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Dates: 01/01/1981 - 12/31/1985

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THE WORLD BANK

Washington, D.C.

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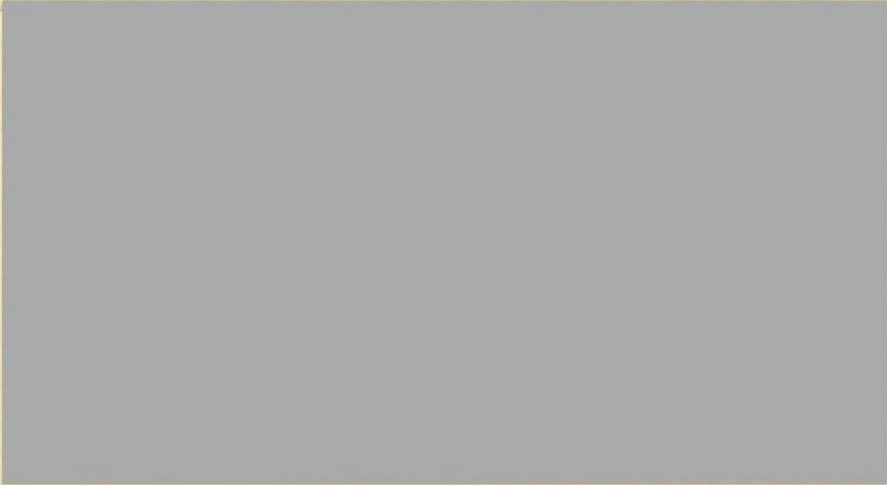
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International Fund for Agricultural Development



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Clausen Papers - International Fund for Agricultural Development (IFAD) -
Correspondence 01



7-2-

DEUTSCHE STIFTUNG
FÜR INTERNATIONALE ENTWICKLUNG

GERMAN FOUNDATION FOR INTERNATIONAL DEVELOPMENT · FONDATION ALLEMANDE POUR LE
DEVELOPPEMENT INTERNATIONAL · FUNDACION ALEMANA PARA EL DESARROLLO INTERNACIONAL

ENTWICKLUNGSPOLITISCHES FORUM

DEVELOPMENT POLICY FORUM

SUDAN

Western Savannah Project

I am waiting for the appraisal report of the WB. This report is now being drawn up in Washington. I would be very grateful if pressure could be exercised so that the Report would be sent to me in July for me to submit the project to the 3 Sept. Executive Board

Thank you

A. Jazaini
President of IFAD

M. Clawson

R

A draft copy of
the appraisal report
was sent ^{10 days ago} to IFAD's
officer in charge of
this project. The region
will get in touch with
IFAD staff to see if
they need anything else.

Roy

7-29-85

Thanks!
D

July 23, 1985

Mr. Idriss Jazairy
President
International Fund
for Agricultural Development
107, Via del Serafico
00142 Rome, Italy

Dear Mr. Jazairy:

Thank you for your letter outlining IFAD's proposals for a new Special Program for Sub-Saharan African countries affected by drought and desertification.

We understand that the proposed program looks beyond current emergency assistance and will finance longer-term rehabilitation-cum-development projects, for example, in crop production, small-scale irrigation, agro-forestry, etc. A number of the Bank's future lending programs in Sub-Saharan African countries contain such projects, and when your Special Program is established, we would welcome the opportunity to discuss possibilities for cofinancing some of these projects with IFAD. I would also like to point out that the Bank's Special African Facility for Sub-Saharan countries has become effective on July 1, 1985. This Facility will provide supplemental resources to IDA-eligible Sub-Saharan African countries which have undertaken or are committed to undertake appropriate medium-term programs of policy reform. The Facility credits will be used to finance structural and sectoral adjustment, including, inter alia, agricultural rehabilitation operations which may coincide with the objectives of your Special Program for Sub-Saharan Africa and could also be considered for cofinancing by IFAD.

July 23, 1985

The existing system of close and effective cooperation between our respective staffs no doubt will serve as the best vehicle for our future cooperation with regard to your new Special Program for Sub-Saharan Africa. If the Bank will be requested to appraise and supervise free-standing IFAD projects under this new program, my staff will need advance notification in order to plan for this in their work schedules.

I hope that your new program for Sub-Saharan Africa becomes a reality in the near future.

Warm regards.

Sincerely,



A. W. Clausen
President

P.S. It was good spending a few days with you earlier this month at the Tidewater Conference in West Berlin!

Cleared w/ and cc: Mr. M. Veraart (AGRDR)

cc: Messrs. E. Stern (SVPOP)
T. Ohuchi (VPCOF)
E. Jaycox (ESAVP)
W. Thalwitz (WANVP)

PBirnbaum/rh/rd



THE PRESIDENT

24 May 1985

Dear Mr. Clausen,

IFAD has been asked by its governing bodies to see what special efforts can be made, within the framework of IFAD's mandate, to work in conjunction with other international organizations to stimulate agricultural production by smallholders and to alleviate rural poverty in Africa. On the basis of instructions given at the Eighth Session of our Governing Council and the Twenty-Third Session of our Executive Board, the Fund has now elaborated proposals for a Special Programme for Sub-Saharan Countries affected by drought and desertification. These proposals were reviewed and adopted by a special session of our Executive Board on 18 May and were unanimously approved at that Board meeting. I am enclosing for your information a copy of the basic documents approved by the Board.

The outline of the special IFAD Programme for Sub-Saharan Africa has taken careful account of the efforts being made by the remainder of the United Nations system. The proposals concentrate on medium term solutions to Africa's agricultural needs, with emphasis on smallholder cultivation of traditional crops, improving small scale irrigation systems, dealing with environmental degradation problems as they impact on agriculture, and strengthening the institutional structure serving small farmers, including the traditional and modern organizations in which these farmers participate themselves.

With this orientation, the proposed programme can be considered as a longer term rehabilitation-cum-development programme to follow up on emergency assistance being organized through the Office of Emergency Operations of the United Nations. Like on-going IFAD activities, the new programme is supportive of the World Bank's programmes but retains the specific focus of IFAD's smallfarmer orientation. We are looking carefully at the range of rehabilitation activities presented by FAO at its meeting on 29 March to determine which could be incorporated in the IFAD special programme and to see how IFAD's planned institutional development activities can support the delivery systems needed for the seeds, fertilizers and related requirements identified in the FAO programme. Based on our recent very successful collaboration with the World Food Programme in initiating a major rehabilitation effort in Ethiopia, we expect that many of the planned actions could be carried out in close collaboration with WFP. We expect that many of the operations envisioned in the IFAD programme could be jointly developed and

Mr. A. W. Clausen
President
World Bank
1818 H Street, NW
Washington D.C. 20433



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implemented with the World Bank and the African Development Bank as has been the case in the past. We were pleased to have preliminary discussions along these lines with Mr. Birnbaum of the Office of African Operations here in Rome this past week.

I bring this matter to your attention at this preliminary stage, in light of our common concerns to assure the closest possible coordination and collaboration in our efforts to overcome the present tragic circumstances facing Africa. I would welcome very much any views you may have on our proposals.

My very best wishes to you,

Yours sincerely,


Idriss Jazairy
President



Record Removal Notice



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|--|--------------------------------|---|-----------------------------------|--------------------------|
| File Title Clausen Papers - International Fund for Agricultural Development (IFAD) - Correspondence 01 | | Barcode No. 1630877 | | |
| Document Date May 17, 1985 | Document Type Report | | | |
| Correspondents / Participants N/A | | | | |
| Subject / Title Executive Board - Special Session - IFAD Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification | | | | |
| Exception(s) Information Provided by Member Countries or Third Parties in Confidence | | | | |
| Additional Comments | | <p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date 15-Feb-17</td></tr></table> | Withdrawn by Shiri Alon | Date 15-Feb-17 |
| Withdrawn by Shiri Alon | Date 15-Feb-17 | | | |



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|--|--------------------------------|---|-----------------------------------|--------------------------|
| File Title Clausen Papers - International Fund for Agricultural Development (IFAD) - Correspondence 01 | | Barcode No. 1630877 | | |
| Document Date April 2-4, 1985 | Document Type Report | | | |
| Correspondents / Participants N/A | | | | |
| Subject / Title Executive Board - Twenty-Fourth Session - Agenda Item 9 - IFAD Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification | | | | |
| Exception(s) Information Provided by Member Countries or Third Parties in Confidence | | | | |
| Additional Comments | | The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website. | | |
| | | <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date 15-Feb-17</td></tr></table> | Withdrawn by Shiri Alon | Date 15-Feb-17 |
| Withdrawn by Shiri Alon | Date 15-Feb-17 | | | |

March 13, 1985

Dr. Idriss Jazairy
President
International Fund for
Agricultural Development
107, via del Serafico
00142 Roma, Italy

Dear Dr. Jazairy:

Thank you for your letter following up on our meeting. We here in the Bank share your views about the quality and level of cooperation between the Bank and IFAD, and we look forward to continued close and effective relations between our institutions. It is indeed gratifying that IFAD's replenishment is moving toward resolution, and even though the likely levels are less than what is needed, you can take satisfaction in this outcome.

Turning to the specific points in your letter, you mentioned IFAD's concern about how its projects are impacting on its intended beneficiaries. Let me assure you that we continue to have similar interests. In this context we welcome the increasingly close cooperation with IFAD's Monitoring and Evaluation Unit, representatives of which are in frequent contact with Bank staff supervision missions in the field.

You also suggested the possibility of Bank staff supervising, on an exceptional basis, projects fully financed by IFAD which were not appraised by Bank staff. After giving your idea careful consideration, my colleagues and I have reached the conclusion that such supervisory tasks should not be included in our cooperative activities. This conclusion is based on the realization that, even with intensive coordination during appraisal, the potential problems continue to outweigh the Bank's desire to help your organization in this respect. I'm sure you understand our feeling on this issue.

Our co-financing activities are clearly the most noticeable aspect of our joint efforts and remain a source of particular satisfaction and mutual benefit, especially since they indicate the high level of our common purpose in the struggle against poverty. Your concern about the balance of co-financing is noted with interest. There are no compelling reasons why our financial involvement with IFAD-initiated projects could not be increased over time, but as you indicate there are some practical

March 13, 1985

hurdles to be overcome. Again, early warning of such co-financing opportunities rather than ad-hoc last-minute arrangements would be a step forward, although we clearly realize the necessity of flexibility on this issue. We understand that you are looking for co-financing of IPAD-initiated projects which are to be appraised and supervised by Bank staff. In this general context the historical concept of "free of charge" Bank staff assistance may need to be clarified.

Finally, the plight of Africa will test our resourcefulness in the years to come, and we particularly appreciate your desire to stay in close contact on all matters related to the African situation. Thanks again for your thoughtful letter.

Sincerely,


A. W. Clausen
President

Cleared with & bcc: Mr. S. Husain
Mr. E. Schuh

bcc: Mr. E. Stern

MVeraart:VRS:sbp

(Log #244)

THE WORLD BANK

ROUTING SLIP

Date
March 4, 1985

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Husain ✓

E-1023

cc: Mr. Stern

To Handle

Note and File

Appropriate Disposition

Prepare Reply

Approval

Per Our Conversation

Information

Recommendation

Remarks

Would you please prepare a reply for
Mr. Clausen's signature by March 11?

Roy Southworth

From



THE PRESIDENT

19 February 1985

Dear Mr. Clausen,

244

It was a great pleasure to meet with you and Mr. Husain during my recent visit to Washington. IFAD has always welcomed the very close professional relations which we have with the World Bank. This is evidenced by the fact that of the 160 approved IFAD projects, 92 are being administered by the Bank. Equally important is the shared concern we have for finding the most effective ways of going about agricultural development and the alleviation of rural poverty. I believe we have learned a lot from each other about these issues. It is in this sense that I valued the opportunity to be in personal touch with you as a further sign of our close cooperation.

You will recall that there were a few points that I raised with you on which I hope there can be follow-up. First, I noted that while IFAD depends heavily on cooperating institutions to undertake both appraisals and supervision, there are a few occasions when IFAD believes there are unique reasons why IFAD itself should undertake appraisals. We are hopeful that on such occasions we can still turn to the Bank for consideration of a supervisory role. Of course we understand that the Bank would like to review our appraisal report before it agrees to undertake such a role. You seemed to think that our growing experience in working together should allow for that.

With regard to supervision, I also pointed out that we have a particular concern about how our projects are impacting directly on beneficiaries, and that we hoped that in carrying out its supervision role, the Bank could give particular attention to our specific preoccupations in that regard. This is, of course, primarily a matter for our staffs to pursue further at the working level, but any general encouragement which you can give in this regard would be welcome.

Finally, as you know, about half the projects undertaken by IFAD are ones initiated by other institutions - including particularly the World Bank - which we co-finance. The other half are projects initiated by IFAD but for which we do seek co-financing as often as possible. To date, IFAD has participated in co-financing of 54 projects initiated by the World Bank. The Bank has participated in co-financing of only six projects initiated by IFAD. I recognize that one of the reasons for this disproportion is that IFAD-initiated projects often tend to be of a rather

Mr. A. W. Clausen
President
World Bank
1818 H Street NW
Washington DC 20433

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smaller scale than Bank-initiated projects. In any event, I would hope that in coming years there could be a greater balance and that the Bank would be prepared to entertain co-financing of a larger share of IFAD-initiated projects.

At a time when some scepticism is expressed about the usefulness of international financial institutions or the delineation of their responsibilities, I also expressed the hope that you would find an appropriate opportunity to express satisfaction with our cooperative endeavour and stress the complementary and mutually reinforcing character of our operations.

In noting the above interests, I want to emphasize again the very close ties we feel with the Bank and the very great appreciation the whole staff feels for the close cooperation which has existed.

I also want to congratulate you and the staff of the Bank on the success you have achieved in initiating the Special Africa Fund. In light of the serious problems facing Africa and the important resource constraints facing us all, this has been a major accomplishment. As I mentioned to you, I myself see us intensifying our own operations in sub-Saharan Africa, particularly in the smallholder food production sector, and would like to coordinate with the Bank our efforts in this direction.

I look forward very much to working closely with you in the years to come.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Idriss Jazairy', written over a circular stamp or mark.

Idriss Jazairy

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[Faint handwritten signature or initials]

OFFICE OF THE PRESIDENT

1985 MAR - 1 PM 4: 04

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OFFICE MEMORANDUM

DATE January 31, 1985

TO Mr. A. W. Clausen *A*

FROM S. Shahid Husain, OPSVP (through Mr. A. David Knox, LCNVP) *A*

EXTENSION 72283

SUBJECT Briefing Note for Mr. Clausen - Meeting with the IFAD President, Mr. Idriss Jazairy, Wednesday, February 6 at 5:00 p.m.

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IFAD's Second Replenishment

1. IFAD's second replenishment (originally scheduled to cover 1984-1986 period) is not yet effective. The major outstanding issue is that of parity between OECD and OPEC donations. The U.S. is insisting that OPEC contribute 42% of total while OPEC wants to reduce this percentage. At present the pledges add to only slightly over \$700 million to cover 1985-1987, but the replenishment will not become effective until the parity issue is resolved. Some donors have indicated their willingness to make advance contributions (Finland, Italy, Sweden) which will be deducted from their total pledges when the replenishment is finalized. This allows IFAD to operate at a commitment level of about \$180 million during the 1985 calendar year. President Jazairy has just completed another visit to the Gulf states and he may have made some progress. The donors will meet in Rome in February (for the seventh time) to try and reach a compromise.

IFAD/Bank Matters

2. Since its inception in December 1977, IFAD has financed 152 projects for a total IFAD commitment of \$1.9 billion. Of these 152 projects the Bank has co-financed 56 projects while Bank staff has appraised and is currently supervising a further 37 projects which were IFAD initiated (no WB funds). Thus the Bank is involved with over 60% of IFAD's projects. Co-financing by IFAD amounts to \$677 million.

3. The relationship between the Bank and IFAD is one of cooperation and good working relations which continue to characterize our mutual activities. At present WB staff provides about 18 staffyears per annum towards IFAD activities and reimbursement procedures are well in hand. To date it has been the practice that WB has only accepted responsibility for supervision of those IFAD projects for which the appraisal was also performed by Bank staff. President Jazairy is expected to suggest during the meeting that WB also consider accepting administration of projects which have not been appraised by WB staff.

/...

IFAD/CGIAR Cooperation

4. IFAD is important as a source of funding to the CGIAR, and as an agency whose project activity can spread technology produced at the centers into practice. Of the nine multilateral supporters of the CGIAR, IFAD ranks fourth in financial commitments behind the World Bank, the Inter-American Development Bank and the EEC. IFAD became a member in 1979, around the time of its own inception, with a modest contribution of \$1.55 million to the core programs. It doubled its contribution both in 1980 and 1981, reaching a level of about \$6 million maintained since then through 1984 (3% of total). Over the past five years IFAD has funded research on potato, rice, livestock and field beans in over half of the thirteen CGIAR centers. IFAD support of the Capital construction program at the headquarters of the International Center for Agricultural Research in the Dry Areas (ICARDA) in Syria has been instrumental in getting this relatively newcomer to the CGIAR off the ground.

5. IFAD has also funded additional Special Project activities. The most important to-date has been its support of the Fava Bean program in Sudan and Egypt (a unique project involving a major input by the national staff managed by ICARDA). IFAD has taken the lead in organizing support for implementation of a program of biological control of cassava pests in Africa based on the research of the International Institute of Tropical Agriculture (IITA) in Nigeria. The 1985 IFAD budget includes a contribution of \$9 million to the CGIAR for core and special projects combined. IFAD has funded these programs out of a special Technical Assistance Program and the support to the CGIAR accounts for about 40% of the program outlays.

6. So far, IFAD has been prevented from making a formal commitment to the CGIAR for 1985 which has left the centers involved with a difficult management problem. We do not know anything about Mr. Jazairy's personal views concerning the CGIAR but have no reason to think they are anything but positive. It would be helpful to raise with him the important role IFAD plays in the CGIAR, and the mutual value of its cooperation with a number of the centers. The continuation of significant IFAD support during the difficult period of the replenishment can be very important to the CGIAR centers.

United Nations Press Release

Department of Public Information
Press Section
United Nations, New York

Biographical Note



BIO/2088*
IFAD/242*
23 November 1984

IDRISS JAZAIRY, NEW PRESIDENT OF IFAD, ASSUMES DUTIES

ROME, 22 November (IFAD) -- Idriss Jazairy, who was unanimously elected as President of the International Fund for Agricultural Development (IFAD), at the eighth session of the Fund's 130 member Governing Council on 24 October, took over his responsibilities in Rome on 19 November. He succeeds former President Abdelmuhsin M. Al-Sudeary from Saudi Arabia.

At a meeting with the Fund's staff yesterday (21 November), Mr. Jazairy took the oath of office in the presence of Ambassador Gonzalo Bula Hoyos of Colombia, Chairman of the Governing Council.

Before joining IFAD, Mr. Jazairy was an Ambassador-at-Large in the Ministry of Foreign Affairs of Algeria, specializing in international economic affairs. Before being appointed to that post, he served for three years (1979-1982) as the Algerian Ambassador to Belgium, Luxembourg and the European Communities.

Mr. Jazairy has served in a number of posts in the diplomatic service of his country and at international conferences and organizations. He was Deputy Secretary-General of the Algerian Foreign Ministry from 1977 to 1979. From 1963 to 1970, he served as Department Head and later Director of Economic, Cultural and Social Affairs in the Foreign Ministry, and from 1971 to 1977 was Adviser for Economic Affairs and International Co-operation to the President of Algeria.

Mr. Jazairy has been a member or head of Algeria's delegations to many international meetings, including the United Nations General Assembly (several sessions), the Economic and Social Council (1978 and 1979), and the United Nations Conference on Trade and Development (UNCTAD) sessions in 1964, 1967 and 1979. He was Chairman of the General Assembly's Committee of the Whole on the North-South dialogue (1978-1979).

He was a member of the Algerian delegations to the Conference on International Economic Co-operation in Paris (1975); to the Non-Aligned Summit Meetings in Algiers (1973), Colombo (1976), Havana (1979), and New Delhi (1982); the Cancun Summit meeting in 1981; and the Organization of Petroleum

(more)

* This supersedes Press Release BIO/1470-GA/EC/4 of 14 February 1978.

23 November 1984

Exporting Countries (OPEC) Ministerial meetings in Caracas (1979) and Algiers (1980).

Mr. Jazairy has also been a member of various expert groups set up by the United Nations on such topics as world inflation and development (1975), science and technology (1977), social aspects of development activities (1980), the struggle against desertification (1984), and regional and inter-regional co-operation (1983-1984).

He was a member of the group of five senior experts of the Non-Aligned Movement who presented a report entitled "Directions for Reform" to the Chairman of the Movement of the international monetary and financial system.

Born on 29 May 1936, Mr. Jazairy is an alumnus of the National School for Administration in Paris, and holds Masters of Arts degrees in political science (Oxford University) and public administration (Harvard University).

He is the author of several books on North-South co-operation and international economic relations, and has also published a large number of articles on these subjects in the international press.

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), ROME, ITALY. FOR MR. IDRIS JAZAIRY, PRESIDENT. THANK YOU FOR ADVISING ME OF YOUR UPCOMING VISIT TO WASHINGTON. I WILL BE DELIGHTED TO SEE YOU ON EITHER FEBRUARY 5 OR 6 AND WILL BE IN TOUCH WITH MS. GALLUP AND MS. KAMINSKY TO ARRANGE A MUTUALLY CONVENIENT TIME. I LOOK FORWARD TO MEETING YOU. REGARDS, TOM CLAUSEN, WORLD BANK.

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END OF TEXT

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INFORMATION BELOW NOT TO BE TRANSMITTED

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cc: Mr. Stern

AUTHORIZED BY (Name and Signature):

A. W. Clausen

DEPARTMENT:

Office of the President

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MR. THOMAS CLAUSON
PRESIDENT
WORLD BANK
WASHINGTON DC

IFAD/299

I WILL BE MAKING A BRIEF VISIT TO WASHINGTON D.C. ON 5-6
FEBRUARY PRIMARILY TO MEET WITH U.S. GOVERNMENT OFFICIALS AND
MEMBERS OF CONGRESS TO DISCUSS THE STATUS OF NEGOTIATIONS ON
THE SECOND REPLENISHMENT OF THE RESOURCES OF THE INTERNATIONAL
FUND FOR AGRICULTURAL DEVELOPMENT. HOWEVER, I WOULD VERY MUCH
WELCOME AN OPPORTUNITY TO MEET WITH YOU TO DISCUSS WORLD BANK -
IFAD RELATIONS AND TO TALK PARTICULARLY ABOUT THE AFRICAN
SITUATION AND BEST APPROACHES TO IT. MS. NANCY GALLUP OF THE
AGENCY FOR INTERNATIONAL DEVELOPMENT AND MR. PHYLLIS KAMINSKY
OF THE UN INFORMATION CENTER IN WASHINGTON ARE COORDINATING
ARRANGEMENTS FOR MY VISIT TO U.S. OFFICIALS. I WOULD BE MOST
APPRECIATIVE IF YOUR OFFICE COULD BE IN TOUCH WITH THEM TO SEE
IF WE CAN FIND A MUTUALLY AGREEABLE TIME TO MEET.

IDRISS JAZAIRY
PRESIDENT
IFAD-ROME
COL CKD

=01141352

ALT RID FROM:EXCM

NNNN

UNITED NATIONS  NATIONS UNIES

United Nations Information Centre, Washington, D.C., 20006

1889 F Street, N.W.

(202) 289-8670

18 January 1985

cc: Mr. Clausen
1/26

98

Dear Mr. Clausen,

Mr. Idriss Jazairy, the new President of the International Fund for Agricultural Development (IFAD), will be in Washington from 5 - 7 February 1985. He is expected to meet with senior U.S. Government officials and members of Congress concerned with the work and future activities of IFAD.

As you are likely aware, Mr. Jazairy assumed his new role as President on 19 November 1984. He is highly regarded in the field of international economic affairs and has served on numerous committees of the UN as a member of the Algerian delegation. A copy of Mr. Jazairy's bio is attached.

UNIC Washington is coordinating the arrangements for Mr. Jazairy's visit. He has requested an opportunity to meet with you during his brief stay in Washington.

The World Bank and IFAD have, over the years, been involved in co-financing agricultural projects. Mr. Jazairy would welcome the opportunity to discuss future joint activities and programmes. Please let us know when the most convenient time would be for this meeting.

Have already made
app'l for 2/6 @
5.

I look forward to hearing from you soon.

Sincerely,

Phyllis Kaminsky

Phyllis Kaminsky
Director

Mr. A. W. Clausen
President
The World Bank
701 19th Street, N.W.
Washington, D.C. 20006

Encl.

700 ST. M. S. D.

Phyllis V. ...

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

press release for use of information media
not an official record

IFAD/84/27
PRESS NOTE
18 October 1984

FACT SHEET -- IFAD MEETING IN PARIS

With an opening address by President François Mitterrand, the eighth annual session of the Governing Council of the International Fund for Agricultural Development (IFAD) will be held at UNESCO headquarters in Paris from Monday, 22 October to Friday, 26 October.

IFAD, a UN specialized agency of 139 member nations, is the only international financial institution exclusively concerned with increasing Third World agricultural and food production by the rural poor and for their direct benefit. The Paris session will focus on IFAD's needs for new contributions in the range of \$1 billion to continue its innovative rural development projects in developing countries.

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IFAD SESSION: The Governing Council of IFAD, composed of representatives of all 139 members, will hold its annual one-week meeting in Paris (UNESCO headquarters) at the invitation of the French Government. This is the first time the Council has met outside Rome, where IFAD is based.

HEADS OF STATE: President François Mitterrand of France will speak at the opening meeting of the Governing Council on 22 October in the afternoon. President Raúl Alfonsín of Argentina will address the Council on 23 October in the morning and also will hold a press conference after the speech.

AGENDA: The main item on the Governing Council agenda in Paris will be the replenishment of IFAD's resources. In seven years of operations the Fund will have provided about \$ 2 billion in concessional loans and \$ 80 million in technical assistance grants as of the end of 1984. To continue operations it is seeking pledges in the range of \$1 billion. The Council also will appoint a new President of IFAD to succeed Abdelmuhsin Al-Sudeary of Saudi Arabia, act on a proposed \$26.5 million administrative budget and discuss Fund operations.

WHAT IS IFAD? The International Fund for Agricultural Development, - the newest UN specialized agency with the smallest staff (80 professionals and 101 support staff) - was created in December 1977. It finances development programmes specifically aimed at helping the world's poorest people -- one billion people living in rural areas and subsisting on annual incomes often below \$100. Concessional loans (at rates as low as 1% over 50 years) support projects directly benefiting the poor farmers and landless workers. IFAD follows a grass-roots approach, usually focussing on village groups, and encourages private sector initiatives to develop small-scale farm and other rural enterprises.

WHERE THE PROJECTS ARE: As of now IFAD has financed 152 projects in 83 developing countries at a total cost of about \$ 8.2 billion of which its own share is \$ 1.9 billion. For every dollar contributed by IFAD other donors and the Governments concerned contribute three dollars. Most of the projects are in 65 countries classified as low-income, food deficit countries. Thirty-six per cent of the projects are in Africa, 28 per cent in Asia, 19 per cent in Latin America and 17 per cent in the Near East (Western Asia).

RESULTS: The expected addition to agricultural production resulting from current IFAD projects is estimated at 20 million tons, including 16 million tons of food (in terms of wheat equivalent). This amount equals 25 per cent of the 1981 cereal deficit of all developing countries.

WHO BENEFITS: It has been estimated that current projects will benefit about 7 500 000 farm families (40 million people). In most projects, average per capita incomes of target groups are one third or less than the already low national per capita incomes.

WHAT THE PROJECTS DO: IFAD projects range from provision of farming inputs (seed, fertilizer, tools, etc.) to irrigation, storage facilities, access roads, and supply of credit to the poor farmers and workers who would have no other source of loans.

EXAMPLES: In less than seven years of operations, IFAD already can point to successful results of projects. Examples: In Egypt the state-owned agricultural company (West Nubariya Agricultural Company) was dissolved and its land was made available within the West Beheira project for settlement by small private farmers, who were found to have outperformed the large-scale mechanized operations of state companies, in terms of yields, cropping intensities and soil amelioration. In Benin, smallholder cotton production doubled between 1981 and 1983, through expansion of the area cultivated and increase in the yield. In Zaire, maize output jumped from 80 000 tons in 1981 to 120 000 tons in 1982; there were similar increases in groundnuts, cowpeas and cassava. In Bangladesh, irrigated areas were doubled in the project zone through installation of hundreds of deep tube wells. Yield of paddy was increased from 1 300 kilos to 3 500 kilos per acre, benefitting more than 100 000 people. Expansion of irrigated land in the Bhima project in India has enabled farmers to grow an additional crop of groundnuts and thus increase their cash income. In Djibouti, the fish catch was doubled with IFAD assistance providing boats and storage facilities. In the People's Democratic Republic of Yemen, an IFAD project is strengthening services provided by several farm co-operatives, by making available expanded irrigation facilities, farm

machinery, extension services, etc. About 60 000 people will benefit. At full development, the project is expected to realize an increase of about 6 900 tons of cereals, 21 000 tons of vegetables, 500 tons of sesame seed oil, 44 000 tons of forage crops and 2 500 tons of cotton. Similar increases in crops and incomes have resulted from projects in many other countries.

50 DOLLAR LOANS: For a poor farmer or rural worker with no assets, even a loan of \$ 50 or less can be an important boost in improving farm production or starting an income-producing business. Commercial banks seldom provide such loans. One of IFAD's success stories is the Grameen Bank of Bangladesh, which reaches out to more than 1 000 villages to make available small loans of this type. The record of repayment is 99%. Originally started in one village, the programme has now become a nationwide permanent institution in Bangladesh, and some 100 000 people have benefitted.

STRUCTURE: IFAD's unique tripartite structure gives equal voting rights to three different groups of member countries: 20 developed countries (OECD), in Category I; 12 oil-exporting countries (OPEC), Category II; and 107 developing countries, Category III.

FINANCING: Initial pledges for IFAD amounted to about \$1 billion, with the OPEC group pledging \$435 million, the OECD nations \$567 million and other developing countries, \$19 million. The first replenishment of funds covering the period 1981-1983, brought pledges of \$1.1 billion including \$450 million from the OPEC group and \$620 million from the OECD countries. (A few countries, however, have not completed payment of their pledges yet.)

SECOND REPLENISHMENT: A major concern of IFAD as it meets in Paris is to obtain the necessary funds to continue its operations in 1985 and the following years. To seek agreement on the "second replenishment" of funds, five consultation meetings have been held since July 1983, the last of them on 3 and 4 October in Rome. Another round is scheduled for 20 and 21 October in Paris. Still to be settled are the questions of "burden sharing" between the two donor groups (OPEC and OECD) and the total target level for the replenishment. If not resolved, these issues would have to be dealt with in the Governing Council session.

There is tentative agreement on a funding target of around \$1 billion, to cover the period 1985-1987. On the key issue of the relative shares of OECD and OPEC groups, France has suggested a compromise reflecting difficulties of certain countries in making payments at this time; this would involve accepting a lower figure for pledges at present, while continuing efforts to eventually reach the \$1 billion target.

REDUCTION: A total of \$1.43 billion in contributions would be required to match the 1980-1981 IFAD Programme level in real terms; thus the targets currently under discussion represent an actual reduction in IFAD lending operations.

Significant reductions impair recipient Government initiatives to undertake poverty-alleviating activities. Expertise developed over the past years would be underutilized and successful projects ready for replication elsewhere would have to be delayed.

1985 PROGRAMME: Despite IFAD's capacity to undertake many more projects and a pipeline of projects awaiting funding, the overall level of the programme was held under \$ 300 million per year in the past two years, due to shortfalls in payment of pledged contributions. Available resources at the end of 1984 are expected to be no more than \$ 100 million or less. Additional payments of \$ 200 million in contributions during 1985 therefore would be needed to carry out the work programme next year. A report submitted to the Governing Council suggests that members consider making increased or advance contributions to the Fund to keep operations at a reasonable level.

'NEVER A GREATER NEED': IFAD President Abdelmuhsin Al-Sudeary said last month: "The problems of hunger and poverty remain as pressing as ever. It is therefore both disturbing and ironic to note that this last year actually witnessed a decline in the flow of resources to agricultural and rural development in the neediest countries. Multilateral financing institutions -- and IFAD in particular -- find themselves in a difficult situation at a time when there has never been a greater need for initiatives in favour of the rural poor."



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/45

GOVERNING COUNCIL OF IFAD ENDS EIGHTH SESSION,
FAILING TO AGREE ON REPLENISHMENT OF FUNDS

Further Consultations Planned; Council Requests Advance Contributions

Paris, 26 October. The Governing Council of the International Fund for Agricultural Development (IFAD) ended its eighth annual session today, without agreement on provision of financing for the organization's programmes in the next three years.

A Council resolution decided to continue consultations on the second replenishment of IFAD resources -- talks which began over a year ago. The discussions are expected to be resumed "as soon as the President shall deem it appropriate", preferably before mid-December. The resolution requested Members to make advance contributions to the Fund "prior to the conclusion of the agreement on the second replenishment." When that agreement is reached, the advance contributions "shall be treated as part of the respective Member's contributions under the second replenishment".

Previously it was hoped that agreement on a \$1 billion funding level would have been reached before the Paris session.

IFAD, which has committed nearly \$2 billion for rural development projects throughout the world, receives its funding mainly through contributions -- at a mutually agreed level -- of two groups of members: 20 industrialized countries of the Organization of Economic Co-operation for Development (OECD), and 12 members of the Organization of Petroleum-Exporting Countries (OPEC). The Fund was set up in 1977 with initial contributions of \$1 billion pledged by the two groups, and \$1.1 billion was again pledged for the 1981-1983 period.

IFAD estimates that by the end of 1984 it will have less than \$100 million available for activities in 1985. The planned 1985 programme for rural assistance projects amounts to about \$300 million. Without new contributions, IFAD would have to cut back on its project loans aiding the rural poor in more than 80 countries.

Negotiators for the OECD and OPEC groups were divided on the question of "burden-sharing" -- the relative share of funds to be contributed by the OECD and OPEC groups.

"The profoundly divisive nature of the so-called burden-sharing issue, at least as now conceived, is evident to all and is a sword of Damocles that menaces IFAD's very existence", IFAD President Abdelmuhsin Al-Sudeary said.

Cooperation between North and South and between the industrialized and oil-exporting countries "has worked in IFAD in an exemplary manner" except for the current impasse, which he hoped would be overcome, President Al-Sudeary said.

Report on Negotiations

A report to the Council on the second replenishment negotiations recalled that there had been six meetings of the Consultation, between July 1983 and October 1984.

The report noted that the issue of burden-sharing appeared difficult to resolve because of the different perceptions of Category I and Category II countries about the subject.

Category I Members felt that an equitable burden-sharing defined in terms of rough parity in contributions is a vital aspect of the joint undertaking of the industrialized and oil-exporting countries in supporting IFAD's operations. Category II Members, while accepting the concept of joint undertaking maintained that there was no historical basis for an inflexible burden-sharing ratio. It was their view that the relative contributions made by the two categories to the initial resources and the First Replenishment of IFAD were the outcome of a negotiating process under which the share of Category II countries in the total resources of IFAD reflected, among other things, their economic situation at that time.

At the third meeting, 29 February - 1 March 1984, a general consensus emerged on the period of the second replenishment and its approximate range. It was agreed that the period should cover the years 1985-87, with 1984 becoming in effect an extension of the first replenishment period.

Two levels of replenishment were proposed as working hypotheses: \$900 million to \$1,100 million by Category I (OECD), and \$900 to \$1,070 million by Category II (OPEC).

A French proposal to resolve the outstanding issue of "burden-sharing" was discussed at an informal meeting on 14 September 1984. The proposal suggested a lower initial target for pledges against the second replenishment, but with continued effort to reach a target of \$1 billion. The proposal aimed to deal with Category I Members' concern over the issue of "rough parity" while taking into consideration the difficulties of Category II Members.

Throughout the entire period, the President of IFAD attempted by all possible means to help bring the negotiations to a mutually satisfactory conclusion. He was assisted in this by UN Secretary-General Javier Pérez de Cuéllar and Bruno Kreisky, the former Chancellor of Austria.

Mid-Term Evaluation Report

The Council also heard views of several members on the report on the mid-term evaluation of 14 projects, a detailed study prepared by outside experts. The study indicated that IFAD was concentrating on its target groups -- the poorest rural inhabitants and was playing a role not duplicated by other organizations.

Several Council members said the study had shown the effectiveness of IFAD's performance. Canada, however, said that future evaluations should be programmed as part of individual projects, and that visits to project sites would be preferable to "desk appraisals". Bangladesh stressed the need to include country representatives in the evaluation process.



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IFAD/84/43

AFRICAN COUNTRIES TELL IFAD GOVERNING COUNCIL EXTERNAL AID IS VITAL IN STRUGGLE AGAINST HUNGER

Paris, 25 October. African countries told the Governing Council of the International Fund for Agricultural Development (IFAD) today that external support from agencies such as IFAD was crucial in their efforts to promote agricultural production.

The African speakers included representatives of the Gambia, Ethiopia, Zambia, Mozambique, Liberia, and Niger. They described conditions of drought and other problems which have resulted in declining agricultural output, and urged the donor groups of IFAD to resolve their differences and agree on fund contributions for the 1985-1987 IFAD programmes.

Tesfaye ABDI (Ethiopia) said that 7 million of people in Ethiopia now were affected by the drought, and the number of hungry or malnourished people in Africa probably has reached 100 million.

"People do not eat politics," said D. MUNKOMWE (Zambia). He said the time had come for the Fund to seek a more reliable method of funding. The present system created "a cloud of uncertainty" which made planning difficult. IFAD should help to build institutions; develop roads, irrigation and other infrastructure; and strengthen agricultural extension services.

Eneas COMICHE (Mozambique) said his country was the victim of military aggression and other destabilizing acts directed from abroad, as well as natural calamities such as floods and drought, which combined to make a serious situation even worse. It hoped for closer links between IFAD and member countries.

Peter DEO YOUN (Liberia) said traditional agriculture in Africa "can no longer cope with the ever increasing problems". Improved technology was important. He praised the results so far of an IFAD-supported rice seed project in Liberia, which had brought a "new awakening" among farmers. The outcome of the replenishment negotiations, he said, would "throw some light on how quickly and how well the Third World countries are going to be able to manage not only the food crisis but the deplorable economic situation".

Salha HALADOU (Niger) expressed concern over the threat to the viability of international institutions such as IFAD.

In other statements, M. TAPAVICKI (Yugoslavia) said that without international support for the efforts of developing countries to promote self-sufficiency, the basis for world economy recovery would be weakened. Hans HELLER (Austria) said the principle of "more or less equal sharing" by donor groups must remain an IFAD cornerstone, because under its structure resources must be supplied on "a negotiated, and not on a voluntary basis". Saya KONE (Laos) reported generally satisfactory progress in food production, including an increase in rice output, despite floods which ruined 30,000 hectares of rice.

Julio Cesar JARA DUCAUD (Chile) outlined the economic problems confronting Latin American countries in regard to the cost of debt service in relation to export revenues, declining commodity prices, the net outflow of capital, protectionism and other factors limiting their development. He said the rich countries should examine the Third World's problems with "a clear lens, and not by looking into a mirror".

He opposed the idea of changing IFAD loan policies to charge higher interest rates on the grounds that the Fund should not change "from humanitarianism to mercantilism".



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/41

UNITED STATES DECLARES READINESS TO PLEDGE \$120 MILLION FOR IFAD AND \$30 MILLION FOR CO-FINANCING OF IFAD PROJECTS

SAUDI ARABIA CALLS ON OECD GROUP TO RECOGNIZE PROBLEMS OF OPEC COUNTRIES

Governing Council Also Discusses Project Evaluation, Lending Policies:

Meeting is Scheduled for 7 pm Tonight on Second Replenishment

Paris, 25 October. The United States announced today that depending on the outcome of replenishment consultations, "it appears that the United States share will be about \$120 million" in contributions for the 1985-1987 programmes of the International Fund for Agricultural Development (IFAD).

Richard Derham, Assistant Administrator of the United States Agency for International Development, also said "we are prepared to use up to \$30 million in AID bilateral agricultural development funds for co-financing IFAD-initiated projects over the next three years". Since the second replenishment of IFAD resources will be smaller than had been sought, such co-financing by donors "on a voluntary and project-by-project basis" would allow IFAD to spread its resources over a broader area. He also referred to recent United States action, approving \$90 million to complete payment of its first-replenishment pledge of \$180 million.

Bilateral United States contributions to agricultural development will exceed \$1.4 billion in 1985, he said, a \$200 million increase over the 1984 level. Also, at least eight million tons of foodstuffs would be provided, an increase of 1.5 million tons over last year.

Mr. Derham expressed his Government's support for IFAD, whose unique structure "is based upon equality among the donor groups". He said the United States had demonstrated its interest in the negotiating process most notably by being "the first major donor to indicate a specific level of contribution to IFAD's second replenishment".

Saudi Arabia, second-largest donor to IFAD, also commented on the replenishment negotiations at this morning's meeting of the Governing Council. Abdul Aziz Al-Modbel, Saudi Arabian Deputy Minister of Development and Agricultural Research, said his country had made substantial contributions for agricultural development through multilateral and bilateral aid, and is "ready to participate" in the second replenishment. The OPEC group, he said, was waiting for Category I (OECD countries) to take into consideration the financial problems of some OPEC countries.

The OPEC group had shown its good will in the first replenishment of IFAD resources, but the situation had changed since then and several OPEC nations had faced greater economic difficulties than those of the OECD group, he said. It also should be kept in mind, he added, that the first replenishment contributions were not established "on any precise basis". Expressing strong support for IFAD, he hoped for a constructive dialogue and an agreement reflecting the positions of all countries.

In one other general statement heard this morning, Eliahou DOUEK (Israel) said IFAD should seek the transfer of agricultural technology to developing countries. He also noted that some \$12 million in non-convertible currency had been accumulated by the Fund from contributions of developing countries; because it had not been spent, devaluations meant the sum was now worth only \$10 million. In addition to contributions in local currency, Israel could make available the services of Israeli experts for IFAD projects.

Update on First Replenishment

A Governing Council document circulated today (CG 8/L.6/Add.1) reported that in recent weeks, final first-replenishment payments (for the 1981-1984 period) had been received from France (FF 38,240,000) and the United Kingdom (L4,300,375) in Category I, and from Congo (FF 364,837) and Philippines (\$ 50,000) in Category III (developing countries).

The document also indicated that the United States final payment of \$ 90 million was expected shortly by means of a letter of credit. Within a few weeks, final payments were expected on the other outstanding OECD contributions, from Japan and the Federal Republic of Germany.

The previous secretariat report on the status of the first replenishment issued in August, had indicated that OECD countries had paid \$ 473 million on pledges of \$ 620 million, and the OPEC group had paid \$ 386 million on pledges of \$ 450 million. Combined with \$ 31 million in contributions from other developing countries -- just \$ 1 million short of their pledges -- the total first replenishment payments as of 22 August thus amounted to \$ 890 million.

No contributions under the first replenishment have been received from Iran and Libya, which are members of the OPEC group. Iran had pledged \$ 19.2 million and Libya, \$ 31 million.

Lending Policies and Criteria

In a discussion concerning the IFAD Executive Board's review of IFAD lending policies and criteria, several developed countries said that while the poorest countries should receive the largest share of IFAD loans and on the most concessional terms (often 1% annually over as long as 50 years), other types of "ordinary and intermediate" IFAD loans should be at higher interest related to the cost of funds on the international market. This point of view was advanced by the U.K., Australia and Canada.

A number of developing countries spoke in opposition to such revision of interest rates and said such a "hardening of terms" on loans would not be in accordance with IFAD's goals. Jamaica said the developing countries had been told by the OECD members that harder loan terms were required by their Governments "for political purposes" in order to ensure support for IFAD. A few million dollars in added interest revenue for the Fund was not significant compared to the amounts of unpaid contributions, said Jamaica.

The French proposal and others were discussed at the fifth meeting on 3-4 October but the outcome was inconclusive. There was a feeling at the meeting that a lower level of replenishment should be sought. The OPEC group proposed the amount of \$295 million as its target contribution, to be matched by a commitment of \$465 million from the OECD group. This would leave a gap of \$40 million against a replenishment level of \$800 million, excluding contributions from Category III (other developing) countries. However, Category I responded that their contribution could only amount to \$405 million.

As these two positions could not be reconciled, discussions continued just before the Governing Council session in Paris and during the session. During the session these negotiations were carried out by a Contact Group, which considered inter alia a compromise proposal submitted by the developing country representatives but was unable to reach agreement.

Work of IFAD

The International Fund for Agricultural Development, - the newest UN specialized agency with the smallest staff (80 professionals and 101 support staff) - was created in December 1977. It finances development programmes specifically aimed at helping the world's poorest people -- one billion people living in rural areas and subsisting on annual incomes often below \$ 100. Concessional loans (at rates as low as 1% over 50 years) support projects directly benefiting the poor farmers and landless workers. IFAD follows a grass-roots approach, usually focussing on village groups, and encourages private sector initiatives to develop small-scale farm and other rural enterprises.

IFAD has financed 152 projects in 83 developing countries at a total cost of about \$ 8.2 billion of which its own share is \$ 1.9 billion. For every dollar contributed by IFAD other donors and the Governments concerned contribute three dollars. Most of the projects are in 65 countries classified as low-income, food deficit countries. Thirty-six per cent of the projects are in Africa, 28 per cent in Asia, 19 per cent in Latin America and 17 per cent in the Near East (Western Asia).

The expected addition to agricultural production resulting from current IFAD projects is estimated at 20 million tons, including 16 million tons of food (in terms of wheat equivalent). This amount equals 25 per cent of the 1981 cereal deficit of all developing countries.

It has been estimated that current projects will benefit about 7 500 000 farm families (40 million people). In most projects, average per capita incomes of target groups are one third or less than the already low national per capita incomes.

IFAD projects range from provision of farming inputs (seed, fertilizer, tools, etc.) to irrigation, storage facilities, access roads, and supply of credit to the poor farmers and workers who would have no other source of loans.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/40

DEVELOPING NATIONS URGE DONOR COUNTRIES TO AGREE ON CONTRIBUTIONS

Paris, 24 October. Developing countries appealed to industrial and OPEC nations today to resolve their differences over contributions for the 1985-1987 programme of the International Fund for Agricultural Development (IFAD).

Negotiations among the 20 OECD and 12 OPEC members of IFAD on replenishment of the Fund's resources began over a year ago, and have continued during the eighth annual session of the IFAD Governing Council at UNESCO headquarters. The session is scheduled to end Friday.

Statements at this afternoon's Council meeting referred to reports that the funding level might be reduced to \$800 million or less. About \$1 billion had been provided by contributors when the Fund was set up in 1977, and over \$1 billion was pledged in the first replenishment of resources covering 1981-1984.

One OPEC member, Iraq, spoke at this afternoon's meeting and said that despite the increase in its military expenses, it would make its contribution to the second replenishment. Hicham Hassan TAWFIK, Iraq's Finance Minister, told the Council that Iraq continued to support IFAD and its unique role in promoting food production and increasing incomes of the poorest people in rural areas.

Jean-François GIOVANNINI (Switzerland) said he was now hopeful that an understanding would be reached on the replenishment, but that the targets to be agreed upon would be "too modest in relation to what we really could do to make the best use of this excellent instrument which IFAD has become". Regarding the question of relative shares of the OPEC and OECD donor groups, a key issue in the funding negotiations, he stressed the importance of maintaining the collaboration between donor groups envisaged in IFAD's structure; it would be regrettable if that structure were placed in doubt.

He noted that the mid-term evaluation of 14 projects had shown that for the most part the projects reached the intended people, small farmers and those without land.

Other speakers at the meeting were: the Ministers of Agriculture of Burundi; Yemen Arab Republic and Democratic Republic of Yemen; and representatives of Congo, Costa Rica, Argentina, India, Colombia, Mexico and Bangladesh.

The developing countries, in their statements, praised the effectiveness of IFAD programme and said a reduced level of operations would be damaging to efforts to improve agricultural output.

José Ramón LOPEZ-PORTILLO ROMANO (Mexico), reflecting concern over the progress of replenishment negotiations, said it was reprehensible that certain countries possessing large resources were reluctant to comply with their obligations, and were finding "incredible excuses" for withholding their second replenishment contributions.

The problems of drought and other economic setbacks were mentioned by several delegates. Mathias NTIBARIKURE, Agriculture Minister of Burundi, said food losses caused by drought reduced 1983-194 production by 30% compared to the previous year.

Despite the problems, developing countries also reported progress in rural development programmes. M. SAYEDUZZAMAN (Bangladesh) described the success of the IFAD-supported Grameen Bank (village bank) programme which makes small loans to the rural poor. About 200 000 landless men and women had received the benefits of this bank, and the loans extended without collateral were repaid at a rate of 99%. A second credit of \$24 million for this institution had been negotiated with IFAD last week. The Grameen Bank system "has exploded the myth that the poor cannot repay loans and cannot save", he commented.

Ahmed Ali AL-HAMADANI, Agriculture Minister of the Yemen Arab Republic, said that in the past six years, his country had achieved a 24% increase in production, through irrigation projects and other efforts -- activities which required external assistance.

Latin American speakers (Argentina, Colombia, Costa Rica, Mexico) questioned the Fund's criteria for determining loan eligibility, particularly opposing reliance on a country's per capita income. They felt that other tests should be applied -- such as a country's indebtedness or lower average incomes in "pockets of poverty" -- in order to provide more equitable distribution of funds.

J.S. BALJAL (India) suggested that developed countries should make structural adjustments of their own to aid developing countries. "A strong partnership between the developed and the developing countries is required," he said.

Several speakers said IFAD should not adopt a policy of increasing loan interest rates as a result of decreased resources.



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IFAD/84/35

ELIMINATION OF HUNGER NEEDED FOR WORLD PEACE, PRESIDENT ALFONSIN OF ARGENTINA TELLS IFAD COUNCIL

Paris, 23 October 1984. "World peace which does not eliminate people's hunger and ensure the most essential of human rights - the right to food - will not be a real and lasting peace," Raúl Alfonsín, President of Argentina, said today at the Governing Council of the International Fund for Agricultural Development (IFAD).

The President, addressing the IFAD Governing Council at its eighth annual session at UNESCO headquarters in Paris, observed that "the fight against underdevelopment is a fundamental basis for universal peace and calls for joint effort and a fruitful and positive dialogue among equals, between developed nations and developing countries."

The President referred in his speech to the financial effort made by the industrialized countries and the OPEC countries and said that "Argentina, even in a situation of crisis, is conscious of its responsibilities and has already announced its contribution to the second replenishment of IFAD's resources".

Mr. Alfonsín said the battle for social justice was a basic objective of his government. Without renouncing Argentina's international financial obligations, his Government had started substantial programmes to meet the urgent needs of the Argentine people.

The agricultural sector in Argentina had a strategic role, both supplying staple foods and generating 80 percent of foreign exchange earnings. The Government had initiated a policy of reducing the price of inputs such as fertilizers and agro-chemicals and stabilizing internal prices of main agricultural products, backing them with support prices and government purchasing capacity.

To help the small farmers -- more than 1 million people in Argentina bypassed by development and by the State during past years -- Argentina, with IFAD technical assistance, had identified a programme benefiting more than 13,000 rural families in six provinces of northern Argentina.

Regarding grain production, Argentina firmly believed it could reach its target of 60 million tons in the relatively near future. Argentina would become "a bread-basket for the developing world".

The rebuilding of democracy in developing countries, and their capacity to formulate their own development choices, are threatened by the constant outflow of resources to creditor countries and the serious crisis in production, employment and income, said President Alfonsín.

The President said IFAD is "one of the best examples of what we can achieve when multilateral financial assistance is directed towards vital objectives and delivered efficiently". In only a few years it had helped finance some 150 projects in 80 developing countries, all of them designed to increase food production and raise living standards of the poorest members of the rural population.

The projects, he noted, would generate increased food production of 16 million tons in wheat equivalent, benefitting millions of farm families. Such projects are the "real weapons" whose production should be increased.

It is indeed possible to eradicate hunger, he said. IFAD resources could be doubled by reallocating a small part of arms expenditures. The limits do not lie in the field of resources but in our own consciences," he declared.



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IFAD/8-/39

IFAD'S 1985 BUDGET APPROVED BY GOVERNING COUNCIL

New Members of Executive Board Elected

Paris, 24 October. The Governing Council of the International Fund for Agricultural Development (IFAD) today approved a \$26.6 million administrative budget for 1985 and elected several new members and alternate members of its Executive Board.

The Council, which earlier had elected Idriss Jazairy of Algeria to succeed Abdelmuhsin Al-Sudeary as IFAD President as of 19 November, heard congratulatory statements which included comments on the lack of agreement on the second replenishment of IFAD resources.

General statements also were made by the Republic of Korea and Indonesia.

Budget. The IFAD administrative budget of \$26.6 million is 7.3% higher than the 1984 budget, reflecting an 11% increase due to inflation -- offset by currency adjustments which reduced the real growth to 2.9% over the 1984 level.

IFAD Vice-President Donald Brown told the Council that no new posts had been requested, despite the fact that more staff were needed. IFAD had only 80 professional staff and 101 support staff.

Executive Board. Elected to fill posts on the Executive Board to become vacant at the end of 1984 were Philippines and Sri Lanka, to replace Thailand and Turkey as members and alternate member in the Asian group. Mexico and Cuba will replace Jamaica and Panama as member and alternate member in the Latin American group. Also, Pakistan became a member and India an alternate member, reversing their previous posts.

Comments on Appointment. Statements congratulating Ambassador Jazairy on his appointment by acclamation as President were made by outgoing President Al-Sudeary; Governing Council Chairman, Gonzalo Bula Hoyos (Colombia); France, on behalf of OECD countries; Iraq, on behalf of OPEC countries; Jamaica, for the other developing countries; the Holy See, and Under-Secretary-General Bi Jilong, on behalf of United Nations Secretary-General Javier Perez de Cuellar.

In his remarks, Chairman Bula Hoyos observed that many delegations had praised outgoing President Al-Sudeary, but the best tribute to him would have been a favourable outcome of the replenishment negotiations.

President Al-Sudeary said Mr. Jazairy would have "a most interesting and challenging task" in seeking to promote IFAD objectives and to strengthen North-South co-operation, of which he had been an active advocate. He would derive strength from a dedicated staff as well as from IFAD's goals of progress and human dignity.

Mr. Al-Sudeary said it would be "a tragedy" if a replenishment agreement is not reached "at this session".

General Statements. Soegito SASTROMIDJOJO, Director-General for International Monetary affairs of Indonesia, said that among the developing countries it was the newly industrialized countries which had benefited the most from the world economic recovery, but their ability to experience sustained growth was threatened by an increase in protectionism on the part of the industrial countries. Furthermore, the decline in commodity prices, upon which most LDCs were heavily dependent, could undermine their future economic performance.

In the light of this, Mr. Sastromidjojo declared, IFAD should continue to function in an even more efficient way in order to achieve tangible results. "Experience in the last seven years indicates that IFAD has given help to 85 developing countries including Indonesia, covering a total amount of more than \$2 billion, about 66% of which is in the form of loans given under highly concessional terms. It would be impossible for the developing countries to find any other financing institution which would be disposed to give loans under the same conditions".

Youn Tai Chi (Republic of Korea) referred to the significant impact made by IFAD on the lives of the very poor. This assistance could be greatly improved if IFAD now had the financial resources to help them. The Republic of Korea therefore vigorously supported the second replenishment of IFAD and hoped that a new arrangement would be made regarding the replenishment as soon as possible. It was desirable to maintain low interest and long terms on IFAD loans.



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IFAD/84/37

24 October 1984

IFAD GOVERNING COUNCIL HEARS VIEWS OF MEMBERS ON FUND OPERATIONS AND FINANCING

Views of 13 countries on the operations and financing of the International Fund for Agricultural Development (IFAD) were presented at the afternoon meeting of the IFAD Governing Council at UNESCO headquarters in Paris on 23 October.

Japan and the Federal Republic of Germany announced that action had been taken by their governments to complete their first-replenishment (1981-1983) payments. (Both countries have previously paid two-thirds of the contributions pledged for that period.)

Statements were made by Sweden (on behalf of the Nordic countries), Jamaica, Tunisia, the Netherlands, Japan, China, France, Belgium, Nicaragua, Senegal, Pakistan, Federal Republic of Germany and Turkey. Speakers included a number of ministers of agriculture, rural development, planning and finance.

The need for expansion of activities in support of the rural poor, the vital role of IFAD and the economic problems facing developing countries were among matters discussed. Speakers expressed concern, as well as hopes for agreement, regarding the second replenishment of IFAD funds to cover the 1985-1987 programme of the agency.

Outgoing IFAD President Abdelmuhsin Al-Sudeary was praised for his work in building IFAD over the past seven years.

Goesta EDGREN, Under-Secretary of State for International Development Cooperation of Sweden, speaking on behalf of the Nordic countries, said he expected that the level of contributions in the second replenishment would not be very impressive compared to the needs and past resource levels and well below what the Nordic countries saw as desirable. It was deplorable that "one of the few innovative enterprises in the field of international cooperations" was forced to reduce its level of operations. It would be necessary to use the scant resources in the most efficient way. IFAD should concentrate all its efforts on the poorest segments of the rural population and on innovative projects, and should promote co-financing of projects.

In some countries women constituted between 60 and 80 percent of the rural labour force but they were often excluded from access to the benefits of agricultural development projects. The Nordic countries appreciated IFAD efforts to help women become more effective as agricultural producers, but felt that the role of women must be taken into account in all projects.

P. BRODERICK, Minister of Agriculture of Jamaica, said the most important issue before the Governing Council, on which IFAD's life depended, was the second replenishment. In view of the effective assistance that IFAD had been providing and the stated commitment of Member Governments to the Fund, it would be difficult to explain a lack of agreement on even a modest funding level. "An ill-considered and rigidly defined concept of burden-sharing can be the tombstone marking the untimely demise of IFAD," he said. He announced that his Government would increase its contribution, which would be in convertible currency.

The interim evaluation of IFAD's projects submitted to the Governing Council, indicated IFAD's high quality of project design and implementation, he said. As to IFAD's Lending Policies and Criteria, the Fund should be guided exclusively by its original objectives, directing its projects to the "small and landless farmers in all developing countries, irrespective of the stage of their economic development." However, for the immediate future, IFAD's target group in food-deficit African countries deserved the highest priority.

Ismail KHELIL, Minister of Planning of Tunisia, said that the mid-term evaluation reports made clear the major role played by the Fund in improving the living standards in the rural areas. He appealed to members of Categories I and II to come to an agreement on the second replenishment, which he felt confident they would do, and to complete their payments under the first replenishment. Tunisia was dismayed over the cut-back in projects and felt the Fund must be given adequate funds to continue its activities.

The agricultural policy of Tunisia was in keeping with the Fund's strategies, he said. The Government had assigned top priority to agriculture and food self-sufficiency and had set up a programme for rural development at the beginning of the nineteen-seventies under the five-year plan for 1982-86. There were 270 integrated rural development projects involving 20 000 families. These could not be completed if Tunisia had to rely on its own resources.

The Netherlands Plans \$ 15 million Co-financing

L.M.P.M. VAN ULDEN of The Netherlands, commenting on the replenishment issue, said that development finance was and should remain an essential feature of multilateral cooperation. He appealed to all partners involved to provide IFAD with funds outside the framework of the official replenishment -- for instance by voluntary additional contributions, co-financing arrangements or other financial mechanisms.

He mentioned a number of key elements in IFAD's operations which were appreciated by his Government, including its demonstration of expertise in the agricultural sector, its operational performance and its monitoring and evaluation arrangements. These points bore witness to the fact that "IFAD has developed into a mature development finance institution." Because of the Netherlands' very positive opinion of IFAD's performance, it had entered into talks with the management of the Fund on participatory co-financing arrangement for 50 million guilders (approximately US\$ 15 million) for 1984.

Women-related issues should be incorporated systematically into the design of projects, he said and such issues should be an integral part of the policy dialogue with recipient countries.

Yuzuki KAKU (Japan) said IFAD should place greater emphasis on its aid to least-developed countries, in view of its restricted financial resources. In this respect new lending criteria should be worked out as soon as possible.

On the question of replenishment, he said Japan had pledged \$60.2 million under the first replenishment and had been the third largest donor. The Government had already paid two-thirds of its share and had recently decided to pay the last instalment within a few weeks. Japan hoped that "the kind of situation which had obliged us to apply a pro rata principle will never be repeated in the future". Concerning the second replenishment, he hoped an agreement would be reached as soon as possible on the basis of the founding principles of IFAD. Japan would do its best to help in this and would bear its due share of responsibility for financial contributions.

LIU Xigeng (China) urged payment of outstanding contributions and strengthening of the agency in the future. If the economies of developing countries are quickly rehabilitated, developed countries would have greater investment opportunities and markets. There was "no doubt of mutual benefit to both the North and the South".

In IFAD lending, he favoured equal treatment to all low-income developing countries without discrimination, and efforts to transfer food production technology together with the transfer of funds. Two IFAD-financed projects were being implemented smoothly in China, and a third project had been approved by the IFAD Executive Board. China's agricultural production was unbalanced, he observed. More than 70% of its people live on 10% of the total land area, while large areas remain to be developed.

Pierre BEREGOVY, Minister of Economy and Finance of France, recalled President Mitterrand's warning that world stability would depend on our ability to solve the present development crisis. The economic recovery of the United States and Japan offered a glimmer of hope, he added, "but we know the uncertainties involved: the level of interest rates, the persistence of deficits and the fluctuations in exchange rates threaten this movement, and I'm afraid that the temptation of protectionism may act as a brake on trade to the detriment of many third world countries."

IFAD, he added, occupied a special place among multilateral institutions, since it was jointly financed by the industrialized countries and the OPEC countries, and the three groups of members (OECD, OPEC and the developing countries) each had the same number of votes in the executive board. This example showed that it was possible to go beyond traditional alignments and it should be followed in other institutions.

Turning to the financial negotiations currently being conducted, Mr. Beregovoy noted that France had made a proposal last summer which took into consideration the difficult circumstances which certain IFAD members faced. "Final agreement has not been reached," he said, "but I think the bases for it have been laid. I hope we'll go forward quickly. The duty of solidarity toward the farmers of the third world means we have to overcome the last difficulties which remain." He suggested that IFAD should emphasize projects for credit and training.

IFAD Role in Belgium 'Survival Fund'

François-Xavier de DONNEA, Belgium's Secretary of State for Development Co-operation, said IFAD commitments in 1984 would be the lowest since 1979, a regrettable situation which is the fault of the membership and not of IFAD's management. Belgium's confidence in IFAD had been demonstrated by its choice of IFAD to have the pilot role in initiating projects financed by the Belgian Survival Fund for the Third World, for which about \$60 million had been appropriated for 1985-1986 in addition to Belgium's regular development aid. Projects have been started in areas where infant mortality is as much as 216 per thousand, and where annual incomes are no more than \$150 a year.

Regarding the replenishment negotiations, he said the eventual level of resources pledged might not be consistent with the potential contributions of certain members, and it might be necessary to find additional alternative means of financing to meet the needs for action against poverty and hunger. Separate "funding windows" might be developed for different types of projects; some projects with profit-producing potential could be financed through capital markets.

Pedro Antonio BLANDON, Minister Director of International Fund for the Reconstruction of Nicaragua said that although the need for concessional assistance to Third World countries was constantly increasing, the total amount of such assistance for food production had declined by six percent between 1981 and 1982. "There is no way that the 500 million hungry human beings of this planet can solve the problem of malnutrition through the efforts of their own countries". Some developed nations far from carrying out the promises undertaken before the international community, not only utilize economic aid as a weapon of political pressure, but also, and for purely political reasons, veto multilateral concessional economic co-operation designed to solve the problems of hunger and underdevelopment.

"One chief of government recently declared at the annual meeting of the International Monetary Fund and the World Bank that the economic development of the past three years was the product and the result of an economic model towards which all nations of the world should aspire, including of course, the least developed countries. Can sub-Saharan Africa adopt such an economic model? Can our impoverished Latin America adopt programmes of macroeconomic adjustments based on simple mathematical models?"

Amadou Bator DIOP, Minister of Rural Development of Senegal, speaking of the conditions for awarding loans, said that some countries wanted to align them with those imposed by commercial banks. Those supporting this proposal considered this the best way for IFAD to replenish its resources more easily, through accumulated interest. However, IFAD was set up to permit the developing countries, whose borrowing capacity was much reduced by heavy external borrowing, to benefit from loans on favourable conditions. In this context, it was important to note that Africa, for example, paid \$ 15 to \$ 20 billion in interest each year on a debt of about \$ 150 billion, and Latin America dragged behind it a heavy debt of about \$ 350 billion.

Consequently, reopening a discussion on IFAD's loan conditions would not only risk aggravating the difficulties of these countries but would raise the question of the fundamental basis of solidarity which should exist between-states.

Vice Admiral M.F. JANJUA, Minister for Food, Agriculture and Cooperatives of Pakistan, praised IFAD's contribution to developing countries. IFAD removes constraints on landless and small farmers and thus aids food production, nutrition, and the living standards of the disadvantaged. "The benefits of IFAD's assistance are beginning to spread beyond specific projects and are making a real contribution in increasing incomes and improving the quality of life of the rural poor."

He commended the voluntary and additional contributions received in excess of the first replenishment pledges from countries in all three categories. Pakistan would increase its contribution to the second replenishment by 70% over its original contribution, including a 20% increase in convertible currency. Pakistan plans to insure the participation of small farmers by increasing agricultural credit, rural services, and the establishment of agro-industries in rural areas. Although Pakistan has had recent success in her development efforts - and has changed from a net importer of wheat to a self-sufficient exporter of wheat, it is still a developing country in need of support from development organizations such as IFAD.

Eberhard KURTH, (Federal Republic of Germany) spoke of the importance of concerted efforts to improve agricultural production -- not only by donors but by developing countries, which could improve their policies creating incentives for production. Unless this were done, countries would remain dependent on food imports or food aid. His country had provided special additional aid for sub-Saharan Africa this year, and considered small farmers essential agents in improving food production. Referring to the

importance of adequate credit facilities, he said he was "most impressed" by the film "Nazma" concerning an IFAD-supported rural bank project in Bangladesh (shown at the inaugural meeting of the Governing Council yesterday).

The Federal Republic of Germany had taken steps to provide the final payment (about DM 39 million) on its contribution for the first replenishment period. He regretted that two members of the OPEC group had not honoured their obligations. There was an "urgent need to intensify efforts to agree on the second replenishment" of funds, either this week or at a later stage. Some "creative flexibility" was needed.

Basic principles of the Fund must be retained, even if it should be agreed not to apply them rigidly. "Fair burden sharing" is such a principle, he said. If the multilateral replenishment process were to be replaced by unilateral voluntary pledges, contributions probably would not be sufficient to justify a separate organization.

Regarding IFAD's work, he said his government had made a study involving IFAD projects, and the team had been impressed by IFAD's activities.

Hüsnü DOGAN, Minister of Agriculture, Republic of Turkey, recalled his early suggestion that the Council should hold a session in a developing nation. This would provide delegates with first-hand experience of a country involved in IFAD-financed projects. He appealed to members to honor their pledges from the first replenishment, and to continue their support of IFAD.

IFAD should place more emphasis on strengthening the national capacities within a country to establish permanent institutions for long-term execution of IFAD-initiated projects, Mr. Dogan said. He also favoured project diversification to involve activities other than food production, and suggested an increase in the number of projects financed exclusively by the Fund. Turkey is currently implementing two IFAD-financed projects targeting on the poorest segment of Turkey's population.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/36
PRESS NOTE
24 October 1984

Biographical Note: IDRIS JAZAIRY

Idriss Jazairy, who has been nominated to succeed Abdelmuhsin M. Al-Sudeary as President of IFAD, is an ambassador at large in the Ministry of Foreign Affairs of Algeria, specializing in international economic affairs.

Before he was appointed to that post in 1982, he served for three years (1979-1982) as Algerian Ambassador to Belgium, Luxembourg and the European Communities.

Ambassador Jazairy has served in a number of posts in this country's diplomatic service and in international conferences and organizations. He was Deputy Secretary-General of the Algerian Foreign Ministry from 1977 to 1979. From 1963 to 1970 he served as department head and later Director of Economic, Cultural and Social Affairs in the Foreign Ministry, and from 1971 to 1977 was Advisor for Economic Affairs and International Co-operation to the President of Algeria.

Ambassador Jazairy has been a member or head of Algeria's delegations to many international meetings, including the United Nations General Assembly (several sessions); Economic and Social Council (1978 and 1979); and UN Conference on Trade and Development (UNCTAD) sessions in 1964, 1967 and 1979. He was chairman of the General Assembly's Committee of the Whole on the North-South dialogue (1978-1979).

He was a member of the Algerian delegations to the Conference on International Economic Co-operation in Paris (1975); to the Non-Aligned Summit meetings in Algiers (1973), Colombo (1976) and Havana (1979); the Cancun summit meeting in 1981; and the OPEC ministerial meetings in Caracas (1979) and Algiers (1980).

Ambassador Jazairy also has been a member of various expert groups set up by the United Nations on such topics as world inflation and development (1975), science and technology (1977), social aspects of development activities (1980), the struggle against desertification (1984), and regional and inter-regional co-operation (1983-1984).

He was a member of the Group of five senior experts of the Non-Aligned Movement who this month presented a report to the Chairman of the Movement on the international monetary system, entitled Directions for Reform.

Born on 29 March 1936, Mr. Jazairy is an alumnus of the National School for Administration in Paris, and holds masters of arts degrees in political science (Oxford University) and public administration (Harvard University).

He is author of a number of books on North-South questions and the international economic order.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/34

Paris, 23 October 1984

PRESIDENT MITTERRAND CALLS FOR INCREASED MULTILATERAL AID TO THIRD WORLD;
WARNS AGAINST 'LAW OF THE STRONGEST' IN WORLD ECONOMY

IFAD President Reports on 'Serious Difficulties' on Fund Replenishment

The eighth annual session of the Governing Council of the International Fund for Agricultural Development (IFAD) opened at UNESCO headquarters in Paris on 22 October, with an appeal by French President François Mitterrand for greater development efforts by industrialized countries.

Calling for greater solidarity between countries of the North and South he said that today more than ever, it is "suicidal to allow the law of the strongest to be the law of the world". At a time when the North-South dialogues had slowed down, it was important to demonstrate that the struggle against poverty and hunger was possible through action affecting the structures of the rural world. He termed IFAD "an irreplaceable institution in the battle against hunger" and said it should have more substantial resources.

Attending the Council meeting with President Mitterrand were Claude Cheysson, Foreign Minister; Pierre Bérégovoy, Minister of Economy, Finance and Budget; and Christian Nucci, Minister for Co-operation.

As the Council session opened, the two main donor groups of IFAD -- 20 industrial countries of the Organization of Economic Co-operation and Development (OECD) and 12 members of the Organization of Petroleum Exporting Countries (OPEC) -- were still negotiating on the share and the level of contributions they will make for the 1985-1987 programme of IFAD.

The Fund, newest UN specialized agency which began operations in December 1977, has provided about \$2 billion in loans and grants to help the poorest rural people in developing countries, with projects designed to increase agricultural production and incomes. At the end of this year it would have less than \$100 million left to carry out its programmes.

Also at the inaugural meeting, IFAD President Abdelmuhsin Al-Sudeary said the delay in providing new resources to the Fund was "very disappointing" in light of the immense problems of poverty and hunger facing developing countries. (For details of his address, see press release IFAD/84/31 of 22 October.)

Tributes to Mr. Al-Sudeary were expressed by President Mitterrand and by the Chairman of the Governing Council, Gonzalo Bula Hoyos (Colombia). President Mitterrand praised Mr. Al-Sudeary's "dynamism and determination" in being more concerned with concrete results than with abstract programmes. Chairman Bula Hoyos emphasized the role played by Al-Sudeary in the history of the organization.

Mr. Al-Sudeary, a Saudi Arabian who is IFAD's first President, is completing his current term. The candidate nominated to replace him is Idriss Jazairy, Algerian Ambassador at large specializing in international economic affairs.

During the Council's week-long session, it will discuss the problem of replenishment of funds, appoint the new President, and act on a proposed \$26.5 million administrative budget.

In a statement on behalf of UN Secretary-General Javier Pérez de Cuéllar, Under-Secretary-General Bi Jilong said it was disheartening that IFAD had to face problems of resources "at a time when its assistance is most needed" and after it had proved its effectiveness. The delay in completing negotiations had prompted the Secretary-General to send messages to heads of State and Governments of OECD and OPEC countries appealing for flexibility to meet IFAD's resource needs.

At the opening of the inaugural meeting, representatives of the 139 member States, as well as President Mitterrand and members of his cabinet, watched a short film co-produced by IFAD and TRQS TV of the Netherlands titled "Nazma", concerning the IFAD-supported "Grameen Bank" (rural bank) project in Bangladesh, which enables poor people to obtain small loans for productive purposes.

Address by President of France

President Mitterrand observed that IFAD had concentrated its resources to aid the poorest people in the poorest countries. He mentioned IFAD projects such as one assisting 100 000 peasants in Nepal; another project, assisting a co-operative of 200 fishermen in Djibouti, had increased substantially that country's fish production; another had improved the lives of 50 000 families in Madagascar. But these successes were not enough, because an unprecedented food crisis was shaking the societies of the South.

In Africa, the President noted, per capita agricultural production had decreased by 1.4 per cent each year for the past 15 years. The desert continued to advance, with 15 million hectares destroyed by sand every year. More and more rural people were exploiting natural resources which became more and more limited.

The agricultural crisis is part of the general disorder of the economies of the world, the President said. Mr. Mitterrand referred to the instability of commodity prices at the mercy of markets without rules, diminishing export revenues of developing countries, record interest rates, unjustified currency fluctuations, and growth of unemployment as investment becomes more difficult. After stagnating, development was now going in reverse, and hunger worsened.

False liberalism is the enemy of true liberties, he said. Those who dominate forget that they too will fall, along with those who are exploited. Today more than ever, it is suicidal to allow the law of the strongest to be the law of the world: there is a need for a vision of greater solidarity, as he had repeatedly said at international economic meetings.

At Cancun, Mexico three years ago, he recalled, Heads of State of 22 countries had sought a common response to urgent needs of developing countries. France had made proposals which were supported -- "at least verbally". He asked: What became of the commitments expressed in the final document of Cancun? What became of the analysis concerning poverty, famine, the debt crisis? What has been done to reopen the North-South global negotiations for a better organization of world markets? Where is the energy affiliate of the World Bank? What has been done to increase official development assistance? The commitments of Cancun for the most part, he said, have not been carried out.

The destinies of North and South are linked, and there can be no durable solution to the crisis of the North if the development of the South is not assured, the President declared. Many countries recognized the urgent need to organize world markets, increase official aid, and combat hunger. But results were meagre because the means were insufficient, if not decreasing.

The President stated that World Bank loans should be better adapted to needs of developing countries, and there should be a new allocation of Special Drawing Rights. France had hoped for substantial progress along those lines at the World Bank-International Monetary Fund meeting in Washington last month, but that was not possible. An increase in resources of the International Development Association was indispensable to maintain the flow of low-interest loans to the poorest countries, especially those of Africa. The refusal of certain countries to increase their contributions brought the resource level down to only \$9 billion, \$3 billion less than the amount required for IDA.

He had proposed that at least a special fund for Africa should be established, but this too was not achieved. France nevertheless remains ready to establish such a special fund together with any other countries wishing to do so, and has allocated more than 500 million francs for 1985, despite its own budgetary limitations.

In 1985, he said, France would devote 0.15% of its gross national product for aid to the least developed countries, as pledged, and was approaching the 0.7% target for official aid by France to the Third World. If all OECD countries, including the richest ones, followed the same path at the same pace, official development assistance would reach over \$37.5 billion -- \$10 billion more than current OECD contributions.

IFAD, President Mitterrand said, was an example of a useful and necessary institution, and for that reason it should have more substantial resources.

He expressed concern over the degradation of natural resources such as water and soil, and recalled a proposal he had made recently for a world conference concerning deforestation. He proposed again that following a planned FAO forestry congress in Mexico in July 1985, there should be a meeting at the highest level of countries concerned about deforestation, to decide on means to achieve good management of forest resources and to initiate reforestation efforts to stop the advance of the deserts.

In opening his address, the President said he was pleased to be at the headquarters of UNESCO, "which plays such a large role in development". M.M. M'Bow, UNESCO Director-General, was among those welcoming the President.

IFAD President Al-Sudeary and Governing Council Chairman Bula Hoyos expressed gratitude for the French Government's support of IFAD and other development activities.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/32

NAZMA: world première

Paris, 22 October 1984. The opening of the 8th session of the Governing Council of IFAD, the International Fund for Agricultural Development, was marked by the world preview of the film NAZMA, co-produced by TROS-TV and IFAD.

This film, which was shown to President François Mitterrand and the Governors of the 139 Member States of the Organization, relates, at the end of the United Nations Decade on Women, the living conditions of Nazma, a young Bengali woman. Married at 13 years of age and abandoned at 15, she builds a future for herself and her family thanks to the comprehension of the international community.

This documentary is "an act of homage to all those women throughout the world who struggle for greater justice." It illustrates the action of IFAD, which aims to ensure well-being and social justice, as its President, Mr. Abdelmuhsin M. Al-Sudeary, underlines.

Copies of this film (17'), conceived and directed by Yvonne Habets and Moncef Kartas, are available from the Press Office of IFAD, 107 Via del Serafico, 00142 Rome, Italy.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/30
PRESS NOTE
22 October 1984

IFAD PRESIDENT URGES EFFORTS TO IMPROVE FUND'S FINANCIAL BASIS Delay in Providing New Resources to IFAD Called 'Very Disappointing,' With Africa and Other Developing Areas Facing Crises

IFAD President Abdelmuhsin Al-Sudeary today urged member States, especially the OECD and OPEC donor groups, to "find a mutually satisfactory basis of financial support for the Fund which would not disturb its operations and place its very future in jeopardy every time its resources need replenishment".

He referred to the "serious difficulties" in negotiations over the past year concerning the second replenishment of IFAD resources -- negotiations which continued as the IFAD Governing Council opened its eighth annual session today in Paris, at UNESCO headquarters.

In his address to the Governing Council, Mr. Al-Sudeary noted that a total of about \$2.1 billion had been pledged in the initial funding of IFAD and in the first replenishment of funds which covered the period 1981-1984. By the end of this year, the same amount -- about \$2.1 billion -- will have been committed for projects since IFAD operations began in 1977.

The projects are designed to help small farmers and landless workers in developing countries increase food production and incomes. With less than \$100 million remaining for IFAD programmes by the end of the year, the OECD and OPEC groups have been seeking agreement on targets for contributions to cover the 1985-1987 programmes of IFAD.

The issue of the relative contributions of the two main donor groups has been "extremely difficult," Mr. Al-Sudeary said. In addition to putting the future replenishment process on a sounder footing, he suggested, members should consider the possibility of eventual borrowing by the Fund from governments, central banks or international capital markets.

The IFAD President said the delay in providing new resources to the Fund was "very disappointing, particularly in light of the immense problems confronting the developing countries" -- including the "alarming" situation in Africa, where 24 countries are suffering from abnormal food shortages and some 20 million people are threatened with starvation.

Objectives of Fund

Mr. Al-Sudeary noted that IFAD's main objectives include mobilization of additional resources for agricultural development: raising food production;

improving nutrition and alleviating rural poverty; and improving living standards. IFAD's primary task was to help design and support innovative projects that were economically viable and whose benefits accrued to the rural poor.

IFAD's basic philosophy calls for the treatment of people as the centerpiece of development, Mr. Al-Sudeary said. The poor "cannot be truly helped if they cannot participate in planning and implementing development efforts from which they are supposed to benefit".

IFAD's approaches, for example, have involved development of irrigation, improved access of the rural poor to credit, integrated rural development activities, institution building (such as forming of groups and associations for credit delivery, and strengthening of extension services, research and marketing); promoting appropriate technologies (labour-intensive methods for constructing irrigation structures, small-scale mechanization); and training activities.

IFAD also has encouraged a favourable evolution in government policies, he stated. As examples of the results of its "constructive dialogue" with governments, he said, IFAD has had success in obtaining preference for the landless and marginal farmers in allocation of newly developed lands; helping to regularize and distribute land titles to smallholders and the landless; promoting adoption of producer price incentives; eliminating or relaxing price controls; and simplifying lending procedures and liberalizing collateral requirements.

Because of the importance of harnessing the creative potential of individuals, IFAD's approach is to favour smallholder farm-based activities and to encourage food production and marketing through the private sector.

162 Loans for Projects in 85 Countries

By the end of 1984 it is expected that the Fund will have approved 162 loans for projects in 85 countries, totalling some \$2 billion, and technical assistance grants totalling \$80 million, Mr. Al-Sudeary said. The direct beneficiaries will be approximately 7 million families. Their annual additional agricultural production is estimated at over 20 million tons (including 16 million tons in food, in terms of wheat equivalent).

President Al-Sudeary referred to 14 recently-completed mid-term evaluation reports on projects which had indicated "substantial progress from many projects under implementation around the world." A number of projects had led to yield and output increases in food crops of between 20 and 50% and in several countries there had been increases in income of 60 to 100%. The evaluation reports had shown that all projects had made a positive contribution to institution building.

In spite of these positive results, the President pointed out that there were still serious problems facing the developing countries in the field of food and agriculture. They were far from being self-sufficient in food production and were continuing to import about 100 million tons of cereals annually.

The situation in Africa was "particularly alarming," he said. Although there had been drought-caused crises in the past, the present situation in sub-Saharan Africa was more devastating than before. "The declining level of food production is only the most striking indicator of this disastrous crisis. It is combined with declines in export, the inability to pay for food imports, heavy public debt burdens and balance of payments deficits." Africa had therefore received increased attention from IFAD. Its share in total operations had gone up to \$300 million over the period 1981-1983, compared to \$170 million over the previous three years. This year the region will receive about 32% of the IFAD total lending programme.

He referred to IFAD's activities as lead agency in a programme developed jointly with other UN agencies (WHO, UNICEF and UNDP) for utilizing resources of the "Survival Fund for the Third World" which was launched recently by Belgium. With resources of about \$60 million, this programme aims at increasing food production and improving the health and nutritional status of the rural poor in parts of Somalia, Kenya and Uganda.

The President said IFAD's unusual tripartite structure - in which OECD, OPEC and developing countries have equal voting rights -- is obviously "of great relevance for the future of international co-operation, both in the North-South context and in the context of the very important relationship between the OECD and the OPEC countries".

Commenting on his eight years as the first President of IFAD, Mr. Al-Sudeary said he was proud to have been part of "this historic mission to bring hope and an improved life to the struggling millions in developing countries who have been historically caught in a poverty trap".



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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IFAD/84/38

IDRISS JAZAIRY APPOINTED AS NEW PRESIDENT OF IFAD

Paris, 24 October. Idriss Jazairy, Algerian Ambassador at large specializing in international economic affairs, was appointed today as the next President of the International Fund for Agricultural Development (IFAD).

Ambassador Jazairy was appointed unanimously by the Governing Council of IFAD, at its morning meeting on 24 October. His nomination had been submitted earlier by the Government of Algeria.

Mr. Jazairy, appointed for a three-year term, has served in a number of posts in Algeria's diplomatic service and at international conferences and organizations. He was Ambassador to Belgium, Luxembourg and the European Communities from 1979 to 1982. (See biographical note, IFAD/84/36.)

He will succeed Abdelmuhsin Al-Sudeary of Saudi Arabia, who was appointed as IFAD's first President in 1977, and was reappointed for additional terms in 1980 and 1983.

In a statement to the Governing Council following his appointment, Mr. Jazairy declared: that as an Algerian, he felt pride at what he regarded above all as a tribute to his country's "unremitting efforts to promote North-South and South-South co-operation, of which the Fund is the concrete expression".

He said he would seek "stringency in management, efficiency and promptitude in action," and would fight all forms of bureaucratization.

Referring to the current threat to the existence of the Fund due to difficulties in replenishing its resources, he expressed hope the difficulties would be overcome. "If not how could we explain to the 500 million men and women whose survival is threatened by hunger and poverty that we cannot come to their aid because of a disagreement on a matter of principle which is not even related to the volume of the Fund's resources for its second replenishment, but concerns the provision of a few dozen million dollars by one or another category of countries or even a matter of wording relating to commitments already undertaken".

He called for a return to multilateralism, and said IFAD's contribution might be modest in quantitative terms but would be valuable qualitatively because it constitutes "a genuinely innovative experiment in international relations".

(Text of statement issued separately.)

OFFICE MEMORANDUM

DATE January 31, 1985

TO Mr. A. W. Clausen *h*

FROM S. Shahid Husain, OPSVP (through Mr. A. David Knox, LCNVP) *ad*

EXTENSION 72283

SUBJECT Briefing Note for Mr. Clausen - Meeting with the IFAD President, Mr. Idriss Jazairy, Wednesday, February 6 at 5:00 p.m.

IFAD's Second Replenishment

1. IFAD's second replenishment (originally scheduled to cover 1984-1986 period) is not yet effective. The major outstanding issue is that of parity between OECD and OPEC donations. The U.S. is insisting that OPEC contribute 42% of total while OPEC wants to reduce this percentage. At present the pledges add to only slightly over \$700 million to cover 1985-1987, but the replenishment will not become effective until the parity issue is resolved. Some donors have indicated their willingness to make advance contributions (Finland, Italy, Sweden) which will be deducted from their total pledges when the replenishment is finalized. This allows IFAD to operate at a commitment level of about \$180 million during the 1985 calendar year. President Jazairy has just completed another visit to the Gulf states and he may have made some progress. The donors will meet in Rome in February (for the seventh time) to try and reach a compromise.

IFAD/Bank Matters

2. Since its inception in December 1977, IFAD has financed 152 projects for a total IFAD commitment of \$1.9 billion. Of these 152 projects the Bank has co-financed 56 projects while Bank staff has appraised and is currently supervising a further 37 projects which were IFAD initiated (no WB funds). Thus the Bank is involved with over 60% of IFAD's projects. Co-financing by IFAD amounts to \$677 million.

3. The relationship between the Bank and IFAD is one of cooperation and good working relations which continue to characterize our mutual activities. At present WB staff provides about 18 staffyears per annum towards IFAD activities and reimbursement procedures are well in hand. To date it has been the practice that WB has only accepted responsibility for supervision of those IFAD projects for which the appraisal was also performed by Bank staff. President Jazairy is expected to suggest during the meeting that WB also consider accepting administration of projects which have not been appraised by WB staff.

IFAD/CGIAR Cooperation

4. IFAD is important as a source of funding to the CGIAR, and as an agency whose project activity can spread technology produced at the centers into practice. Of the nine multilateral supporters of the CGIAR, IFAD ranks fourth in financial commitments behind the World Bank, the Inter-American Development Bank and the EEC. IFAD became a member in 1979, around the time of its own inception, with a modest contribution of \$1.55 million to the core programs. It doubled its contribution both in 1980 and 1981, reaching a level of about \$6 million maintained since then through 1984 (3% of total). Over the past five years IFAD has funded research on potato, rice, livestock and field beans in over half of the thirteen CGIAR centers. IFAD support of the Capital construction program at the headquarters of the International Center for Agricultural Research in the Dry Areas (ICARDA) in Syria has been instrumental in getting this relatively newcomer to the CGIAR off the ground.

5. IFAD has also funded additional Special Project activities. The most important to-date has been its support of the Fava Bean program in Sudan and Egypt (a unique project involving a major input by the national staff managed by ICARDA). IFAD has taken the lead in organizing support for implementation of a program of biological control of cassava pests in Africa based on the research of the International Institute of Tropical Agriculture (IITA) in Nigeria. The 1985 IFAD budget includes a contribution of \$9 million to the CGIAR for core and special projects combined. IFAD has funded these programs out of a special Technical Assistance Program and the support to the CGIAR accounts for about 40% of the program outlays.

6. So far, IFAD has been prevented from making a formal commitment to the CGIAR for 1985 which has left the centers involved with a difficult management problem. We do not know anything about Mr. Jazairy's personal views concerning the CGIAR but have no reason to think they are anything but positive. It would be helpful to raise with him the important role IFAD plays in the CGIAR, and the mutual value of its cooperation with a number of the centers. The continuation of significant IFAD support during the difficult period of the replenishment can be very important to the CGIAR centers.

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Mr. Verant.

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WORLD BANK
WASHINGTON DC
U S A

IFAD/8385

FOR MR A. W. CLAUSEN PRESIDENT

I AM DEEPLY TOUCHED BY YOUR VERY KIND MESSAGE OF GOOD WISHES OF
15 NOVEMBER 1984. I AM LOOKING FORWARD TO MAINTAINING SUSTAINED
AND CLOSE COOPERATION WITH THE WORLD BANK WHOSE EXPERIENCE AND
GUIDANCE WILL BE OF GREAT VALUE TO ME IN THE PURSUANCE OF MY
MISSION.

WARM REGARDS, IDRIS JAZAIRY, PRESIDENT

COL CKD

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WORLD BANK
WASHINGTON DC
U S A

READ:8192

FOR MR. A. W. CLAUSEN PRESIDENT

I AM DEEPLY TOUCHED BY YOUR VERY KIND MESSAGE OF GOOD WISHES OF
12 NOVEMBER 1984. I AM LOOKING FORWARD TO MAINTAINING SUSTAINED
AND CLOSE COOPERATION WITH THE WORLD BANK WHOSE EXPERIENCE AND
GUIDANCE WILL BE OF GREAT VALUE TO ME IN THE PURSUANCE OF MY
MISSION.

WARM REGARDS, IDRIS JAZAIRY, PRESIDENT

COL CRD

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CHARGE OF THE PRESIDENT

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PAGE 1 OF 1

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MR. IDRIS JAZAIRY, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, ROME, ITALY. PLEASE ACCEPT MY CONGRATULATIONS ON YOUR APPOINTMENT BY ACCLAMATION AS THE SECOND PRESIDENT OF IFAD. ALL OF US AT THE WORLD BANK HAVE ENJOYED A VERY PRODUCTIVE AND CORDIAL RELATIONSHIP WITH IFAD DURING THE PAST SEVEN YEARS, AND WE LOOK FORWARD TO A CONTINUATION OF THIS SAME SPIRIT OF COOPERATION. YOU HAVE OUR SINCERE BEST WISHES FOR SUCCESS IN THE CONTINUING CRITICAL STRUGGLE AGAINST HUNGER AND POVERTY. WARM REGARDS, A. W. CLAUSEN, PRESIDENT, WORLD BANK.

END OF TEXT

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| CLASS OF SERVICE: TELEX | TELEX NO.: 614160 | DATE: 11/15/84 |
| SUBJECT: | DRAFTED BY: MVeraart:MH | EXTENSION: 72001 |
| CLEARANCES AND COPY DISTRIBUTION: | AUTHORIZED BY (Name and Signature): A. W. Clausen | |
| | DEPARTMENT: Office of the President | |
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DR. ABDELMUSHIN M. AL-SUDEARY, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, ROME, ITALY. AT THE END OF YOUR TERM AS IFAD'S PRESIDENT, PLEASE ACCEPT MY CONGRATULATIONS ON YOUR LEADERSHIP AND SERVICE OVER THE PAST SEVEN YEARS. AS IFAD'S FIRST PRESIDENT, YOUR DETERMINATION TO ASSIST THE PEOPLE OF DEVELOPING COUNTRIES IN BETTERING THEIR LIVES HAS BEEN OUTSTANDING. DURING YOUR TENURE, OUR TWO INSTITUTIONS HAVE ENJOYED AN EXCELLENT SPIRIT OF COOPERATION AND HELPFULNESS AND WE LOOK FORWARD TO A CONTINUATION OF THIS SAME RELATIONSHIP WITH MR. JAZAIRY. I JOIN MY COLLEAGUES HERE IN THE BANK IN SENDING YOU MY WARMEST WISHES FOR A PRODUCTIVE AND SUCCESSFUL FUTURE. WARM REGARDS, A. W. CLAUSEN, PRESIDENT, WORLD BANK.

END OF TEXT

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Form fields: CLASS OF SERVICE: TELEX, TELEX NO.: 614160, DATE: 11/15/84, SUBJECT, DRAFTED BY: M Veraart:MH, EXTENSION: 72001, AUTHORIZED BY: A. W. Clausen, DEPARTMENT: Office of the President, SECTION BELOW FOR USE OF CABLE SECTION, CHECKED FOR DISPATCH



THE PRESIDENT

16 November 1984

1365

Dear Colleague,

As you know, I shall leave office on 19 November 1984, after serving as the first President of the International Fund for Agricultural Development (IFAD). Its growing years were critical for establishing itself among all other UN organizations which have served the cause of humanity so well. I have learned in this process and so have my colleagues in the Fund. We were all blessed with the excellent cooperation we received from all other organizations including yours.

IFAD was established in December 1977 with the specific objectives of assisting developing countries to increase food production, reduce undernutrition and alleviate rural poverty. In a sense, many of our organizations shared the same goal as we dedicated ourselves to the betterment of the well-being of the human race, particularly the rural poor. This is truly a noble mission.

I have personally appreciated throughout my tenure the cooperation that existed between our two organizations. It made my task easier in many respects. While I leave IFAD with a heavy heart, I am genuinely encouraged by the possibility that the working collaboration between the Fund and other organizations within and outside the United Nations system will flower into an unshakable foundation for rendering uninterrupted service to humanity. On my part, I leave IFAD and the UN system only physically but I shall remain deeply committed for the rest of my life to the fundamental objectives and principles for which they stand and I plan to serve this cause in whatever manner feasible.

I thank you again for our close ties over these last seven years. I am sure we will continue to be in contact on occasions in the future. In the coming months my family and I shall be living in Riyadh, Saudi Arabia. I must confess I am looking forward to a very happy homecoming at the end of a long stay abroad.

Let me assure you, dear colleague, of my highest consideration.

A. Sudeary
Abdelmuhsin M. Al-Sudeary
President

Mr. A.W. Clausen
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433
UNITED STATES OF AMERICA

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1984 DEC -7 AM 10: 24

OFFICE OF THE PRESIDENT

OFFICE MEMORANDUM

TO: For the Record

DATE: September 8, 1982

FROM: ^{W. S.} W. S. HumphreySUBJECT: ANNUAL MEETINGS: Meeting with the President of
the International Fund for Agricultural Development
(IFAD) -- September 7, 1982Present: The BankMr. Clausen
Mr. HumphreyIFAD

Mr. Abdelmuhsin Al-Sudeary

Mr. Al-Sudeary expressed his gratitude and appreciation for the Bank's cooperation with IFAD which he felt was going very well. Any matters which needed to be discussed in more detail might be taken up at the ACC meeting in November which Mr. Clausen said he planned to attend. In response to a question by Mr. Clausen on IFAD's replenishment, Mr. Al-Sudeary said that the only problem was failure by the U. S. to appropriate any funds for it, although the necessary authorization had been passed. The U. S. share of the replenishment was about \$180 million out of the total proposed commitment authority of US\$1.2 billion. This would mean that IFAD would not be able to commit the full \$400 million this year, which had been programmed. Mr. Clausen expressed appreciation for IFAD's support of CGIAR. Mr. Al-Sudeary replied that this support would continue, but with IFAD's present financing problems, it would not be possible to increase it further.

WSHumphrey:MH

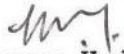
cc: Messrs. Clausen
Stern
Baum
Yudelman

A

Mr. Abdelmuhsin M. Al-Sudeary, President
International Fund for Agricultural Development (IFAD)

Tom: You should be aware that we presently subsidize IFAD operations. A fee, below cost, was set in 1980. We will have to raise it soon.

1. Mr. Al-Sudeary is the President of the International Fund for Agricultural Development (IFAD); he has served in this capacity since IFAD was established four years ago; he has just begun his second three year term. 8/25
2. IFAD was created following the World Food Conference in the mid-1970s. It is a fund supported by OPEC and the OECD countries that makes grants and loans to increase food production in "food deficit countries". In point of fact IFAD makes funds available to all its developing country members. Terms range from IDA terms to Bank terms. Grants are made for technical assistance. In this regard IFAD has been a strong supporter of the CGIAR. 9-7-82 ↑ possible print A
3. IFAD receives funds on a three year tranche basis. Its first tranche 1978-81 consisted of pledges of slightly more than US\$1 billion with around 55% coming from OECD countries and 45% from OPEC (via the OPEC Special Fund). Its second tranche is in some difficulty as thus far the United States has not made any commitment on replenishment. (The U.S. contributed approximately 20% in the first go round). One reason for this is that there was an understanding that OECD and OPEC would contribute equal amounts. This is the basis for each bloc having equal voting powers on the Board, one third each along with one third for ldc's. It now seems likely that IFAD will have about US\$1,100 million spread over four years instead of three, or an annual commitment authority of around \$300 million.
4. IFAD has a small staff and its charter enjoins it to rely on the services of established international agencies. To this end the Bank has an agreement with IFAD and we have well established procedures for coordinating our respective activities. IFAD reimburses the Bank for services other than in cofinancing.
5. Thus far IFAD has processed 88 projects for US\$1.2 billion; 41 of these have been IFAD projects and 47 have been cofinanced with others. The Bank has provided services (appraisal and supervision) for 44 projects including 30 projects that have been cofinanced. Thus the Bank is IFAD's largest collaborator.
6. Mr. Al-Sudeary is a Saudi Arabian who has had some training in the United States (Arizona). He was the leader of the Saudi Delegation to the preparatory meetings that established IFAD. He sees IFAD as a "developing nations" institute, (in contrast to the Bank, which he feels is donor dominated). He is very jealous of IFAD's prerogatives (as an independent agency) and very sensitive and self-conscious about his own importance and slightly resentful about being seen as a "junior partner."
7. The Bank has excellent relations with IFAD. Mr. Baum and I recently visited IFAD where the Assistant Vice President Operations informed us that there were no "outstanding issues" between our respective agencies. We have developed effective procedures for cooperating with IFAD.
8. I am informed that Mr. Al-Sudeary's main purpose in seeing you is to meet you. I am also informed that he may wish to mention some thoughts he has about streamlining disbursement procedures in cofinancing. M


Montague Yudelman
August 25, 1982

Mr. Abdelmuhsin M. Al-Sudeary, President
International Fund for Agricultural Development (IFAD)

AL Expressed gratitude and appreciation. Corp are going well. Anything we can't want to talk w/p. Had to do so.

1. Mr. Al-Sudeary is the President of the International Fund for Agricultural Development (IFAD); he has served in this capacity since IFAD was established four years ago; he has just begun his second three year term. Replenishment IFAD, OK \$180 m
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Montague Yudelman
August 25, 1982

"The threatened corp is in the woodwork" ?

"Has are all kind adjustments!" (Structural, Social)

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Exchange summary.

"Money you spend on pop don't show
immediate chicken tracks."

"No bottomless buckets you can reach
in and grab and put on stream"

WORLD BANK OUTGOING MESSAGE FORM Telegram, Cable, Telex

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PAGE 1 OF 1

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TO: MR. ABDELMUHSIN M. AL-SUDEARY, PRESIDENT OF IFAD STOP MR. CLAUSEN CAN MEET WITH YOU ON SEPTEMBER SEVEN AT ONE-FORTY-FIVE P.M. SUITE ELEVEN THIRTY-TWO, SHERATON CENTER TORONTO REGARDS ROY SOUTHWORTH, ADMINISTRATIVE ASSISTANT TO THE PRESIDENT INTBAFRAD

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CLASS OF SERVICE: TELEX TELEX NO.: 614160 IFADRM I DATE: 8/23/82

SUBJECT: Meeting

DRAFTED BY: Muriel Lee

CLEARANCES AND COPY DISTRIBUTION: Mr. Yudelman w/cpy incoming

AUTHORIZED BY (Name and Signature): Roy Southworth

DEPARTMENT: President's Office

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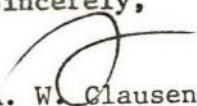
November 9, 1981

Dear Mr. Al-Sudeary:

Thank you for your kind words about the Bank's contribution to the success of the IFAD meeting during the last Annual Meetings of the Bank and the IMF in Washington. Your correspondence has been forwarded to the individuals concerned, in particular Mr. Thahane, Secretary of the Bank, and Mr. Callis, Assistant Secretary for Conferences. I am pleased to note that the collaboration between IFAD and the Bank has been a positive and productive one in the past. I am convinced of the need for greater cooperation among development agencies in order to speed up the development process of developing countries. In that respect, I look forward to the continuation and expansion of the cooperative efforts between our two institutions.

Although it was not possible for us to meet in Washington in September, I am confident there will be such an opportunity in the not-too-distant future.

Sincerely,



A. W. Clausen

Mr. Abdelmuhsin M. Al-Sudeary
President, International Fund
for Agricultural Development
107, via del Serafico
00142 Rome, Italy

cc: Mr. Benjenk

cc: Messrs. Baum, Stern, Thahane, Callis

OLafourcade:ml



THE PRESIDENT

23 October 1981

Dear Mr. Clausen,

I am sorry that we could not get together during the annual IBRD/IMF meetings in Washington. However, I wish to emphasise our appreciation to you for the opportunity afforded by your annual meetings to hold informal Ministerial meetings to discuss the final steps in IFAD's first replenishment. May I express my gratitude to the Secretary of the Bank, and in particular to Mr. Callis, for the excellent physical arrangements and for the provision of interpreters and other support staff whose efficient services contributed immeasurably to the success of the IFAD meetings.

Since its establishment in 1978, IFAD has benefited from the effective services provided by the World Bank in the appraisal and supervision of implementation of IFAD-financed projects. In addition, our two institutions have participated to date in the co-financing of 29 projects totalling approximately US\$ 370 million in support of increasing food production and reducing rural poverty. We look forward to the continuation of the excellent cooperation which serves the needs of the developing countries.

I hope we will have an opportunity in the near future to meet.

Yours sincerely,

A. Sudeary
Abdelmuhsin M. Al-Sudeary
President

Mr. A. W. Clausen
President
World Bank
1818 H Street NW
Washington DC

OFFICE OF THE PRESIDENT

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