographic data. Improving the system will be an expensive, long term job suitable for an agency with the large funds that UNFPA is likely to have.

- Expansion of interest and activity beyond family planning to include population planning, especially in relation to development plans and activities. I know of no UNFPA activity in this area.

- Better program management. Every country in the region, in my judgment, has management deficiencies. Not all programs are aware of their defects of management or concerned about management problems.

- More attention to creating demand for birth control services. Like the programs of many agencies, UNFPA projects include support for information and education activities. But the demand side remains relatively uncultivated almost everywhere. (The Ernakulam sterilization camp in India last year was a dramatic example of what can be done with massive coordinated demand creating techniques.) One aspect of demand creation is the need for increased professional direction of family planning communications programs.

- Attention to the development of commercial distribution schemes for contraceptives, both in public and private sectors. India and Ghana have programs; Indonesia is getting interested and will be sending a team to study the India experience. In most countries this remains a neglected area.

- Population education. There is now much interest and talk in the region and some activity. UNFPA funding for Thailand will probably support a new university faculty of education that will emphasize preparation of teachers for teaching population. A population education project is also included in the package for the Philippines. There is still a long way to go in all countries of the region.

- Social and demographic research. This is an area of considerable donor interest. There is movement and developing interest. But any significant increase in research output in the region will have to be preceded by a considerable strengthening and widening of research capability.

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- Attention to the development of new roles in the private sector. The private sector includes but should not be limited to local or national family planning associations. It was necessary, for family planning to have any chance of making a demographic difference, that governments enter the field; it is equally important that private sector individuals and organizations stay in or get in to perform supplementary services (not including the provision of contraceptive service in clinics), mobilize and bring to bear on political and administrative leaders the weight of public opinion, and keep national programs on their toes.

- There is also need to seek ways to redefine birth control and to remove it from the intellectual and managerial dominance of the health professions. The definition of family planning as a health matter and the dominance of the clinic approach were already being criticized ten years ago. But it remains the basic orientation in this part of the world and is the major orientation of UN agencies in their approach to population activity.

- There is need too for UNFPA to find ways to use the great prestige and political influence of the UN to move national political and administrative leaders toward greater commitment to population programs. The World Leaders' statements had enormous influence both within the UN system and in member countries. An agency such as UNFPA should be able to enlist and use the talents and convictions of some of the most prestigious people in the world to strengthen the will of national leaders to act more vigorously to reduce population growth.

3. Which are priority needs among the above?

The administrative problems mentioned above all point toward a need for some kind of re-structuring of UNFPA and its procedures. In such restructuring, I would think that attention needs to be given to:

- clarifying the role of UNFPA as exclusively a funding agency, an operating agency, or some combination of the two. UNFPA says that it is not an operating agency; yet its headquarters program people are often in the field developing projects and negotiating about activities that will have to be carried out by other agencies. Sometimes these activities are carried on without the knowledge of the agencies that will be involved in activities being planned (UNFPA-IBRD relations with WHO in Indonesia and with each other there is a case in point) or without awareness that another agency may be working already

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in the area under discussion. I doubt that UN agencies are especially happy to have projects worked up by UNFPA and then handed to them for implementation.

- developing a staff structure appropriate to its purposes and functions. There should especially be a cadre of people able to devote considerable time to day to day relationships with the other members of the UN family. Perhaps the proposed senior population advisors to UNDP resident representatives will constitute such a cadre.

- dealing with the thorny problems of inter-agency relations both at headquarters and field levels. As indicated in the preceding paragraph, progress in this area may require some new staff assignments.

Insofar as substantive areas are concerned, UNFPA has already demonstrated that it is capable of funding projects in many areas. Its own priorities, as reported by Mr. Salas in the February 1971 representatives meeting mentioned above, have been for general program support, advisory services, research, and education and training in that order, but with relatively little preference among them. Almost anyone working in population will have his own set of priorities. Mine would include, near the top of the list:

- improved program management;
- support of population planning, related to a shift of emphasis in development planning from an almost exclusive emphasis on economic values to broader human welfare values;
- more and better demographic data and people capable of analyzing and interpreting them.

4. What are the main deficiencies of UNFPA as perceived by LDC's?

Most of the countries of the region are still negotiating for their first round of support from UNFPA and, consequently, have not had a complete range of experience with that organization. Many of the deficiencies that might be noted in UNFPA performance thus far are aspects of the administrative needs mentioned under question 1 and 2. To rephrase some of them and perhaps add one or two more, the following list may serve. All the items on the list have been mentioned specifically or alluded to in conversations with LDC population people:

- too many agencies to deal with;

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- overlapping agency jurisdictions;
- difficulties in identifying who speaks for UNFPA;
- the slowness with which projects move through the system;
- the relative lack of feedback information about where projects stand at any given time;
- the ambiguous position of PPO's in relation to UNDP and UNFPA;
- rivalries among UN agencies at local levels;
- the "blockbuster" approach;
- the program rigidity built into long-term multi-project packages.

5. What are the main deficiencies of UNFPA as I see them?

My list would include all the above plus these:

- differing priorities as between UNFPA/UNDP and the other UN agencies that are expected to become executing organizations;
- too much centralized control;
- strong pressures to spend large sums too rapidly;
- some degree of insensitivity to the preferences and priorities of LDC's;
- restrictive recruitment regulations;
- the time consuming review and approval process.

6. What changes in UNFPA operations would you see as most badly needed?

UNFPA should probably have a thorough administrative review to clarify its program and operating procedures. With no field staff of its own, its performance is critically dependent on the quality of its relations with UNDP and with the specialized agencies in the UN system, as well as on the kinds of relationships those agencies have with each other. In this region, at least, none of these sets of relationships is ideally harmonious. And, if recent events in the development of a program of assistance for Indonesia are indicative,

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mutual understanding and consensus are something less than complete at headquarters levels. Such a review should direct attention, among other matters, to:

- the adequacy of local UNDP staffs to perform the variety of UNFPA tasks required of them. The resident representative is a key figure in the development, transmission, and review of projects whether they originate with governments, PPO's, or other UN agencies; he is also expected to coordinate projects, monitor them, and provide for their evaluation. PPO's and other UN agency personnel are involved in UNFPA affairs, but UNFPA has no administrative control over their actions.

- possibilities for decentralizing the processes of review and decision;

- clarification of the role and function of PPO's, especially in relation to the proposed senior population advisors;

- the administrative machinery intended to bring about harmonious coordination in population activities in the UN system. Perhaps the Inter-Agency Coordinating Committee has to meet more often; perhaps other ways need to be sought to achieve needed cooperation and coordination;

- providing for more continuity of relationship with recipient government (or other) institutions during stages of project development and review;

- devising ways to give more attention to the substantive aspect of projects in the review process; this might be done in this region by making better use of the technical expertise presently available in such agencies as the Population Division, ECAFE;

- the total field of talent -- skills and numbers -- needed for designing, operating, and evaluating projects of the number and magnitude of those now being funded by UNFPA;

- possibilities for channeling more funds into projects that are experimental, innovative, perhaps risky, and of short duration;

- finding ways to remove the pressures on UNFPA to allocate large sums in short time periods. This would permit more discrimination among projects nominated for funding and would help the agency shift its emphasis from how much needs to be spent towards what needs to be done. Perhaps this could be done through long term block allocations to the executing organizations and by giving them primary responsibility for initiating projects they would undertake after final approval by UNFPA;

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- assuring that professional and technical considerations are more influential in determining program directions than administrative or bureaucratic considerations.

The comments made above are almost entirely negative. This is due mainly to the nature of the questions addressed. But whatever the reason, they are highly personal, they are heavily biased in a direction unfavorable to UNFPA, they reflect the perspective of one outside the UNFPA system who sees events at field level and is largely uninformed about what happens within the system, they are judgmental rather than factual and they are unfair in that they make no allowances for several situational factors that undoubtedly affect the performance of UNFPA. For example:

- UNFPA is a relatively new agency saddled with a difficult and complex problem. Its program has just begun. In most countries in which it is active it is still negotiating its first round of projects. The results of those projects are not yet in, so there can be no fair evaluation of them.

- UNFPA operates under two heavy handicaps. It has to allocate large amounts of money faster perhaps than good projects can be developed and staffed. (This problem is likely to grow worse.) And, since it is not an operating agency, it has to depend for project development and implementation on agencies over which its only means of control is the leverage of funds to disburse. Most of those aspects of the UNFPA program that can be pointed to as deficiencies are defects not of UNFPA in particular but of the UN system as a whole. A number of UNFPA planning documents recognize potential problem areas in relations with other UN agencies and indicate the intention of UNFPA to anticipate problems and defects and to develop procedures for minimizing them. That these procedures have not yet been entirely successful may be due both to the shortness of time for perfecting them and to the stubborn nature of the problems they seek to control.

7. An illustrative example: the case of Thailand

The following details were obtained from an expatriate who has been close to the entire process through which Thailand is moving to receive UNFPA funding. He sees the UNFPA as "locked into an incredibly complex bureaucracy that includes its own UNDP lines" and thinks that the still incomplete negotiations between Thailand and UNFPA illustrate the problems that arise in working with UNFPA.

During the latter half of 1970 word came to Thailand that sizeable funds, in the order of \$1 million a year, would be available to

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Thailand if reasonable proposals were developed and submitted to UNFPA. About the same time a local UNICEF staff member learned that UNICEF could submit proposals to UNFPA and put in a request, calling for \$250,000-\$300,000 a year for three years for transport for auxiliary midwives and some training stipends. The project was approved by UNICEF, but a decision was then made that the proposal should be included as part of a package of several proposals Thailand was working up for UNFPA.

In January 1971, Mr. Salas came to Bangkok and reviewed five proposals, including the UNICEF one, that were presented to him unofficially for his opinion. He approved them all in principle and urged that formal requests be made as soon as possible. At about that time WHO was sending a two-man team to Thailand to review some health programs and UNFPA suggested that they look over the Thai proposals and that the Thais wait for their report before proceeding further. Their report was received in April and some of the proposals were rewritten to incorporate their recommendations.

During this period the Thais approached representatives of some of the specialized UN agencies to get their opinions. A regional UNESCO staff member prepared most of the original draft of a communications proposal on the basis of a personal relationship with one of the Thais in the national family planning program. Development Support Communications Service, which is part of UNDP, was sounded out on its interest in helping develop the Thai communications program. At first the director was reluctant to cooperate because he had no mandate to work in family planning and also because of some long standing disagreements with UNESCO. DSCS did eventually work with the Thais at the urging of UNFPA and the local UNDP office and a consequence has been a headquarters level dispute between UNESCO and UNFPA about the role of DSCS.

When most of the recommendations from the specialized agencies were incorporated in the appropriate proposals, the Thais proposed to send them, still unofficially, to UNFPA/NYC for review. The local UNDP office proposed instead that a mission be sent to Bangkok to resolve the issues that had been raised. The mission came in October, went over the projects with the Thais, made some useful recommendations (and some trivial ones), and Mr. Salas came from New York and signed a memorandum of agreement to fund the projects. The Thais then learned that, in accordance with UNDP procedures, the specialized agencies were to act as executing organizations, and that before funds could be made available, these agencies, together with the appropriate Thais, should write plans of action for each of the projects. These plans are now being developed; when they are ready they will require further review and approval from the local agency offices, regional and central offices of the respective agencies, and the UNDP system. The earliest that funds are likely to become available will be June or July, by which time the projects will have been around twenty months in negotiation and preparation.



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

490/5/159

OFFICE OF THE PRESIDENT

April 24, 1972

Dr. Gudmund Harlem
Overlege
Sinsenvegen 76
Oslo 5, Norway

Dear Dr. Harlem:

I am most grateful for the time you took to meet with Leif Christoffersen and then to write me of your feeling that my wife's christening of Otto Tidemand's ship would not be misinterpreted in Oslo. As a result, we shall plan to visit Norway sometime during the next two months, and it would be our hope that during our visit we should have an opportunity to renew our friendship with you.

I am sending a copy of this note to you in care of Bill Bundy in Cambridge. If it reaches you there, I would be delighted to have a chance to chat with you on the telephone, and Margaret and I would be even more pleased if you could dine with us in Washington.

Again, many thanks for your helpful advice.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. S. McNamara", is written over the typed name.

Robert S. McNamara

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April 20, 1972

MEMORANDUM FOR MR. ISBISTER

I have asked the Secretary to inform the appropriate parties that you wish "to be informed about travel to, visits from, and communications with Canada, Guyana, Ireland and Jamaica." If occasions arise when you are not so informed, please bring the matter to my attention.

4/20


Robert S. McNamara

cc: Mr. Mendels

490/5/156

April 20, 1972

Dear Mr. Mill:

I am replying to your letter of April 7, in which you point out that the sector working paper on telecommunication recently published by the World Bank does not mention the International Telecommunication Union.

We are, I assure you, fully mindful of the contribution of the ITU to the development of telecommunication throughout the world. The explanation of the absence of any reference to the ITU may be found in the origin of the sector working paper. Like others in the series which the Bank is publishing on the sectors in which it operates, the paper was initially prepared for internal use, to help in the review of the Bank's past activity in the telecommunication field and in the consideration of its future lending policies. Given this background, you will understand why the focus of the paper is on the characteristics of the sector, from the engineering, financial, operational, economic and managerial aspects, and on the particular contribution which the Bank can make to encourage the sector's expansion along sound lines in the Bank's member countries.

Nevertheless, I readily agree that reference to the work of the ITU and to the collaboration between the ITU and the Bank Group ought to have been made. It is our intention from time to time to revise and bring up to date the various sector working papers, at least as internal documents. Should the telecommunication paper be revised and reissued, we shall act on your suggestion that account be taken of the role and activity of the ITU. Thank you for bringing this matter to my attention.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. H. Mill
Secretary-General
International Telecommunication Union
1211 Geneva 20, Switzerland

CPVasudevan/SEBoskey:tsb

April 19, 1972

cc: Office of the President (2) ✓
Messrs. Weiner/Vasudevan

490/5 / 155

APR 20 1972

Dear Mr. Minister:

I wish to acknowledge your letter of April 14, applying for Western Samoa's membership in the International Bank for Reconstruction and Development and your further letter of the same date to the Secretary applying for membership in the International Development Association. These are being brought to the notice of the Executive Directors of the Bank and the Association.

I note that you have been authorized to conduct, on behalf of your Government, the negotiations with the Bank and the Association regarding the applications and to transmit any information which may be required in this connection.

I also note that Western Samoa became a member of the International Monetary Fund on December 28, 1971.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Tofa Siaosi
Minister of Finance
Government of Western Samoa
Apia, Western Samoa

UKGhoshal:MMMendels:csh

Mr. McNamara's office

490/5/153

ING. ROBERTO CAPRILES
MINISTRO DE ENERGIA E HIDROCARBUROS
MINENERGIA
LA PAZ

APRIL ¹⁹~~16~~, 1972

IBF/GOVT

BOLIVIA

THANK YOU FOR THE INVITATION TO ATTEND INAUGURATION GASPIPELINE
SANTACRUZ-YACUIBA STOP EYE WISH TO CONGRATULATE YOU ON SUCCESSFULLY
COMPLETING THIS PROJECT STOP REGRET OTHER COMMITMENTS MAKE IT
IMPOSSIBLE FOR ME TO BE PRESENT STOP HAVE DESIGNATED MR. VANDERHELDEN
CHIEF ARGENTINA-BOLIVIA DIVISION TO REPRESENT BANK AT INAUGURATION ON
APRIL TWENTYNINE STOP MR. VANDERHELDEN WILL ARRIVE SANTACRUZ FROM
SAO PAULO FRIDAY APRIL TWENTYEIGHT TENTHTRTY AM LAB-915 REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA
PRESIDENT
INTBAFRAD

Robert S. McNamara
President

cc: Dr. Mey (Mr. McNamara's
cc: Dr. Vega Lopez office : 2 copies)
cc: Messrs. Alter
Knox
van der Heijden

HvdHeijden:ak

490/5/150

APR 19 1972

Dear Mr. Minister,

Thank you for your letter of March 30 suggesting that a resident representative of the World Bank be attached to the Ministry of Planning in Khartoum.

I appreciate this expression of your confidence in the usefulness of such a representative. However, his exact role needs to be studied carefully before any specific decision is taken. As you know, Mr. Michael Lejeune, Director of the Eastern Africa Department of the Bank is visiting Khartoum in early May. He will be very glad to discuss this subject with your Government, and a further course of action can be agreed upon thereafter.

I share your hope that the coming years will see an increasing degree of cooperation between your Government and the Bank Group. I would like to assure you of our readiness to help in your efforts for the Sudan's economic development.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Major Abu El Gasim Hashim
Minister of Planning
Ministry of Planning
P. O. Box 2092
Khartoum, Sudan

cc: Mr. Demuth; Mr. McNamara's Office (2)

CVRPanikar/SSHusain:mb

April 17, 1972

490/5/149

April 18, 1972

Dear Professor Uppman:

I have your letter of April 13. Your research program seems very interesting but of course the only persons able to assess how it fits with the Bank's program of activities are those directly involved in your specific field.

I have given copies of your letter to Mr. Robert Sadove, Director of the Bank's Special Projects Department, and to Mr. Mervyn Weiner, Director of the Public Utilities Projects Department.

Hoping for success both in the financing and execution of your project, I remain

Sincerely,

Anders Ljungh
Personal Assistant to Mr. McNamara

Professor Ragnar Uppman
SCAN PLAN
3 Sankt Kjelds Gade
DK-2100 Copenhagen
Denmark

cc: Mr. Sadove w/incoming
Mr. Weiner

AL:ml

49015H48

APR 17 1972

Dear Governor:

Thank you for your letter of April 6, 1972 inviting Mrs. McNamara and me to the opening of a new office building for the Bank of Mauritius. Let me express my congratulations on the completion of your new office building. I wish I could attend the opening ceremony. Unfortunately pressure of work does not allow me the pleasure of accepting your invitation. Mrs. McNamara and I sincerely regret this and hope that some future opportunity will enable us to visit your country.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. A. Beejadhur
Governor
Bank of Mauritius
P.O. Box 29
Port Louis
Mauritius

Twakiyama:jl
April 17, 1972

cc: For Mr. McNamara's Office

490 / 5 / 146

APR 11 1972

Dear Tony:

Thank you for your letter of March 24 about the funding of the Reading University/ODI joint program on rural development.

I am sorry that we eventually had to turn down your request for funds from the Bank. There was some disagreement within the Bank as to whether this project fell within the narrow lines we are establishing for our program of research support. Eventually it was decided that it did not because it was a program already in mid-stream, and somewhat lacking in the rigorous research design which we are seeking to establish. As you will realise we are inundated with requests and need to establish at the outset very strict guidelines for grants.

However, there was some feeling that your program was of sufficient interest to the Bank for it to make an exceptional grant outside the research fund. This proposal was put to me and I reluctantly turned it down on the grounds that your program was not more closely related to our activities than many others which we could not hope to finance.

I regret the long delays in this case which were due to our reluctance to return a negative answer on a project that was on the margin of acceptability.

You know how highly we regard the O.D.I.'s work, and I am glad the Bank is continuing its support to the Institute.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. Tasker
Director, Overseas Development Institute
10-11 Percy Street
London W1P 0JB, England.

WDClark:sf

490/5/145

April 11, 1972

Dear Mr. Minister:

I write to thank you for your cable advising me that the Government of France had decided to make available to the International Development Association one half of the first installment of France's subscription and contribution under the Third Replenishment arrangements in advance of the effectiveness of the Third Replenishment.

As you know, the Executive Directors of the Association approved on April 4 a resolution authorizing the acceptance of this advance contribution.

I should like to say how much I appreciate this action of your government which will be of the greatest value in enabling the Association to carry on its operations.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Valery Giscard d'Estaing
Minister of Finance
Paris, France

LNurick:vv

cc: Mr. Vienot
Sir Denis Rickett

49015/140

April 6, 1972

Dear Mr. Levine:

We received your request for Mr. McNamara's signature on a First-Day Cover but, due to an unfortunate misunderstanding, it was sent to the wrong person and we are actively trying to recover it. However, to be sure that you do get a signature, and, in the event that we do not find your First-Day Cover, we would appreciate it if you could send a similar or different First-Day issue and Mr. McNamara will be glad to sign it. Please accept our apologies.

Sincerely,

Anders Ljungh
Personal Assistant to Mr. McNamara

Mr. Andrew M. Levine
Bradstreet Terrace
North Haven, Connecticut
06473



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

OFFICE OF THE PRESIDENT

490/5/139
April 5, 1972

The Honorable
Henry Kissinger
The White House
Washington, D.C.

Dear Henry:

We are in the deepest of trouble with the Third Replenishment of IDA. The facts are these:

1. At the Annual Meeting of the Governors of the World Bank Group in September 1969, the Governors established a time schedule for the Third Replenishment of IDA: The formula for the replenishment was to be negotiated in the period October 1, 1969 and July 1, 1970; the negotiated formula was to be ratified by the legislatures of the member governments during the twelve months ending June 30, 1971; and the Third Replenishment funds would be available for commitment by the Bank Group July 1, 1971.
2. During the 9-month negotiating period, the U.S. Government took the lead in suggesting the size of the replenishment and in urging other governments to support it: The U.S. proposed a replenishment of \$1 billion per year, of which the U.S. share was to be \$400 million. Ultimately, the 23 governments involved (including, for the first time, Ireland, Spain and Yugoslavia) agreed upon a replenishment of \$800 million per year, with a U.S. share of \$320 million. In accordance with the original schedule, negotiations were completed in July 1970.
3. Early in 1971 it became apparent that although the legislatures of other governments would be in a position to ratify the agreement by July 1, 1971, the U.S. Congress would not. At that time I discussed the matter with Secretary Connally who, on April 8, 1971, authorized me to say to the Executive Directors of the Bank:

At the present time there appears to be virtually no chance that the necessary IDA legislation will have been passed by the U.S. Congress by June 30th, 1971. I have, however, discussed the matter with the Secretary of the United States Treasury who has assured me:

(a) that President Nixon continues to attach the greatest importance to the replenishment of IDA at the agreed level and will use his influence to the full to secure the passage of the legislation -- the Administration expects passage not later than December 31st, 1971;

(b) that, in the meantime, the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority by July 1st next.

4. Acting on the statement of the Secretary, I personally approached the responsible authorities of member governments (including Messrs. Heath, Sato, D'Estaing, Schiller and Benson) to urge them to voluntarily contribute to IDA to permit its operation after July 1, 1971.

In recognition of the President's assurance that he would "use his influence to the full to secure the passage of the legislation" and that "the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority," 14 governments took executive and legislative action to advance \$379 million to the Association. That sum, plus the transfer of \$110 million of Bank profits, plus the net gain on revaluation, has permitted IDA to operate until today.

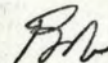
Today, in essence, we lack further commitment authority and must stop operations (one of the first victims was Turkey, for which a project to provide financial assistance to raise the income of 12,000 livestock farmers in 250 villages was passed yesterday by our Board of Directors -- the project cannot be implemented until further funds are available).

5. It is obvious that the cessation of IDA operations will severely penalize development in the 40 or 45 nations which are so dependent upon it for external support -- nations in which mortality rates are high, illiteracy widespread, unemployment rising, and external debts already at critical levels and increasing.

6. What is not so obvious, but of more immediate importance to the U.S., is that a failure to ratify an agreement negotiated in good faith with the major nations of the world cannot help but undermine the credibility of U.S. foreign policy.

John Connally is fully aware of this problem and is working hard to pass the necessary legislation. I am bringing the matter to your attention as well because of its very serious foreign policy implications.

Sincerely,



Robert S. McNamara

cc: Secretary Connally

490/5 1137

April 5, 1972

Dear Dr. Harlem:

I wanted to let you know that Leif E. Christoffersen, a Norwegian national on the staff of the World Bank, will be visiting Oslo on April 14 and 15. Leif was my Personal Assistant for over two years and has recently taken up an assignment with our Eastern Africa Department. During his stay in Oslo he would like to have an opportunity to meet with you briefly. I hope it will be convenient for you to do so.

When you next travel to this side of the Atlantic I would be delighted if you could spare some time for a visit with us in Washington. Please extend our warm greetings to Mrs. Harlem.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Gudmund Harlem
State Rehabilitation Inst.
Sinsenvn 76
Refstad, Oslo 5, Norway

LEChristoffersen:mlee

490/5- /136

April 5, 1972

Honorable John Connally
Secretary of the Treasury
Washington, D. C. 20220

Dear John:

Thank you for your letter of March 27 about the recent IDA credit to India for the purchase of oil tankers. I am glad that you thought to write to me about your concerns with this project and in particular with the procedures followed, as it gives me the opportunity to explain how I see the position.

Given the nature of the Bank and IDA, Executive Directors have traditionally been reluctant to reject a proposal for financing a project on the occasion of a Board meeting. Consequently, my predecessors and I have been at pains to devise procedures which would give the earliest possible notice to the Executive Directors of project proposals under consideration. The new procedures which I recently discussed with the Executive Directors are a further extension of past practice which, I hope, will reduce even more the possibility of misunderstandings.

In this case the history is important. IDA's consideration of this particular project began some months after the India Consortium meeting of May 1970. At that meeting, in discussion of India's debt problem the Indian delegate suggested, without dissent from any member of the Consortium, that if India had to refrain from using commercial sources of finance for ships, shipping projects should be regarded as suitable for financing under aid programs -- bilateral or multilateral. Subsequently, in October 1970, India distributed to all Consortium members a special memorandum requesting \$200 million for ship financing.

At an early stage in the formulation of the IDA project, reference was made to it in the Monthly Operational Summary of May 26, 1971, which was circulated to all Executive Directors. This report indicated that IDA was considering a credit of \$80 million to Indian shipping companies for the purchase of oil tankers. Subsequently, the project was mentioned regularly in both the monthly and semi-monthly reports to the Board on the Bank's activities. In addition, in reports to the Board recommending approval of other projects in India, I made reference to the shipping project from December 2, 1971 onwards. The fact that this project was under active consideration by IDA was also mentioned in the quarterly

April 5, 1972

reports on Consortium activities from July 2, 1971 onwards. Copies of this report are distributed widely in all member countries. Finally, as part of my attempt to ensure that Executive Directors' views on Bank and IDA policy can be expressed without their being confronted with the pressure of having to consider a particular lending proposal, I introduced last year the practice of preparing and considering with Executive Directors various sector papers. On November 16, 1971, we considered the Transportation Sector Paper, and there was no indication that anyone felt a project of the kind we were then developing for India was inappropriate for Bank or IDA financing.

On January 7, we informed Executive Directors that we were about to issue invitations to India to enter into negotiations, but it was not until we received Mr. Wieczorowski's memorandum dated January 14, 1972 that we learned of the U.S. concern about the project. We replied to this memorandum on January 27 and, since we heard no more, assumed that we had answered the queries adequately. It was only on March 1, six days before the Board meeting, that we learned that the United States still had reservations about the project, which members of the Bank staff offered to discuss with your colleagues. At this time, of course, the documents and my recommendation had already gone to the Board and in the absence of a request to postpone discussion, the proposal was discussed on its merits as scheduled March 7. The discussion at the Board suggests that there would have been little support elsewhere for a postponement.

It is always regrettable when strong differences of opinion arise. We will make every effort to resolve them if they are brought to our attention early enough. In this instance, had we understood in mid-1971 U.S. objections to the Indian shipping loan, we could have substituted other non-controversial projects with little disagreement from any of the interested parties.

I am delighted that you intend to spend more time yourself during the present year working on international institutions and that you hope to have closer contact with us. There do appear to be a number of issues now facing the Bank on which the U.S. view differs from that of other members -- most notably at present the issue of procurement preferences extended under international agreements. I want to do everything I can to find satisfactory solutions to such problems.

Please call on me whenever you wish to talk. I shall be happy to adjust my schedule to meet your convenience.

Sincerely,

Robert S. McNamara

RMcN:mss

cc: Mr. Knapp
Mr. Wieczorowski
Mr. Cargill

490/5 1135

APR 5 1972

Dear Mr. Griffiths:

I am glad to learn from your letter of March 18, 1972, that you are again active and able to resume work on plans for promoting enterprises in the inner city of Washington. I gather from some recent developments, particularly the establishment of Minority Investments, Inc. and the favorable reception in the Congress of a proposed District of Columbia Development Bank, that there are good possibilities that project-oriented financing, not unlike that in which the World Bank has been engaged in the underdeveloped countries of Africa, Asia, the Middle East, and Latin America, will soon become available for projects designed to benefit the underdeveloped sectors of the Washington area.

As you will recall from Mr. Hoffman's letter of May 26, 1970, Mr. R. W. Westebbe agreed to serve on an advisory panel for the Washington Ghetto Industrial Development and Investment Corporation, and I am sure he can be helpful to you in that capacity as you move into an operational stage. I might also mention that we have been working on a paper on urban problems in general, and I have asked Mr. Hoffman to send you a copy of this paper as soon as it is ready.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Arturo J. Griffiths
Executive Director
Washington Ghetto Industrial Development and Investment Corporation
3528 14th Street, N. W.
Washington, D. C. 20010

MLHoffman/w

Cleared with and cc: Mr. William Clark
cc: Mr. McNamara's files (2)

490/5/134

April 4, 1972

Dear Maurice:

Thank you for your letter of March 8 inviting the International Bank for Reconstruction and Development to be represented at the United Nations Conference on The Human Environment to take place in Stockholm from June 5-16, 1972.

I am honored that you should ask me to address the Conference and I am pleased to accept your kind invitation.

The Bank will be represented by a small delegation headed by Dr. James A. Lee, the Environmental Adviser. He will be accompanied by Mr. Luis Escobar, Special Representative for Inter-American Organizations, and Mr. Timothy Campbell of the Environmental Adviser's office.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Maurice F. Strong
U.N. Conference on The Human
Environment
Palais des Nations
CH-1211 Geneva 10, Switzerland

cc: Mr. Demuth

JALee:RSMcNamara:ml

490 / 5 / 133

APR 4 1972

Excellency,

Thank you for your letter of March 4 which was handed to me on March 24 by H.E. Sayed Abdel Asis Al Nasri Hanna, your new representative in Washington.

I am very happy to learn from your letter that the agreement recently reached in Addis Ababa will help to solve the long-standing problem of the Southern Sudan. As you say, an urgent relief and resettlement program will be needed for the returning refugees. I welcome your suggestion that your Foreign Minister meet me to discuss this subject further in the near future and I would be glad to see him. I expect to make several journeys abroad in the next several weeks. If I happen to be away when the Foreign Minister is here, Mr. J. Burke Knapp, Vice President of the Bank, will be happy to see him.

With my best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
General Gaafar Mohamed Nimeiri
President of the Democratic Republic
of the Sudan
People's Palace
Khartoum
Sudan

cc: Mr. J. Burke Knapp

JMMalone/CVRPanikar/MLLejeune:mb
March 31, 1972

490/5/132

APR 3 1972

Dear Mr. Prime Minister:

I have heard from Mr. Benjenk, the Director of our Europe, Middle East and North Africa Department, of his visit to Cairo and of his conversation with you. He has, in particular, reported to me of your kind suggestion that I should visit Egypt in the near future.

I attach very great importance to the establishment of the closest relations between your country and the Bank and I have been particularly pleased in recent months to see that our common efforts in this direction have yielded practical results, such as the agreement signed on the Nile Delta Drainage project and the Egyptian Railways project. I am also gratified to see that preparations are progressing well for other joint endeavors.

As Mr. Benjenk will have explained to you, my travel schedule for the next twelve months is extremely heavy and consists almost exclusively of countries which I have not yet had occasion to visit since becoming President of the Bank. Nothing would interest me more than visiting Egypt again and, in particular, making your acquaintance, but at this time I am not in a position to fix any precise date for such a visit. I hope that I can do so before too long.

With best personal regards,

Yours sincerely,

Robert S. McNamara

His Excellency
Dr. Aziz Sidky
Prime Minister
Cairo
Arab Republic of Egypt

MPBenjenk/dm
March 28 1972

49015/131

APR 2 1972

Dear Mr. President:

I wish to acknowledge your letter of March 17 enclosing documents required for completion of the membership of Equatorial Guinea in the International Development Association.

Upon completion of our review of these documents, we shall make prompt arrangements for the signing of the Articles of Agreement of the Association by your authorized representative His Excellency Don Primo Jose Esono Mica.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Francisco Macias Nguema
President
Republic of Equatorial Guinea
Santa Isabel
Equatorial Guinea

UKGhoshal:MM Mendels:csh

490/5/128

APR 3 1972

Dear Prince Sadruddin:

Thank you for your letter of March 10 enclosing a copy of the document prepared by the Sudanese Government for the Relief and Resettlement Conference on the Southern Region held in Khartoum in February.

We have been following with great interest the developments leading to an agreement which can form the basis for settlement of the long-standing problem of relations between the North and South of the Sudan. I appreciate that the repatriation and resettlement of Sudanese refugees is a large and difficult problem. While, as you say, all the elements necessary for a clear assessment of the assistance needed are not yet available, the report you sent me will help us to understand the problem. I am looking forward to meeting you in London when I am there in April, and will be glad to discuss the problem with you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Prince Sadruddin Aga Khan
The High Commissioner for Refugees
Palais des Nations
CH-1211 Geneve 10

cc: Mr. Demuth

CVRPanikar/JMMalone/MLLejeune:ck
March 28, 1972

cc: For Mr. McNamara's Office ✓

490/5/127

MAR 31 1972

Dear Mr. Abdel-Rahman:

Thank you for your letter of March 28 suggesting an initial discussion between us concerning the possibility of future cooperation between the World Bank Group and UNIDO, on the occasion of the forthcoming London meetings.

This note is just to tell you that I would welcome such a discussion. I suggest that we fix the time when we meet at the IACB meeting on April 7.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. I.H. Abdel-Rahman
Executive Director
United Nations Industrial Development
Organization
United Nations
New York, 10017

cc - Office of the President (2)

Messrs. Hoffman
Chadenet
Fuchs/Kalmanoff
Diamond/Gustafson
Gaud/Qureshi

RHDemuth:jg

490/ 5/126

March 31, 1972

~~CONFIDENTIAL~~
DECLASSIFIED

SEP 19 2012

WBG ARCHIVES

Dear Dr. Reinhardt:

I have read with interest your letter of February 21 concerning the Bank's policy with regard to investment disputes arising out of expropriations, and the consistency of its application in recent years. We have long recognized the danger that the application of Bank's policy may result in an appearance of inconsistency since investment disputes must be dealt with on a case-by-case basis and the circumstances of individual cases, which shape the Bank's lending decisions, vary widely. However, as I stated in my letter to you of September 9, 1971, I am aware of no cases in which we have deviated from our established policy for dealing with such matters.

Your letter refers to several countries which have recently expropriated foreign property without adequate compensation and inquires about the rationale for Bank lending to these countries in 1970-71. The attached note, which briefly presents the facts in each case, has been prepared in response to your inquiry. I hope that you and your colleagues will treat it as being for your personal information only. As you can see, the Bank has not, in fact, made any loans to Algeria or Chile in the past two years and we have made only one loan to Peru, motivated by special humanitarian considerations. The recent Bank Group operations in the other countries you mentioned have, as explained in the note, been undertaken in accordance with our policy of not regarding disputes arising out of expropriations as an obstacle to lending where reasonable efforts are being made to resolve these disputes. The countries concerned are fully aware of the Bank's interest in the settlement of the disputes in question and we are carefully following the progress being made in each case.

I hope you will agree, after reviewing the attached note, that the Bank's policy has been correctly and consistently applied in the cases about which you expressed concern. If you would like to discuss these matters further, we should be pleased to meet you or your representatives. This might most conveniently be done in Washington during the last three weeks of May.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment
Note

Dr. E. Reinhardt
President
International Association for the Promotion
and Protection of Private Investments
92 rue du Rhone
Geneva, Switzerland

cc with enclosure to:

Messrs. Broches
Demuth
Cope
Nurick
Elmendorf

DECLASSIFIED

SEP 19 2012

WBG ARCHIVES

NOTE

RECENT EXPROPRIATIONS AND BANK GROUP LENDING

Algeria

Since obtaining independence, Algeria has nationalized a number of foreign-owned enterprises in various sectors of the economy. Agreements have been reached on compensation in some cases, but many claims remain outstanding. The Bank has maintained close contact with the Algerian Government, and with France, on the progress being made to settle outstanding claims.

The Bank has not made a loan to Algeria since 1964.

Bolivia

The Bolivian properties of the Gulf Oil Corporation were nationalized in October 1969 and early in 1971 two U.S.-owned mining companies (IMPC and Mina Matilde) were also expropriated. Bank Group operations in Bolivia continued during this period because we believed that the negotiations under way to settle the disputes arising out of expropriations were proceeding satisfactorily. Compensation for the Gulf properties was, in fact, an integral part of the arrangements preceding the negotiation in 1971 of the Bank's loan of July 1969 for the Santa Cruz Yacuiba Gas Pipeline project financed by the Bank. As regards the nationalized mining properties, IMPC and Bolivia have now reached agreement on compensation and on future joint operations, and negotiations with the owners of Mina Matilde are in progress.

A Bank loan and two IDA credits were made to Bolivia during 1970-71, as follows:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	
June 1971	Livestock Development	\$ 6.8 million	(IDA)
September 1971	Gas Pipeline	\$23.3 million	(IBRD)

Chile

In pursuit of its socialist program, since taking office in November 1970, the present Government of Chile has expropriated the large copper mining companies as well as several foreign-owned enterprises in the manufacturing and other sectors. Agreements have been reached on compensation with certain nationalized firms, but compensation has not been arranged in the other cases, including that of the copper companies. The latter are now appealing the compensation awarded to them, which they regard as inadequate, to a Special Tribunal established under the terms of the Constitutional Amendment governing the expropriations.

The Bank has made no loans to Chile since June 1969.

SEP 19 2002

WBG ARCHIVE

Congo-B

Beginning in 1967, the Government nationalized several enterprises in the public utilities, transport and agro-industrial sectors. The Government has recognized liability for compensation in each case and agreement on the amounts to be paid has been reached with the shareholders of most expropriated firms. Settlements with some firms are pending, agreement having not yet been reached on the valuation of assets. The Bank is continuing to follow closely the progress made in the settlement of these investment disputes.

Three IDA credits were approved in 1970-71, as follows:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>
May 1970	Highway Improvement	\$1.5 million
March 1971	Education	\$3.5 million
December 1971	Highway Maintenance	\$4.0 million

Guyana

In March 1971 legislation was passed authorizing the Government to expropriate, with compensation, any bauxite mining firm with which agreement could not be reached on majority government participation. Subsequent negotiations with DEMBA, a subsidiary of the Aluminum Company of Canada Ltd., led to an agreement on the amount and terms of compensation prior to the Government takeover of the firm in July 1971. In view of the Government's willingness to pay compensation, and the fact that negotiations were underway, the Bank Group continued its operations in Guyana in 1971.

One IDA credit and one Bank loan were made to Guyana in 1970 and 1971:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>
November 1970	Livestock	\$2.2 million (IDA)
June 1971	Sea Defenses	\$5.4 million (IBRD)

Peru

After taking office in October 1968 the present Government expropriated the U.S.-owned International Petroleum Company (IPC), following a long dispute. No agreement has been reached on compensation and the Bank has made no loans to Peru since the expropriation with the exception of a \$30.0 million loan made in 1970 for road reconstruction in the region that was devastated by the earthquake which struck Peru earlier that year. This loan was made in view of the special humanitarian considerations involved, and without prejudice to the Bank's position on the investment disputes.

Somalia

In May 1970 the Government nationalized several Italian and other foreign-owned firms engaged in electric power supply, agro-industries, banking and

SEP 19 2012

WBG ARCHIVES

- 3 -

petroleum products distribution. The companies affected have submitted claims for compensation and negotiations are underway with the Government. A representative of the Italian Embassy has been observing the negotiations. In view of the fact that progress was being made toward settlement, the issue was not considered an obstacle to proceeding with a \$3.3 million IDA credit for an education project in June 1971.

Tanzania

In April 1971 the Acquisition of Buildings Act was passed, empowering the Government to expropriate any residential or commercial buildings not wholly occupied by the owner and whose original construction cost exceeded the equivalent of \$14,000. A small proportion of the properties affected were foreign owned, and some disputes concerning compensation have arisen. There are local remedies available to claimants which have not been exhausted. In these circumstances no question is at present raised under the Bank's expropriation policy.

Since the passage of the above-mentioned Tanzanian legislation, the following IDA credits have been approved:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>
August 1971	Highways	\$ 6.5 million
February 1972	Smallholder Tea Development	\$10.8 million

March 1972

480/5/125

For Mr. McNamara's Office

MAR 27 1972

Mr. David Ginsburg
Ginsburg, Feldman and Bress
1700 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dear Dave:

This is in response to your letter of March 14, asking for details of our policies regarding employee travel and entertainment expenses.

I am enclosing copies of our formal policy statements on these areas. In brief, our policies are as follows:

1. Travel Expenses

When traveling on official business, Bank staff members travel less than first class by air. There are, however, two exceptions: one is that staff members traveling by air for long distances (i.e., to, from or within Asia, Africa, Middle East, Australasia, and certain distant areas of South America) may travel by first class; the other is that principal officers in the rank of Department Directors and above may travel by first class on all official business trips.

As a general rule, staff members are reimbursed for actual and reasonable expenses incurred for hotels, meals and incidentals during official business travel. In this respect, our policy is the same for all levels of staff. The policy of reimbursing subsistence expenses on an actual expense basis has worked quite well through the years. Although this policy relies to a great extent on the honor system, cases of abuse have been few and far between.

2. Spouse Travel

The Bank allows the spouse of a staff member who travels extensively to accompany the staff member from time to time on missions and meets all or part of the expenses involved. A staff member earns one "credit" for each full day of international travel on official business. After the staff member has earned 200 credits, the Bank pays for the cost of transportation of the spouse but not accommodation or subsistence. After the staff member has earned 300 credits, the Bank pays for the cost of both transportation and subsistence.

/...

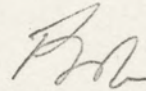
3. Representation Expenses

The Bank bears reasonable costs incurred for official hospitality extended in the interest of the Bank. Although there is no dollar limitation, the expenses incurred should be appropriate to the circumstances involved. At Headquarters, hospitality is normally extended at the Bank's dining rooms. Outside hospitality is authorized when the dining rooms are unavailable or unsuitable. The responsibility for authorizing official hospitality and for determining who will act as a host lies with each Department Director. When traveling on official business, Chiefs of Missions and staff members traveling alone may incur representation expenses subject to approval for reimbursement by the Department Director concerned after return from missions.

*Don't:
Such
amounts
are
very
small
Lined*

I hope this answers your questions. If not, please do not hesitate to come back to me.

Sincerely,



Robert S. McNamara

Enclosures

*I shall be traveling during much of the
next month - upon my return may I
call & try to arrange lunch or dinner*

490 / 5 / 122

MAR 27 1972

Ambassador Edwin M. Martin
Chairman, Development Assistance
Committee
Organisation for Economic Co-operation
and Development
2, rue Andre-Pascal
Paris 16^e, France

Dear Ed:

Thank you for your thoughtful letter of March 13 concerning the Special Fund which is being created in order to enable the African Development Bank to make loans on concessional terms, particularly to the least developed African countries. You ask whether the Bank Group could make funds available to this Special Fund for relending. This would, as you imply, have to take the form of an IDA credit to the Special Fund, since loans from the Bank itself would not put the Special Fund in a position to relend on concessional terms.

I have given careful consideration to your suggestion and have concluded that, at least at the present time, any such credit would not be desirable from the standpoint of the African countries concerned. You will appreciate that, if IDA should make a loan to the Special Fund, this would not add to the total amount of concessional financing available to the African countries, since the amount loaned would have to be taken from the programs which IDA would otherwise carry out in those countries. Thus, the effect of such a transfer would simply be to substitute one channel of finance for another. This would not necessarily be objectionable if there were reason to believe that the African Development Bank could use the funds loaned to the Special Fund more effectively than could IDA itself. Unfortunately, this is not likely to be the case.

As you probably know, the African Development Bank has been having difficulty in building up the kind of experienced, skilled technical staff which it needs and, as a result, it has not built up any substantial pipeline of projects ready for financing. We have been trying to help the African Bank in this build-up stage by providing a good deal of technical assistance, by including AfDB personnel in IBRD economic and appraisal missions, by accepting AfDB participants for EDI project courses, and by engaging in several loan operations in parallel with the AfDB. Indeed, because of the AfDB's shortage of projects in its pipeline, we have recently transferred to that bank for preparation and financing several projects

which IBRD staff had identified as potentially productive investments. But despite this assistance, and despite the able leadership which is being provided to AfDB by Mr. Labidi, it seems likely that the African Bank will have its hands full to invest effectively the additional \$20-25 million per year which the OECD countries expect to contribute to the Special Fund. Obviously, if IDA were to supplement the Special Fund to any significant degree and as a consequence the resources loaned were to remain immobilized for any considerable period, the African developing countries themselves would be the principal losers.

This situation will, I hope, change in time and when it does we can reconsider the matter.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc - Office of the President (2) ✓

cleared in substance with and cc - Messrs. Broches, Chadenet, Chaufournier and Lejeune.

RHDemuth:jg

For Office of Mr. McNamara

490/5/121

EXCELLENCE
PRESIDENT BOUSSA
BANGUI

LE 24 MARS 1972

LT

REPUBLIQUE CENTRAFRICAINE

AVONS APPRIS AVEC GRANDE SATISFACTION QUE VOUS AVEZ ADOPTE UN PROGRAMME DE
REDRESSMENT FINANCIER BASE SUR LES RECOMMANDATIONS DE LA MISSION FMI STOP
SOUMES HEUREUX POUVOIR VOUS CONFIRMER QUE L'ADOPTION DE CE PROGRAMME NOUS
PERMET D'ALLER DE L'AVANT EN CE QUI CONCERNE CREDIT IDA NIE PROJET EDUCATION ET
ENVISAGEONS PRESENTER CE PROJET AU CONSEIL D'ADMINISTRATION EN AVRIL STOP
COMPTE TENU REAJUSTEMENT DES TAUX DE CHANGE INTERVENU L'AN DERNIER LE COUT
DU PROJET ET DE SON FINANCEMENT ONT ETE REVISES COMME SUIV PRIMO COUT ESTIMATIF
TOTAL A ETE PORTE D'UNE CONTRE-VALEUR DE CINQ MILLIONS DE DOLLARS A CINQ
MILLIONS QUATRE CENT MILLE DOLLARS SECUNDO CREDIT IDA ENVISAGE A ETE PORTE DE
LA CONTRE-VALEUR DE TROIS MILLIONS SIX CENT MILLE DOLLARS A TROIS MILLIONS
NEUF CENT MILLE DOLLARS STOP PROJET ACCORD DE CREDIT EST MODIFIE EN CONSEQUENCE
STOP ESPERONS QUE CES MODIFICATIONS RECEVRONT VOTRE AGREMENT STOP TRES HAUTE
CONSIDERATION

Em n.
ROBERT S. MCNAMARA
PRESIDENT
INTERNATIONAL

Translation (not for transmission)

We have learned with great satisfaction that you have adopted a financial
recovery program based on the recommendations of the IMF mission Stop

contd

Robert S. McNamara
President

REStockh:ys
Re: CAR - Education Project

600/5/127
page 2

We are pleased to confirm that the adoption of this program enables us to proceed with IDA credit for Education project and that we propose to submit this project to the Executive Directors in April. In view of last year's realignments of exchange rates project cost and financing has been revised as follows: primo estimated total cost increased from 5 million dollars to 5 million 400 thousand dollars equivalent; secundo proposed IDA credit increased from 3 million 600 thousand dollars to 3 million 900 thousand dollars equivalent. The draft credit agreement being amended accordingly. We trust that these amendments will meet with your approval. Sincerely,

Robert S. McNamara
President

490/5/119

DR. NESTOR VELA
MINISTER OF FINANCE
QUITO

MARCH 24, 1972

ECUADOR

REFERENCE NEGATIVE PLEDGE ISSUE AND YOUR CABLE OF MARCH 23 STOP
BANK WOULD BE HAPPY TO RECEIVE ECUADORIAN DELEGATION AS SUGGESTED
BY YOU STOP WE PROPOSE DISCUSSIONS COMMENCE WITH BANK STAFF
AT 10.00 HOURS ON MONDAY MARCH 27 IN CONFERENCE ROOM C/910 STOP
IN CASE OF ANY DIFFICULTY DELEGATION SHOULD CONTACT KAPUR DIVISION
CHIEF STOP REGARDS

MCNAMARA
INTBAFRD

Rm N.

Robert S. McNamara

Cleared in substance with and cc:
Mr. Lecuona

cc: Messrs. Alter
Sella
Helne/Davis
Kapur
cc: Mr. Knapp
Mr. Ljungh(2)
cc: Mr. Barco (E.D.)

ECUADOR - Negative Pledge Clause
SSKapur:ub

490/5/118

March 24, 1972

Dear Mr. Jonsson:

Thank you for your letter and the enclosures. I hope the World Bank is receiving objective publicity in the Swedish Press.

I have studied your resume of qualifications, and, since all our recruiting is handled through our Personnel Department, I have forwarded it to the Director of Personnel who will contact you. Please forgive me for replying in English.

Sincerely,

Anders Ljungh
Personal Assistant to the President

Ing. Karl-Erik Jonsson
Majeldsvägen 1, 3 tr
172 42 Sundbyberg
Sweden

AL:ml

490/5/117

MAR 24 1972

Dear Mr. Peter,

Thank you for your letter of March 6 and your good wishes.

I have read with interest the resume of your career and have asked my Director of Personnel to see if there is a place in the Bank Group for someone of your background and experience. He will be in touch with you in the near future.

I share your concern for the "people problems" in our work. We are consistently seeking to recognize more and more the importance of the sociological aspects of development in all our actions.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Hollis W. Peter
The Australian National University
Department of Sociology
Box 4, P.O.
Canberra ACT 2600
Australia

FGStone: jr
March 22, 1972

Cleared with Mr. R.A. Clarke

490/5/116

MAR 24 1972

My dear Mr. Minister:

Thank you for your letter of March 10, inviting me to attend the meeting of the Intergovernmental Group of the 77 on international monetary affairs which is to be held in Caracas on April 6 and 7. Unfortunately, a prior commitment to attend a meeting of the heads of the United Nations development assistance agencies, which is to be held in London on April 7, precludes my acceptance of this invitation.

While the question of international monetary reform to be discussed by the Intergovernmental Group in Caracas is a matter primarily within the jurisdiction of the International Monetary Fund, I want you to know I appreciate the importance for the developing countries of the shape which any new international monetary reform may take. Accordingly, I have asked Mr. Pierre-Paul Schweitzer, Managing Director of the IMF, to keep me fully informed with respect to the deliberations in Caracas.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Aristides Calvani
Minister of Foreign Affairs
Venezuela

cc - Office of the President (2) ✓

RHDemuth:jg

490/5/115

Le 23 mars 1972

Monsieur,

De retour à Washington, je tiens à vous remercier vivement d'avoir bien voulu guider la très intéressante visite du Musée national du Niger que mon épouse, mes collaborateurs et moi-même avons faite, lors de notre passage à Niamey.

Par la manière si attrayante dont il présente le patrimoine archéologique, culturel et zoologique de la région, votre musée est, à n'en pas douter, unique en Afrique. Vos explications éclairées nous ont beaucoup aidés à mieux comprendre le Niger, pendant le bref séjour que nous y avons fait.

Je vous remercie encore de l'accueil que vous nous avez réservé et du temps que vous avez bien voulu nous consacrer, et vous prie d'agréer, Monsieur, l'expression de ma considération distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur Pablo Toucet
Conservateur du Musée
national du Niger
Niamey, Niger

490/5/114

COLONEL I K ACHEAMPONG
CHAIRMAN
NATIONAL REDEMPTION COUNCIL
THE CASTLE
ACCRA
GHANA

MARCH 23, 1972

FULL RATE

THANK YOU FOR YOUR LETTER DATED MARCH FIFTEENTH WHICH AMBASSADOR IMBRAH BROUGHT
TO ME LAST MONDAY STOP HAVING RECEIVED YOUR LETTER AND SIMILAR APPROACHES FROM
MOST OF THE CREDITOR COUNTRIES WE HAVE NOW STARTED TO EXPLORE WHETHER WE CAN
IN FACT PLAY A CONSTRUCTIVE ROLE STOP WE ARE HAVING PRELIMINARY DISCUSSIONS WITH
AND WE ARE IN CLOSE TOUCH WITH THE IMF
CREDITOR COUNTRIES REPRESENTATIVES ON OUR BOARD OF DIRECTORS /STOP MEANWHILE
INTENSIVE STAFF WORK HAS BEEN INITIATED HERE AT HEADQUARTERS AND WE ARE NEXT
HOPING TO HEAR FROM YOUR GOVERNMENT WHEN WE CAN FIELD THE ECONOMIC MISSION STOP
THE MISSIONS WORK WILL PROVIDE AN IMPORTANT BASIS FOR OUR OPERATIONS PROGRAM
AND ALSO FOR ANY POSSIBLE INTERMEDIARY ROLE WE MAY UNDERTAKE STOP WE WILL DO
OUR VERY BEST TO KEEP YOU FULLY INFORMED OF FURTHER DEVELOPMENTS STOP IT IS OUR
SINCERE HOPE THAT THE BANK MAY BE ABLE TO PROVIDE ASSISTANCE WHICH CAN PROMOTE
DEVELOPMENT FOR GHANA AND ITS PEOPLE

/s/ RMcN.

ROBERT S MCNAMARA
PRESIDENT
INTRAFRAB

Robert S. McNamara
President, IBRD, IFC, IDA
Executive Offices

cleared with & cc: Mr. Broches
Mr. Chaufournier
cc: Messrs. Check, de Vries, McGibbon
Reitter, Christoffersen, Nissenbaum
Embassy of Ghana

LEChristoffersen/TH
March 23, 1972

490/5/113

MAR 23 1972

Dear Mr. Stanovnik:

I have your letter of March 15, 1972 and greatly appreciate your invitation to be in Geneva for the commemoration of the twenty-fifth anniversary of the Commission's activities, on April 17 next.

Unfortunately, after a visit to London for the IACB and ACC meetings on April 7 and 10, I must be in Santiago on April 14 for UNCTAD III. I trust you will understand, in the circumstances, that I will not be able to be with you the following week, however much I would have liked to congratulate the Commission directly for all the excellent work it has done over these last twenty-five years.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Janez Stanovnik
Executive Secretary
Economic Commission for Europe
Palais des Nations
CH-1211 Geneva 10
Switzerland

cc: Mr. McNamara (2)

Central Files with incoming letter

LPChatenay:mmcd
March 21, 1972

490/5/1991

MAR 23 1972

Dear Mr. Kutakov:

I wish to acknowledge receipt of your letter of February 2, 1972 (Ref: PO 230 SOAF (2-2)) transmitting resolutions 2775 A-H (XXVI) adopted by the General Assembly on November 29, 1971, on the subject of the policies of apartheid of the Government of South Africa. You have kindly drawn attention to the paragraphs in resolutions F and G which relate, inter alia, to all the specialized agencies.

The Bank, as you know, may under its charter make loans only to, or guaranteed by, member governments and solely for productive purposes. Accordingly the appeal addressed to the specialized agencies in resolution F relates to action which falls outside the competence of the Bank.

Concerning resolution G, I pointed out in my letter of February 26, 1971, to the Secretary-General of the United Nations on the same subject, that the Bank's Department of Information and Public Affairs always takes part in the coordinating action of the CCPI on all informational activities requiring collaboration between the agencies. However, the subject matter of this resolution is not one on which the Bank, among the specialized agencies, can bring any particular expertise to bear.

Finally, with regard to paragraphs 282 - 284 of the report of the Special Committee on Apartheid referred to in paragraph 4 of resolution G, the Bank is unable to suggest specific actions falling within its field of competence which might contribute to the objectives of the Special Committee.

The texts of the resolutions in question are being brought to the attention of the Executive Directors of the Bank.

Sincerely,

Robert S. McNamara

Mr. L.N. Kutakov
Under-Secretary-General
Political and Security Council Affairs
United Nations, New York, 10017

cc: Mr. McNamara (2)

Cleared & cc: Mr. Sella
cc: Mr. Lind
Central Files with incoming letter
LPChatenay:mmcd
March 9, 1972

49015/110

MAR 22 1972

Dear Evelyn:

Thank you for your kind letter of March 14. I very much regret having been away from Washington during your short visit here, particularly since it was your farewell visit as Chairman of the CDC. I would like to have been able to tell you in person how much I have valued both my personal association with you and the close association between the Bank and CDC which you have done so much to foster and which I feel sure will continue even after you and Bill Rendell retire.

I appreciate your offer to make yourself available for service to the Bank after your retirement. I will certainly bear this in mind, for there are many aspects of the Bank's activities which I know could benefit from your wise counsel.

With all good wishes,

Sincerely,

Robert S. McNamara

Lord Howick of Glendale
Chairman, Commonwealth Development
Corporation
33 Hill Street
London, W1A 3AR

cc - Office of the President (2) ✓

RHD:jg

49p/5/109

March 21, 1972

Dear Mr. Panos:

On my return to Washington, I would like first to thank you for your trouble and generous offer to help us with translation and apologize for the fact that I was unable to contact you as agreed. As it turned out, our translation problems were solved reasonably well.

Our stay in the Central African Republic was extremely interesting and gave us a much better appreciation for its problems.

I would be delighted if you had time to contact me whenever you are in Washington.

With best wishes,

Sincerely,

Anders Ljungh
Personal Assistant to the President

Mr. John Panos
Ambassade de Grece
Bangui
République Centrafricaine

AL:ml

490/5/408

March 21, 1972

Dear Mr. President:

Thank you very much for your letter of 13th March in which you were kind enough to extend to me an invitation to attend the Annual General Meeting of the Bank for International Settlements which will be held in Basle on Monday, 12th June.

I know very well what an important and distinguished gathering this is and I should have liked very much to attend. As you know, however, I have a problem because your meeting comes just before the end of our financial year when the work that this involves is particularly heavy.

Since, however, you have been good enough to include in your invitation any other senior officials of the Bank, I have asked Sir Denis Rickett, Vice-President of the World Bank Group, to attend in my place. He will be accompanied by Mr. Arthur Karasz, Director of our European Office, and Mr. Robert de Lesseps, Chief of European Financial Operations.

May I send you my warmest wishes for the success of the meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. J. Zijlstra, President
Bank for International Settlements
Basle, Switzerland

DHFRickett:emcc

cc: ✓ Mr. McNamara's Office ~~attending~~
Mr. Karasz with copy of incoming
Mr. de Lesseps with copy of incoming

4910/5/107

Le 20 mars 1972

Monsieur le Président,

De retour à Washington, je tiens à remercier encore une fois Votre Excellence, au nom de mon épouse, de mes collègues et en mon propre nom, de la généreuse hospitalité que Madame Diori et vous-même nous avez offerte à l'occasion de notre séjour au Niger. Les entretiens que j'ai eus avec Votre Excellence et avec les membres du Gouvernement nigérien m'ont permis de mieux comprendre les problèmes de votre pays et je suis plus que jamais convaincu que la Banque Mondiale peut jouer un rôle très utile en aidant le Niger à réaliser son développement économique.

Nos visites au projet de riziculture de Saga et à la station de recherche sur l'élevage de Kirkisoye nous ont permis de voir clairement les possibilités de développement de l'agriculture, secteur essentiel de l'économie nigérienne.

Je garde aussi le meilleur souvenir du déjeuner et du dîner que Votre Excellence a eu l'amabilité de nous offrir au Palais et qui nous ont donné une occasion précieuse de prolonger de manière non officielle nos entretiens.

La détermination du Gouvernement et du peuple nigériens à surmonter les obstacles au développement économique et social de leur pays m'ont vivement impressionné et je désire assurer encore une fois Votre Excellence que les efforts que vous déployez pour la prospérité future du Niger auront tout l'appui des organisations du Groupe de la Banque Mondiale.

Mon épouse se joint à moi pour remercier, Votre Excellence, ainsi que Madame Diori, de l'accueil que vous nous avez réservé.

Je vous prie d'agréer, Monsieur le Président, les assurances de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
El Hadj Hamani Diori
Président de la République du Niger
Niamey, Niger

GBlanchard

490/5/106

MAR 20 1972

Dear President Kenyatta:

Last June, you were kind enough to express a strong and positive interest in the proposal to set up in Kenya an international laboratory for the immunological study of East Coast fever in cattle. I reported to you at that time that the matter would soon thereafter be considered by the Technical Advisory Committee to the Consultative Group on International Agricultural Research.

I am glad to tell you now that the project has since been considerably advanced. The idea of an International Laboratory for the Study of Animal Diseases (ILRAD) has been endorsed by the Consultative Group itself; and a Subcommittee of the Group recently has agreed on the composition of a team which, under the sponsorship of the Rockefeller Foundation, will soon leave for Kenya to discuss with your authorities and the authorities of the East African Community the steps necessary to establish ILRAD at Muguga, where advantage could be taken of the existing laboratory facilities of the East African Community.

The team, consisting of three experts, is headed by Dr. William Pritchard, a distinguished veterinary scientist of the University of California. It expects to be in Kenya for about a month beginning March 23. If discussions are successful, the team will prepare a definite plan for the establishment of ILRAD, for formal consideration by the Consultative Group and by the appropriate authorities of the Kenya Government and the East African Community. The Group could consider the financial requirements of the Laboratory before the end of the year, and the actual setting up of ILRAD might start near the end of 1972 or the beginning of 1973.

I was much encouraged by your friendly expression of interest in this project last year, and I hope that ILRAD will continue to have your understanding and support.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Jomo Kenyatta
President of the Republic of Kenya
State House
P.O. Box 530
Nairobi, Kenya

Cleared with and cc: Messrs. Evans, Demuth, Graves
cc: Mr. A. Ljungh

HNGraves:lkt

490/5 nos

For Mr. McNamara's office

MAR 20 1972

Monsieur G. L. Pennacchio
Représentant Résident
Programme des Nations Unies pour le Développement
B.P. 465
Brazzaville
République Populaire du Congo

Monsieur le Représentant Résident,

De retour à Washington, je tiens à vous remercier vivement de l'aimable collaboration que vous avez bien voulu m'accorder lors de mon séjour en République Populaire du Congo. Il m'a été tout particulièrement agréable de m'entretenir avec vous. Je sais combien est étroite la coopération qui existe entre votre bureau et la Banque Mondiale et je crois que ces rapports sont de bon augure pour les efforts que nous poursuivons en vue d'aider la République Populaire du Congo sur la voie d'un développement économique rationnel.

Veuillez agréer, Monsieur le Représentant Résident, l'assurance de ma considération distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

RBSteckhan/RAssa:ys
3/16/72

490/5/104

For Mr. McNamara's office

MAR 20 1972

Monsieur Edouard Ebouka Babackas
Directeur Général
Agence Transcongolaise des Communications
B.P. 670
Pointe Noire
République Populaire du Congo

Monsieur le Directeur Général,

De retour à Washington après le voyage que je viens de faire en Afrique de l'Ouest et Centrale, je tiens à vous remercier sincèrement de votre chaleureuse hospitalité et des excellentes dispositions que vous avez bien voulu prendre pour rendre mon séjour aussi bien utile qu'agréable.

La visite à Pointe Noire et le trajet sur le CFCO ont certes figuré parmi les points saillants de mon séjour au Congo. Les longues discussions que nous avons eues m'ont parfaitement éclairé sur la situation de l'ATC et je crois avoir maintenant une bien meilleure compréhension des problèmes de votre organisme et des projets d'expansion de son réseau de transport en vue de développer la coopération régionale. Je me félicite de voir que le Groupe de la Banque Mondiale participe déjà à vos plans de développement et j'espère que le crédit IDA envisagé au titre du projet ferroviaire intérimaire constituera un premier pas sur la voie d'une coopération sans cesse plus étroite entre nos deux institutions.

Je ne voudrais pas terminer sans vous remercier de l'excellent repas auquel vous nous avez aimablement conviés à bord du train et que mes collaborateurs et moi-même avons fort apprécié.

Veuillez agréer, Monsieur le Directeur Général, l'assurance de ma considération distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

RBSteckhan/RAssa:ys
3/16/72

490/5/103

For the office of Mr. McNamara

MAR 20 1972

Maitre Aloise Moudileno-Massengo
Vice-Président du Conseil d'Etat
Brazzaville
République Populaire du Congo

Monsieur le Vice-Président,

De retour à Washington, je tiens à vous remercier chaleureusement de l'aimable hospitalité que vous avez bien voulu m'accorder lors de mon séjour dans votre pays.

Les entretiens que j'ai eus avec vos collaborateurs et vous-même m'ont permis d'avoir une idée plus précise de la manière dont le Groupe de la Banque Mondiale peut continuer de vous apporter son concours pour promouvoir le développement économique du Congo. J'ai été particulièrement intéressé par la visite de Pointe Noire et j'ai beaucoup apprécié le voyage sur le CFCO jusqu'à Dolisie. A cette occasion j'ai été très favorablement impressionné par la qualité de la gestion de l'ATC et je me félicite d'avoir pu obtenir des renseignements particulièrement instructifs sur les plans de modernisation et de développement du réseau de transport de l'ATC en vue d'accroître la coopération régionale.

Enfin, je voudrais vous remercier pour l'excellent dîner auquel vous m'avez aimablement convié pendant mon séjour. Ce fut pour mes collaborateurs et moi-même une occasion fort agréable d'apprécier votre généreuse hospitalité.

Je vous prie d'agréer, Monsieur le Vice-Président, l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

RBSteckhan:ys/Rassa
3/16/72

490/5/102

For Mr. McNamara's office

Son Excellence
Monsieur le Commandant Marien N'Gouabi
Président de la République
Brazzaville
République Populaire du Congo

MAR 20 1972

Monsieur le Président,

De retour à Washington, je tiens à vous dire combien je vous suis obligé de votre chaleureuse hospitalité et de toutes les attentions que vous avez bien voulu avoir pour moi et mes collaborateurs pendant notre séjour en République Populaire du Congo.

Je suis conscient de ce que ma visite a eu lieu à un moment difficile de l'histoire de votre pays mais je tiens à vous dire tout l'intérêt que ce voyage a eu pour moi. Les dispositions prises pour rendre mon séjour à la fois utile et agréable ont été excellentes. Je vous suis particulièrement reconnaissant de m'avoir donné l'occasion de visiter Pointe Noire, le centre économique du Congo, ainsi que Brazzaville, la capitale. Le trajet de Pointe Noire à Dolisie sur le CFCO m'a permis d'avoir de longs entretiens avec les responsables de l'ATC et j'ai été frappé par la manière lucide dont le Président du Conseil d'administration et le Directeur général de l'ATC m'ont exposé les problèmes de l'ATC et présenté les plans de développement futurs de cet organisme. Le voyage en train m'a également permis d'apprécier les possibilités agricoles des régions que nous avons traversées.

Je suis revenu très impressionné par le vif intérêt que vos collaborateurs portent à l'encouragement du développement économique du Congo et je tiens à vous assurer, Monsieur le Président, que le Groupe de la Banque Mondiale continuera à faire tout son possible pour favoriser le développement rationnel de l'économie de votre pays.

Veuillez agréer, Monsieur le Président, l'assurance de ma plus haute considération.

(Signed) Robert S. McNamara
Robert S. McNamara

RBSteckhan/RAssa:ys

3/16/72

490 / 5/109

For Mr. McNamara's office

MAR 20 1972

Monsieur Albert Salfo Balima
Représentant Résident
Programme des Nations Unies pour le Développement
B.P. 872
Bangui
République Centrafricaine

Monsieur le Représentant Résident,

A la suite de ma visite en République Centrafricaine et de la discussion que nous avons eue, j'ai le plaisir de vous adresser cette lettre pour vous remercier chaleureusement de la coopération que vous avez bien voulu nous apporter durant notre séjour.

J'ai beaucoup apprécié le temps que vous avez consacré à nos discussions qui m'ont permis de mieux saisir les problèmes qu'affronte la République Centrafricaine dans la voie du développement.

Madame McNamara et moi-même avons reçu avec plaisir un exemplaire dédié de votre ouvrage intitulé "Genèse de la Haute-Volta". Nous avons été très touchés par votre aimable attention.

Je vous prie de croire, Monsieur le Représentant Résident, à l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

RBSteckhan/PNFall:ys
3/16/72

49015/100

Le 20 mars 1972

Monsieur le Président,

Permettez-moi de vous exprimer mes plus vifs remerciements pour la cordiale hospitalité dont mon épouse, mes collaborateurs et moi-même avons été entourés lors de notre trop bref passage à Dakar. J'ai particulièrement apprécié l'occasion de m'entretenir avec vous non seulement des questions qui touchent au développement de votre pays, mais également des nombreuses initiatives que vous avez prises à l'échelle africaine. Ces discussions m'ont confirmé que le Groupe de la Banque Mondiale continuera de jouer un rôle croissant dans l'assistance qu'il apporte au Sénégal et à l'Afrique en général.

Sachez, Monsieur le Président, combien Mme McNamara et moi-même avons été sensibles à votre invitation et à la généreuse hospitalité que Mme Senghor et vous-même nous avez accordée.

Je vous prie d'agréer, Monsieur le Président, l'assurance de ma très haute considération, et de présenter à Mme Senghor mes respectueux hommages.

Robert S. McNamara

Son Excellence
M. Léopold Sédar Senghor
Président de la République
du Sénégal
Dakar, Sénégal

KHuber:RChaufournier:GBlanchard

49015/99

MAR 20 1972

Dear Mr. Grondin:

I took great pleasure in exchanging views with you on the development problems of Niger during my recent visit. I was most interested to hear from you about UNDP activities in that country.

May I also thank you and your colleagues for the assistance you gave us on this occasion.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Gilles Grondin
Resident Representative
United Nations
Development Programme
Niamey, Niger

cc: Mr. Chaufournier
Mr. W. Clark
Mr. Ljungh

ARGué:sjb

MAR 16 1972

For the use of the Office of the President

hnp/5/98

MAR 20 1972

Dear Mr. Ambassador:

I wish to thank you for the visit of the Saga rice project you organized for us during my recent stay in Niger and for all the interesting information about the project you and your associates gave us during this visit.

I was impressed by the achievements of your team and I remain convinced that we, in the Bank, have much to learn from your experience in Niger.

With my best wishes of success,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
The Ambassador
of the Republic of China
Niamey, Niger

cc: Mr. Chaufournier
Mr. W. Clark
Mr. Ljungh

ARGué:sjb

MAR 16 1972

For the use of the Office of the President

490/5/97

MAR 20 1972

Dear Mr. Kassé:

I want to thank you for the opportunity you gave me to exchange views with you on the development problems of Niger, Upper Volta and Mali, and for your perceptive observations on the problems of the region and the role of the Bank Group.

I wish you success in your new functions.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Baba Kassé
Regional Representative
Economic Commission for Africa
Niamey, Niger

cc: Mr. Chauffournier
Mr. W. Clark
Mr. Ljungh

ARGué:sjb

MAR 16 1972

490/5/96

Le 20 mars 1972

Monsieur le Ministre,

De retour à Washington, je voudrais vous remercier bien vivement pour votre amabilité et vos attentions pendant mon séjour au Mali. Mme McNamara se joint à moi pour adresser à Mme Konaté nos remerciements les plus cordiaux pour la généreuse hospitalité dont elle nous a entourés pendant notre séjour au Mali.

L'excellent programme que vous-même et vos collaborateurs aviez préparé à notre intention m'a permis d'accroître notablement mes connaissances sur le Mali et de mieux apprécier les problèmes et les perspectives de développement de votre pays, ce qui a donc satisfait au plus haut point le but principal de ma visite. Quant aux entretiens officiels que j'ai eu le plaisir d'avoir avec vous, je les tiens en ce qui me concerne pour positifs et je suis convaincu de la part de plus en plus importante que le Groupe de la Banque peut jouer dans le développement économique du Mali.

Ma femme, mes collaborateurs et moi-même gardons un excellent souvenir de l'hospitalité qui nous a été offerte lors de notre première soirée à Mopti, où nous avons assisté à une fête folklorique réellement fascinante.

Je forme des vœux pour une longue et fructueuse association entre le Mali et le Groupe de la Banque et j'attends avec plaisir de vous revoir en septembre à l'occasion de l'Assemblée des Gouverneurs.

Je vous prie, Monsieur le Ministre, d'agréer l'expression de ma haute considération.

Robert S. McNamara

Son Excellence
M. Tiéoulé Konaté
Ministre
Président-Directeur de la Banque
de Développement du Mali
Bamako, Mali

KHuber:GBlanchard

March 20, 1972

490/5/95

Dear Mr. Dumont:

On my return to Washington, I write to thank you again for your courtesy and help offered to my associates and myself during our stay in Mali. I particularly enjoyed hearing your views on the development problems and prospects of Mali and the various ways in which the U.N. family can contribute to help the Malian Government and people to achieve the objectives they have set for themselves.

Mrs. McNamara greatly enjoyed the company of Mrs. Dumont in visiting Bamako's museum and nursery school, as well as art shops.

Again my warm personal thanks for your kind help to make our visit successful.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Donald Dumont
Resident Representative, UNDP
Boite postale 120
Bamako, Mali

KHuber:ALjungh:ml

490/5/34

MAR 20 1972

Monsieur le Président,

Permettez-moi une fois encore de vous exprimer au nom de ma femme, de mes collaborateurs et de moi-même mes remerciements les plus cordiaux pour la généreuse hospitalité dont Madame Traoré et vous-même avez entouré notre séjour dans votre pays. J'ai rapporté de ma visite et des entretiens que j'ai pu avoir avec vous, ainsi qu'avec les membres de votre Gouvernement la ferme conviction que le Groupe de la Banque peut jouer un rôle de plus en plus important dans l'assistance qu'il apporte au Mali pour son développement économique. Le dîner que vous nous avez offert de même que la réception accompagnée de danses folkloriques fort réussies ont certes constitué des événements saillants de notre voyage en Afrique de l'Ouest.

Je tiens pour particulièrement bénéfique le fait d'avoir pu visiter les projets agricoles dans les régions de Mopti, Ségou et la Haute Vallée; ces visites m'ont permis de mieux comprendre le potentiel et les problèmes de l'agriculture malienne, qui est évidemment le secteur clé pour l'avenir de votre pays.

Je suis convaincu pour ma part que le Mali parviendra à résoudre les problèmes économiques délicats avec lesquels il est confronté de façon à pouvoir s'engager rapidement sur la voie d'un développement économique et social accéléré. J'espère que ma visite aura contribué à renforcer l'étroite collaboration qui existe entre votre pays et nos organisations et que nous pourrions continuer pour notre part à apporter notre soutien aux nobles objectifs que vous poursuivez pour procurer un bien-être au peuple malien et lui assurer un avenir meilleur.

Soyez à nouveau, Monsieur le Président, assuré de mes vifs remerciements pour toutes vos attentions et aussi pour le temps que vous m'avez consacré. Madame McNamara se joint à moi pour vous adresser ainsi qu'à Madame Traoré nos pensées les meilleures.

Je vous prie, Monsieur le Président, d'agréer l'assurance de ma très haute considération.

(Signed) Robert S. McNamara
Robert S. McNamara

Son Excellence
Colonel Moussa Traoré
Président du Comité Militaire
de Libération Nationale et
Chef d'Etat
Bamako
Mali

490/5/93

Dear Mr. Dorsinville:

I took great pleasure in exchanging views with you on the development problems of Upper Volta during my recent visit. I was most interested to hear from you about UNDP activities in that country.

May I also thank you and your colleagues for the assistance you gave us on this occasion.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Max Dorsinville
Resident Representative
United Nations
Development Programme
Ouagadougou, Upper Volta

cc: Mr. Chaufournier
Mr. W. Clark
Mr. Ljungh

ARCus:sjb

490/5/92

Dear Mr. Ambassador:

I wish to express my sincere thanks to you and your associates for the very interesting and instructive visit of the Kou valley rice project you organized for us during my recent stay in Upper Volta.

My colleagues and I were highly impressed by your achievements and we shall review with great interest the feasibility study of the Banfara rice project prepared by your experts. I am quite sure that we can learn a great deal from the Kou project and I express the hope that we may join forces in the future to develop similar projects in Upper Volta.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
The Ambassador
of the Republic of China
Ouagadougou, Upper Volta

cc: Mr. Chaufournier
Mr. W. Clark
Mr. Ljungh

ARGué:sjb

MAR 16 1972

49015/91

For the use of the Office of the President

Son Excellence
Monsieur Gérard Kango Ouédraogo
Premier Ministre
Ouagadougou, Haute Volta

Monsieur le Premier Ministre,

Je tiens à vous remercier bien vivement de l'accueil que votre Gouvernement a bien voulu nous réserver lors de notre récente visite en Haute Volta.

Permettez-moi de vous dire combien j'ai été ému par votre exposé magistral sur les problèmes auxquels votre pays est confronté et par la détermination de votre Gouvernement à relever le défi que vous ont imposé à la fois l'histoire et la nature.

Les sacrifices que votre peuple a consentis sont la meilleure preuve que vous pouvez et devez réussir dans votre tâche immense, mais combien noble, d'améliorer le sort de vos populations. Les résultats acquis auront permis de jeter les bases sur lesquelles il devient possible de construire un avenir meilleur. Nous souhaitons quant à nous mettre tout en oeuvre pour vous aider à le faire.

Je vous prie de croire, Monsieur, le Premier Ministre, à l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Chauffournier
Mr. W. Clark
Mr. Ljungh
PMWA

cc: Mr. Kochman

ARGué: sjb

3/16/72

490/5 190

Cher Monsieur Sanon,

Je tiens à vous remercier bien sincèrement de l'assistance que vous m'avez apportée pendant ma récente visite en Haute Volta.

J'ai ainsi eu l'occasion d'apprécier hautement vos talents d'interprète lors des différentes réunions que nous avons eues avec les autorités de votre pays.

Veillez croire, cher Monsieur Sanon, à mes sentiments les meilleurs.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur Pierre J. Sanon
Ministère des Affaires Etrangères
B.P. 538
Ouagadougou, Haute Volta

cc: Mr. Chauffournier
Mr. W. Clark
Mr. Ljungh

cc: Mr. Kochman

ARGué:sjb

MAR 16 1972

490/5/89

For the use of the Office of the President

Son Excellence
le Général Sangoulé Lamizana
Président de la République
Ouagadougou, Haute Volta

Monsieur le Président,

Je tiens à vous exprimer mes plus vifs remerciements pour l'accueil chaleureux que vous avez bien voulu réserver à Madame McNamara et à moi-même, ainsi qu'à mes collègues lors de notre récente visite en Haute Volta. Cette brève visite nous aura néanmoins permis de saisir davantage l'immensité des problèmes qui confrontent votre pays et la détermination farouche du peuple voltaïque et de ses dirigeants d'œuvrer avec courage pour un avenir meilleur.

Soyez certains que pour notre part nous suivrons vos efforts avec le plus grand intérêt et la plus grande sympathie et que nous ferons tout ce qui est en notre pouvoir pour vous donner l'assistance que votre peuple mérite.

Madame McNamara et moi-même garderons longtemps le souvenir de votre touchante hospitalité.

Je vous prie de croire, Monsieur le Président, à ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Chauffournier
Mr. W. Clark
Mr. Ljungh
PMMA

cc: Mr. Kochman

ARGué: sjb

490/5/88

MAR 20 1972

Dear Mr. Minister:

Thank you for your letter No. 073 of February 28, concerning the possibility of the Bank Group making a second loan to Ecuador for the development of education. You have in this connection referred to Minister Solorzano's earlier letter of October 5, 1970. In our reply of November 4 addressed to Minister Pachano, we observed that it was still somewhat early to consider concrete proposals for a second project in view of the fact that construction of the first phase schools in the current project had not yet begun and it was anticipated that it would be a long time before this project was completed. As you are no doubt aware, the present project was subsequently further delayed for lack of complementary local financing. It is only lately that this problem appears to have been overcome and I am happy to learn from the Bank supervision mission which visited Ecuador in February that the project is now making good progress. We are considering the requirements for making a second loan and expect to be in touch with you again shortly.

I would like to avail of this opportunity to congratulate you on your appointment as Minister of Public Education and to wish you every success therein.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Vicente Anda Aguirre
Minister of Public Education
Ministry of Public Education
Quito - Ecuador

cc: Messrs. Alter
Stewart
Kapur

SSKapur:ean
Typed March 14, 1972

490 15/87

MAR 17 1972

Dear Dr. Greep:

Thank you for your very interesting letter of February 28, 1972. The possibilities of an early breakthrough in your biomedical research on human reproduction are indeed of great interest to the World Bank.

In view of the substantial resources available for research in this area, particularly through the National Institutes of Health, U.S. AID, and the large American foundations, I have not thought it appropriate for the Bank to engage in financial support for such research, particularly since it is a field in which we have no special technical competence. U.S. AID in particular has a substantial appropriation for support of work on population problems related to the problems of the developing countries, including biomedical research, and it also has considerable experience in this field.

Although I cannot accede to your request for a Bank grant, I want to wish you success in the important work you are undertaking.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Roy O. Greep
Director
Laboratory of Human Reproduction
and Reproductive Biology
Harvard Medical School
45 Shattuck Street
Boston, Massachusetts 02115

MLHoffman/RHDemuth/pnn

cc: Dr. Kanagaratnam
Mr. McNamara's files (2)

490/5/86

MAR 17 1972

Dear Mr. Minister:

The International Bank for Reconstruction and Development proposes to sell in the capital markets of Kuwait as soon as possible an issue denominated in Kuwaiti Dinars in an aggregate principal amount not to exceed KD 20 million.

The Government of Kuwait 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 the markets of Kuwait of such amounts as may be raised by the issue of not exceeding KD 20 million aggregate principal amount. The Government of Kuwait is further requested to agree, pursuant to the same provisions 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,
ROBERT S. McNAMARA

Robert S. McNamara

His Excellency
Abdul Rahman Salem Al-Ateeqy
Minister of Finance and Oil
Kuwait
State of Kuwait

HCHittmair:mb

cc: Mr. Osman Ali
Mr. Aldewereld
Mr. Shoaib
Mr. Dajany
Mr. Rotberg
Messrs. Hittmair, Deely, El Fishawy

490 15185

March 17, 1972

Mrs. Elisabeth Mann Borgese
Secretary-General
Pacem in Maribus
Box 4068
Santa Barbara, California 93103

Dear Mrs. Borgese:

Thank you for your letter of March 4, concerning the Pacem in Maribus project, and the documentation relating to it.

You ask whether, given the Government of Malta's sponsorship of the project and the participation of the UNDP, it would be possible to obtain some help from the World Bank. You add that you assume that the Government would have to apply for assistance, but that before encouraging the application you would like to know what the chances of a favorable response may be and what form the application should take.

The answer to your question is, unfortunately, that since Malta is not a member of the Bank, it is not eligible to receive financial or technical assistance from the Bank Group. The Bank did make a power loan to Malta in 1963, but that was prior to Malta's independence, while it was still covered by the United Kingdom's membership and guarantee.

This is not, of course, to say that we are not concerned with the very important questions to which the Pacem in Maribus project is addressed. As you may know, we are giving close attention to the ecological implications of the projects we finance. We shall take part in the UN Conference on the Environment in Stockholm this summer and expect to attend the UN Conference on the Law of the Seas next year. We are keeping ourselves informed of developments affecting the environment, and we are in fact acquainted with the

Mrs. Elisabeth Mann Borgese - 2 -

March 17, 1972

Pacem in Maribus undertaking. However, because it is our policy not to engage in, or to provide funds for, any studies or research, however worthwhile, which do not directly support the Bank's work, I would not like to hold out any hope that the Bank would be a source of assistance for Pacem in Maribus studies in the near future.

I am sorry to have to reply in so negative a vein.

Sincerely,

Robert S. McNamara

SEB:RSMcNamara:tsb

March 16, 1972

cc: Office of the President (2) ✓

Yellow copy, incoming and attachment to Files through Mr. Lee



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

490/5/84

OFFICE OF THE PRESIDENT

March 15, 1972

MEMORANDUM OF CONVERSATION

I called Andre Meyer to tell him:

a. We are prepared to negotiate the placement of a euro-franc bond issue.

b. As a first step, I propose to ask our Vice President of Finance, Mr. Siem Aldewereld, and our Treasurer, Mr. Eugene Rotberg, to initiate discussions with Christian Valensi.

Andre agreed with the procedure and asked whether we would wish Valensi to come to Washington, and if so, when. I told him I was uncertain as to whether the meeting should take place in Washington or Paris, and I would have to leave the decision to Mr. Aldewereld who would decide after he knew when he would be going to Japan. This was perfectly acceptable to Andre.

Robert S. McNamara

cc: Mr. Aldewereld
Mr. Rotberg

490/5/83

MAR 13 1972

Dear Mr. Minister:

Thank you for your letter of February 25, 1972, concerning World Bank assistance for development of the ports of Recife and Rio Grande do Sul.

I can assure you that my staff and I are giving these developments full consideration. A Bank mission visited Brazil earlier this year to review progress in preparation of these projects. We plan to send another mission in May. That mission will review the economic and technical feasibility of the projects and advise on the nature and scope of Bank assistance for them.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mario David Andreazza
Ministro dos Transportes
Rio de Janeiro, GB, Brazil

RD Fletcher:iap
March 6, 1972

490/5/82

March 10, 1972

Dear Mr. Minister:

I am glad to say that the Executive Directors of the International Development Association approved yesterday a draft resolution authorizing the acceptance of an advance contribution by the Government of Ireland to the Third Replenishment of the resources of the Association.

I should like to say how much my colleagues and I appreciate the action of your government in making this advance contribution which comes at a time when the Association has a special need for funds to enable it to continue its operations.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
George Colley
Minister of Finance
Department of Finance
Upper Merrion Street
Dublin 2, Ireland

Copy to Mr. Isbister

cc: Messrs. Adler
Nurick
Gabriel
Mr. McNamara's Office ✓

DHFRickett:emcc
IDA 3rd Replishme

4910/5/81

MAR 13 1972

Dear Mr. Minister:

I am writing to thank you for your letter No. 1020 of March 3 in which you have requested a waiver of the Bank's negative pledge clause in reference to the loan Ecuador has been negotiating with the U.S. banks. We have the matter under review and expect to be in touch with you again very shortly.

I should also like to avail of this opportunity to congratulate you on your appointment, and to wish you a most successful term.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Dr. Nestor Vega Moreno
Minister of Finance
Quito - Ecuador

cc: Messrs. Alter
Kapur

SSKapur:ean
Typed March 10, 1972

49015/80

Mr. S. R. Sen

March 10, 1972

Robert S. McNamara

SOMALIA: Second Highway Project
Development of Local Contracting Industry

1. At the February 24, 1972 meeting with several Executive Directors to discuss the Bank's procurement policies, you asked why the works under the Somalia Second Highway Project had not been divided into small contracts as a means of promoting the local civil works contracting industry.
2. During preparation of the plans and tender documents, consideration was given to dividing the construction work into small contracts which might be suitable for bidding by local contractors, with larger foreign contractors having the option to bid for any combination or all of the contracts. This idea was abandoned, however, as there are no local contractors in Somalia who could handle even a very small road construction contract on their own. With the exception of an Italian contractor based in Somalia who is capable of bidding for the entire road contract, and who participated in the bidding, there are only a few small and specialized contractors doing other civil works such as small buildings, utilities, etc.
3. Discussions with the Government on ways in which the local contracting industry might be utilized and improved under the project brought out the following points:
 - (a) because of severe financial constraints, it would not be possible for the Government to assure potential local contractors the uniform flow of work necessary for their development;
 - (b) the Government did not want the road construction split into two or more contracts because of the added administrative problems which might result; and
 - (c) the Government felt that whatever local contracting capability did exist could best be utilized in subcontracting for the prime contractor.
4. With respect to item (c), this arrangement was utilized with good results on the road construction under the First Highway Project. The bidding documents for the Second Highway Project were prepared so as to encourage maximum use of local firms as subcontractors and the successful contractor has completed arrangements to utilize local trucking for all material haulage and small firms for masonry work on culverts and paved fords.

March 10, 1972

5. It is the present Government's policy to minimize private enterprise development, to carry out most minor civil works on a force account basis and to follow a procedure whereby major road works are carried out by foreign contractors financed entirely by foreign assistance. The Government agreed that the Civil Engineering (Highway) Department, which was formed with UNDP assistance only in 1965 under the Bank's First Highway Project, did not have the organization and capacity to undertake on a force account basis even a minor part of the Second Highway Project road construction. They also indicated no interest in expanding the Highway Department to any substantial degree; they prefer to retain it at about present size which is adequate to handle routine maintenance and administer low standard construction by labor intensive methods under the recently initiated "Roads Crash Program".

6. I believe, therefore, that under present circumstances in Somalia, we have done all that is reasonably possible to encourage local participation in the Second Highway Project.

7. You also asked for information on who constructed the present 900 km of bituminous surfaced roads in Somalia. In line with the Government's policy (para. 5), all such roads have been constructed by foreign contractors retained under foreign aid schemes with the exception of a very few kms of gravel roads surfaced by the Highway Department on a force account basis.

Cleared with & cc: Mr. Baum
Mr. Knox
Mr. Thalwitz

cc: Mr. Aldewereld
Messrs. Lejeune/Tolley

GMahoney:lt

490/5/79

March 13, 1972

MEMORANDUM FOR MR. SHOAIB

Would it not be wise to set up a procedure by which the Economic Advisor to the President, in discharging his responsibility for maintaining functional control of all economic work of the Bank, would have an opportunity to voice his opinion on the appointment of individuals to senior economic posts throughout the organization.

If a director of an operating department wished to proceed with such an appointment against the advice of the Economic Advisor to the President, the matter could be referred to me for decision.

Robert S. McNamara

cc: Mr. Chenery

RMcN:mss