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THE WORLD BANK
Washington, D.C.

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Friedman Presidential Chronfiles / Economics Group
Directors Meetings

Sep. 1969 - Aug. 1970

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Irving S. Friedman Chron files - Correspondence 11

Matters Outstanding

ADMINISTRATIVE CIRCULAR

October 16, 1968

REORGANIZATION

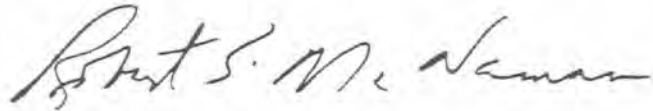
On November 1, 1968, the following organizational units will be established and the staff assigned to them will report directly to The Economic Adviser to the President:

1. Special Studies. Mr. David Kochav will be Acting Special Studies Director. The functions of this unit are described in Annex I.
2. Basic Research Center. Mr. Louis Goreux will be the Director of the Center, the functions of which are described in Annex II.
3. Creditworthiness Studies. Mr. Barend de Vries will be Creditworthiness Studies Director. The functions to be performed by this unit are described in Annex III.
4. Development Finance Studies. Mr. Ugo Sacchetti will be Development Finance Studies Director and the functions to be performed by this unit are described in Annex IV.
5. Commodity Stabilization Studies. Mr. Dragoslav Avramovic will be Commodity Stabilization Studies Director. The functions to be performed are described in Annex V.
6. Development Programs Studies. The functions to be performed by this unit are described in Annex VI. Mr. Barend de Vries will serve as Director of this unit on an acting basis until a permanent Development Program Review Director is appointed.

The Economics Department, with Mr. Andrew Kamarck as Department Director and Mr. Alexander Stevenson as Deputy Department Director, will consist of eight divisions, the functions of which are described in Annexes VII through XIV. These divisions and the staff members who will serve as Division Chiefs are as follows:

1. Sector and Projects Studies (see Annex VII) - Mr. H. G. van der Tak
2. Quantitative Techniques and Analysis (see Annex VIII) - Mr. E. K. Hawkins

3. Trade Policies and Export Projections (see Annex IX)- Mr. A. J. Macone
4. Fiscal Policies of Developing Countries (see Annex X)- Mr. S. Please
5. Economics of Industrialization (see Annex XI)- Mr. G. Kalmanoff
6. Population Studies (see Annex XII)- Mr. E. K. Hawkins, Acting
7. Economics of Urbanization (see Annex XIII)- Mr. R. M. Westebbe
8. Statistical Services (see Annex XIV)- Mr. A. E. Tiemann



Robert S. McNamara
President

ANNEX I

Special Studies

The basic functions of the unit are to prepare papers for the President and the Board on policy questions (including but not confined to economic policy questions).

October 16, 1968

ANNEX II

Basic Research Center

The basic function of the Unit is to do long pay-off research. The Center is not to engage in applied or operational research but only on problems that need to take several years for fruition. The research is directed at providing the theoretical underpinnings of national and international economic policies pertaining to development with the emphasis on deriving new insights into key problems as a means of improving policy making by the Bank Group and their member countries or institutions therein. It is intended to establish an advisory group, consisting of some members from outside the Bank, and some members from various parts of the Bank, to advise on the program of studies to be carried out, and to review the resulting studies.

October 16, 1968

Creditworthiness Studies

This unit is to provide advice and to make recommendations on creditworthiness policies. It will be concerned with the methods, standards and approaches of the Bank in dealing with the assessment of country creditworthiness, and review and evaluate for The Economic Adviser to the President the work done by the Area Departments on these matters. It will exercise functional control over the preparation of creditworthiness reports and, where appropriate, will prepare pilot studies. It will, where appropriate, make comparative studies of country creditworthiness as a basis for making over-all assessments and policy recommendations.

October 16, 1968

ANNEX IV

Development Finance Studies

The basic functions of this unit are: to provide advice and to make recommendations on the economic, financial and other developments that affect the availability, terms and flow of public and private capital from the developed countries to the developing countries. This unit will also provide background information for the Bank's borrowing activities and information and advice needed in the various negotiations with the developed countries on IDA replenishment and the like. In carrying out these functions, this unit will keep in close touch with the other institutions doing research on the developed countries to take full advantage of their work.

October 16, 1968

ANNEX V

Commodity Stabilization Studies

The basic function of this unit is to do research, to provide advice and to make recommendations on Bank action in the field of commodity problems, policies and organization.

October 16, 1968

ANNEX VI

Development Program Studies

This unit has two basic functions:

1. To assist in the Bank's five-year programs for its member countries by the establishment of consistent methodology, approaches and standards for the preparation of the economic sections of the five-year programs by the Area Departments. It will exercise functional control over the preparation of such sections and will coordinate and review the economic judgments, sector priorities and conclusions of such studies for submission to The Economic Adviser to the President. It will bring out the major economic issues of significance for Bank and IDA policy emerging from the analysis of the various five-year country programs.

2. To establish uniform approaches, standards and methodologies, and review the work done by the Area Departments on development strategies, programs and policies in order to advise The Economic Adviser to the President on its quality. It will prepare comparative studies of country programs, where necessary, to help establish such uniform approaches, standards and methodologies.

October 16, 1968

Sector and Projects Studies

The basic function of this division is to provide advice, to make recommendations, and to do operational research in the field of sector and project analysis, so as to provide a better basis for judgments on appropriate policies and investment priorities in the lending and other activities of the Bank.

This function is performed in two main ways by:

- a) Undertaking general and methodological studies of sector and project policy problems, and developing better analytical techniques for arriving at resource allocation decisions; and
 - b) Providing advice on specific problems arising out of the work of the Bank on a sector or project in a particular country.
- a) involves specifically:
- (i) Development of methods and techniques for reaching investment decisions at the project and sector levels, by considering:
 - (a) General problems, such as, for example, optimum timing of investment, risk analysis, and complications due to inflation; and
 - (b) Problems specific to individual sectors. These concern primarily the definitions and evaluation of the relevant economic costs and benefits, and the development of techniques of project and sector analysis that properly consider relevant costs and benefits and relevant alternatives.
 - (ii) Research on sector policy issues such as pricing, and development of practical recommendations on them.
 - (iii) Collection and analysis of information pertaining to the relevant supply and demand functions with a view of devising operationally useful parameters.
- b) comprises:
- (i) Participation, where appropriate, in project and country missions, as well as separate field studies. This activity is coordinated with on-going research.
 - (ii) Advice and comment on project and sector work originating in the Project Department.

ANNEX VIII

Quantitative Techniques and Analysis

The basic functions of this division are:

1. to do operational research on the use of modern quantitative techniques of analysis and to apply it particularly in country economic work. This function is performed by:

- (a) developing analytical techniques and models useful to understand and to help predict the behavior of particular types of economies;
- (b) working on growth, planning and other models used for analyzing the economic development of member countries, advising other departments on the methodology used for such work, and reviewing such work done in such departments.

2. to provide the Bank a systematic compilation on a uniform comparative basis of the significant economic data on the developing countries and where appropriate to make an analytical evaluation of these statistics. At present, work is proceeding leading to the establishment of a computer country data bank. The division advises other departments on matters relating to national income accounting and macro-economic computations. In consultation with area departments, it evaluates and advises countries on improving their key economic development statistics.

October 16, 1968

ANNEX IX

Trade Policies and Export Projections

The basic function of this unit is to do research on the major commodities of interest to the developing countries in order to advise the Bank Group on the outlook for future demand, supply, trade and prices of these commodities. The unit studies the economic and other forces affecting some 40 important commodities so as to maintain up-to-date short and medium term projections for those commodities as well as follow the activities, policies and programs of the various international organizations and commodity groups involved in this field.

October 16, 1968

ANNEX X

Fiscal Policies of Developing Countries

The basic function of this division is to provide advice, and to make recommendations and to do operational research on problems relating to the mobilization by the developing countries of domestic resources for development so as to provide a basis for judgments as to the appropriateness of policies in the fields of taxation, private savings mobilization, money, credit, and financial institutions. The emphasis is on the general policy aspects of these problems rather than on the detailed technical aspects of tax administration, budgetary control, etc., or on the legal and administrative problems associated with the development of capital market institutions and instruments. This function is performed by:

- (a) making recommendations on Bank policy in this field;
- (b) advising other departments on specific problems in this field arising out of the work of the Bank and reviewing work in this field done elsewhere in the Bank; and
- (c) undertaking comparative studies of these problems in selected countries.

Economics of Industrialization

The basic function of this division is to provide advice and to make recommendations on industrialization problems and policies and to do operational research in the field of industrialization so as to provide a better basis for judgments on appropriate policies and investment priorities, as reflected, for instance in country, sector (and project) reports, and in the lending and other activities of the Bank.

The function is performed in three main ways by:

(a) preparing recommendations on Bank policies in this field;

(b) undertaking studies of the process of industrialization and its relation to general economic and social development in individual countries, developing techniques for efficiently stimulating the process (e.g. protection against imports, subsidies, government sponsorship, providing a favorable climate for private investment and the like), and advising on the use of such techniques;

(c) providing advice on general and specific problems of industrialization arising out of the work of the Bank, and reviewing the economic analysis of industrialization carried out in other departments.

ANNEX XII

Population Studies

The basic function of this section is to prepare recommendations and to do operational research on problems, particularly economic problems, related to population growth and its control in the developing countries. This function is undertaken by:

- (a) initiating recommendations on policies needed to accomplish Bank Group objectives in the developing countries;
- (b) collecting information about research work in the field currently going on elsewhere;
- (c) in collaboration with area departments stimulating the collection by developing countries of appropriate data required for the evaluation of demographic trends and family planning programs;
- (d) providing advice to, and reviewing the economic aspects of work done in other departments, and providing direct assistance on specific problems in the population field where requested by area departments;
- (e) conducting and stimulating studies of specific topics of particular interest to the Bank such as the measurement of the demographic and economic impact of birth control programs, practical problems of implementing such programs, and the effects of policies other than family planning that could affect the rate of population growth.

October 16, 1968

Economics of Urbanization

The basic function of this division is to prepare recommendations, to do operational research, and to provide advice to the Bank on the problems of urbanization in developing countries so as to provide a better basis for judgments on appropriate policies and investment priorities in Bank lending and other activities.

The function is performed by:

- (a) undertaking studies of the process of urbanization and its relation to general economic and social development, of different policies and approaches to it (e.g. satellite towns, etc.), and of special problems arising in connection with it (e.g. in the areas of transportation, town planning, financing, growth of slums, etc.);
- (b) providing advice on general and specific urban problems arising out of the work of the Bank.

ANNEX XIV

Statistical Services

The basic function of this group is to provide the Bank with statistical services in the form of statistical analyses and advice, computations and tabulations, computer programming services and basic statistical reports. The group's work has the following four major sub-divisions:

External Debt and Capital Exports: Periodic reports are received from member countries on the status of their long-term external public debt. Data are obtained from this reporting system and provided to the Bank, and also to international organizations, regional development banks, individual countries and others requesting such information. Periodic reports of credits and grants made available to developing countries are received from the creditor countries through the Expanded Reporting System, operated jointly with OECD. In this fashion, by obtaining corresponding data from both debtor and creditor countries a more complete coverage of the external debt situation should be provided and the quality of debt statistics improved. For this purpose also technical assistance in the collection and processing of debt statistics is provided to developing countries as required.

Selected data are maintained on new foreign issues in major capital markets, and are made available twice a year to the Bank and IMF, OECD and other interested parties.

Statistical Techniques: Advice is given to Bank staff on statistical methodology and techniques. Manual tabulations and statistical checking services are provided for Bank staff.

Computer Programming: Computer programming requirements associated with external debt data are provided as are all the "scientific" programming needs of the Bank staff, including regression analysis, linear programming, Monte Carlo techniques, rate of return and discounting calculations.

Graphics: All charts, graphs and diagrams appearing in Bank, IDA and IFC reports are provided.

October 16, 1968

OFFICE MEMORANDUM

TO: Mr. Irving S. Friedman

DATE: July 27, 1970

FROM: S. N. Kao

S. N. Kao

SUBJECT: Vacation Program

As desired by you in the meeting of Economic Groups held in your room on July 27, 1970, this is merely to indicate that I do not propose taking any vacation this year.

For information.

JUL 28 1970

12 min

Files

July 13, 1970

Andrew M. Kamarck

Mr. Narayan Prasad

At the President's Council meeting this morning, Mr. Demuth said he wanted to raise one personnel matter. Mr. Prasad was returning to the Bank after some seven years away. He did not want to retire. He wanted to spend a couple more years with the Bank, presumably in order that his children finish school. The Administration Department was having difficulty in finding a suitable place for him. Mr. Demuth was raising the matter to see whether anyone could help.

I said that I had a suitable job for him as a Senior Adviser in the Economics Department, but I did not have a slot. I said that our present system of reviewing country economic reports badly needed strengthening. If I had Mr. Prasad I would use him to help review country economic reports.

Mr. McNamara cut the discussion short and said that he wanted the President's Council members to work with Mr. Ripman to help find a suitable post for Mr. Prasad. //

After the meeting, I spoke with Mr. Knapp and Mr. Demuth. I said that it would be useful for the Bank to have Mr. Prasad to use his knowledge and experience in reviewing the country economic reports. Under our setup the chief economist was responsible for the review but that an objective person outside the area department was needed to give his review of the report. I thought that Mr. Prasad could make a real contribution in this. Mr. Knapp agreed.

cc: Messrs. Friedman
Ripman
Stevenson

AMK/vhw

JUL 14 1970
11-30

OFFICE MEMORANDUM

TO: Messrs. Friedman and Kamarck

DATE: July 10, 1970

FROM: James Chaffey *JC*SUBJECT: Reviewing Country Economic Reports

I would like to suggest that the Economic Committee consider again the question of the review of country economic reports. In my view the present procedure, set up in April following the recommendations of Messrs. Collier and McDiarmid, is not working satisfactorily.

The basic reason is that hardly any one on the panel is able to give priority to the review function. Consequently it is difficult to find readers for a report, even from those whose names have been volunteered against a given country.

Another problem is that not all reports are made available for panel review at the buff color stage, when outside comment is likely to prove most beneficial.

There have been a few successful country review panel meetings, although currently annual leave makes it more difficult to find readers. But I doubt whether it can be said in general that country reports, the preparation of which consumes a considerable amount of time and the use of which is to be increasingly extensive, are adequately scrutinised by the Economic Committee.

JUL 10 1970
JC

OFFICE MEMORANDUM

TO: Mr. Irving S. Friedman

DATE: December 19, 1969

FROM: R. M. Sundrum *RMS*DEC 19 1969 *u-75*SUBJECT: Country Program Papers

The question of the degree of uncertainty of future capital inflows and the type of Bank safeguard is quite far removed from the work our Group is doing on the country programs. Hence, I feel that we cannot undertake to review this question in any systematic way.

cc: Mr. de Vries

OFFICE MEMORANDUM

TO: Messrs. de Vries and Sundrum

DATE: December 15, 1969

FROM: Irving S. Friedman

SUBJECT: Country Program Papers

In our Country Program Papers it is becoming clear that some of our most important and increasing World Bank Group programs, such as those for Iran and Brazil, are subject to the greatest uncertainties and risks. These elements of risk arise with respect to the country's ability to perform, usually coupled with uncertainty about estimates made with respect to gross or net capital inflows, terms of such capital inflows in the future, possibilities of debt re-scheduling, and likely or possible inadequacies in domestic savings efforts. Our response with respect to safeguards to these different situations has been varied, e.g. conditionality in some cases but not in others.

I would appreciate it if someone in either the Development Programs Studies Group or the Creditworthiness Studies Group could undertake to look at the Country Program Papers already prepared to note briefly and systematically those countries which are examples where we are combining great uncertainty in moving ahead with an increasing substantial Bank program absolutely or relatively, and the Bank's safeguards or response to these uncertainties.

135

cc: Mr. Kamarck

Mr. Andrew M. Kamarck

December 19, 1969

Irving S. Friedman

Proposed Study on the Implications of the United Kingdom
Joining the Common Market

Mr. Caram requested today that we extend our meat study to include the possible implications of the United Kingdom joining the Common Market for meat exports. I suggested that he not make this request as it would delay the completion of the study by a considerable period of time, perhaps months. However, I said this raised a question of considerable importance for various commodities in a number of developing countries, and I would consider doing such a paper to include a section on meat.

I do think it would be worthwhile to prepare a paper on possible implications of the United Kingdom joining the Common Market for principal commodities of the countries most affected.

Your reaction would be appreciated.

cc: Mr. Macone

10: Mr. Andrew M. Kamarck

December 15, 1969

Irving S. Friedman

Economic Committee Meetings - Country Program Papers

In reading over the minutes of the Economic Committee meetings on the Country Program Papers I believe they indicate that subsequent meetings should be careful to:

- (1) Make explicit decisions on a country's economic performance (and development strategy, where appropriate), creditworthiness, and the proposed Bank program from an economic viewpoint.
- (2) Indicate explicitly what issues the Committee feels ought to be explored further by Mr. McNamara's review meeting.
- (3) Indicate any other important specific subjects which arose in the course of the discussion.

I believe that the Deputy Chairman as well as the Chairman ought to be responsible for ensuring that this is done. Perhaps one way to achieve this would be for me to call on you before closing the meeting and ask you whether you believed that the meeting had considered all the major points. I would then indicate whether I concurred or suggest changes.

To achieve this it would be helpful if the Chairman circulated to the Committee, in advance (as we originally said we would do), a list of major questions or issues which we felt needed decisions.

There continues to be a need for a more penetrating and critical review of the judgments made in the Country Program Paper and the background Economic Report. For example in discussing Iran at the review meeting this morning, I found the Area Department quite unwilling to defend its projections on oil earnings or its projections on gross capital inflows and net public savings. Changes in these three parameters would, of course, completely change the outlook for Iran and the implications of the proposed Bank program.

If the above is not feasible because of staff limitations, perhaps we need to sort out which countries will get the deeper probing and on what subjects. Your thoughts on the above would be most appreciated.

cc: Mr. Chaffey

Mr. Andrew M. Kamarck

December 15, 1969

Irving S. Friedman

IRAN - Oil Revenues Projections

As a result of the Country Program Review meeting this morning on Iran, the President requested that a study be done on the oil situation and outlook. The study is to be prepared by the Trade Policies & Export Projections Division in consultation with the East Asia and Pacific Department. He was concerned that the projections on oil revenues for Iran (compiled by both the Iranians and the Bank) are too optimistic. It has been agreed that the Iranian situation will be reviewed in its entirety in June. However, it would seem desirable to have this study done as soon as possible.

Please let me know when such a study could be prepared.

cc: Mr. Macone

OFFICE MEMORANDUM

TO: Mr. M.M. Mendels

DATE: December 8, 1969

FROM: Irving S. Friedman

SUBJECT: Information Required for Executive Directors

In reply to your memoranda of November 6 and 14, I wish to advise as follows:

- (a) Review of Creditworthiness Policy (with particular reference to creditworthiness as IDA criterion)

I am giving further thought to what we should be doing. We have a paper already prepared that might be suitable if it were decided to have such a Board discussion.

- (b) Disposition of Incremental Revenue from Agriculture for Purposes of Development

Held up by Projects Dept. This paper will be ready in December.

- (c) International Sugar Agreement

S. J. This paper will be ready in December.

- (d) Study on Meat Markets of the World

We will have a paper ready by the middle of February and it will be done in such a way as to enable it to be distributed to the Board, if desired.

- (e) High Interest Rates in Latin American Countries

*Distributed
Dec. 29/69* I will be sending you a note on this after we have looked into the matter further.

cc: Mr. Kamarck
Mr. de Vries

ISF

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

December 8, 1969

International Sugar Agreement	December 17
Meat Markets of the World	February 15
Disposition of Incremental Revenue from Agriculture	December 12

OFFICE MEMORANDUM

TO: Mr. Friedman

DATE: November 14, 1969

FROM: M. M. Mendels

SUBJECT: Study on Meat Markets of the WorldNOV 17 1969
10 30

1. You will recall that on September 4, 1969, at the briefing session on a proposed loan for the Ecuador Livestock Project, Mr. McNamara requested you to prepare an analytical memorandum on the "Meat Markets of the World" for the use of the top staff. He indicated that, if found suitable, the memorandum might be made available to the Executive Directors.

2. Please advise as to when this memorandum might become available and if it is proposed to distribute it to the Executive Directors.

M. M. Mendels

November 19: Today spoke to Mr. Macone on phone and he promised to let me have a date for this.

cc: Mr. Stevenson
Mr. Macone

OFFICE MEMORANDUM

TO: Mr. Friedman

DATE: November 6, 1969

FROM: M. M. Mendels

SUBJECT: Information Required for Executive Directors

1. You will recall that pursuant to the request of certain Executive Directors, Mr. McNamara has undertaken to provide studies on the following subjects:

- (a) Review of Creditworthiness Policy (with particular reference to creditworthiness as IDA criterion)
- meeting of January 28, 1969
- ✓(b) Tea Export Arrangements - Meeting of October 28, 1969
- (c) Disposition of Incremental Revenue from Agriculture for purposes of Development - Meetings of May 27, 1969, July 15, 1969 and October 21, 1969
- (d) International Sugar Agreement - Meeting of October 28, 1969
- (e) High Interest Rates in Latin American Countries - Meeting of November 4, 1969 *(in association with Mr. Alter)*

2. Please advise as to when these studies might become available for distribution to the Executive Directors.

M. M. M.

NOV 7 1969
12 noon

ECONOMICS STUDY GROUPS

BASIC RESEARCH
CENTER

L. Goreux

A. Condos

J. Duloy 1/

S.K. Singh

R. Vaurs

CREDITWORTHINESS
STUDY GROUP

~~B. de Vries~~ 2/

D. Budhoo

M. Devaux

V. Dubey 2/

T. Klein

J. McGibbon

DEVELOPMENT FINANCE
STUDY GROUP

U. Sacchetti

F. Heidhues

J. Hulley

B. Rao

J. Saxe

E. Yudin

DEVELOPMENT PROGRAMS
STUDY GROUP

~~R. Sundrum~~

A. Elsaas

S. Kao

I. Sakura

1/ Due in by June 1, 1970

2/ Transferring July 1, 1970

May 25, 1970

4. Mr. Sacchetti had intervened in the discussion to dispel the impression given in the paper before the Committee that the Bank had accepted the principle of interest rate subsidization because its present borrowing rate was higher than its lending rate.

5. Mr. Stevenson reported on the meeting of the Working Group of the U.N. Committee for Development Planning, chaired by Professor Tinbergen, which he had attended in Geneva, August 3-7. Its purpose was to establish a framework for appraising world economic progress, using country data, in connection with the U.N. work on the Second Development Decade. A strong plea would be made in the Committee's report for obtaining better national data more quickly, hopefully with the help of the U.N. Statistical Commission. The first report on the Second Development decade was scheduled for 1973; a major problem was that by then only 1971 data would likely be available.

C. F. Owen

Secretary's Department

Distribution

All Present
Messrs. Kamarck, McGibbon and Chaffey

August 12, 1970

Size of Economic Staff

7. Mr. Friedman asked for some figures on the growth of the professional staff of the Economics Department over the last ten years. Mr. Goreux drew attention to the information in Table 1 of Section 1 of the 1971 Budget.

J. Chaffey

Secretary's Department

Distribution:

All Present
Messrs. Stevenson
Sacchetti

July 28, 1970

CONFIDENTIAL

EG/70-19
June 30, 1970

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ECONOMICS GROUP

Note of Meeting on June 29, 1970

Present: Messrs. Friedman (in the Chair)	McGibbon
Kamarck	Sundrum
Goreux	Chaffey
Hulley	

President's Council

Mr. Friedman said it had been reported that negotiations on the Third IDA Replenishment were almost complete and a level of \$810 million per annum agreed. Preparations were also nearly complete for another German bond issue. The Council had also discussed ways of helping Peru following the recent earthquake.

World Food Congress

2. Following this Congress, which Messrs. Demuth and Evans had attended, Messrs. Friedman and Demuth had been asked to produce an analysis of the World Indicative Plan which had been discussed. Mr. Friedman asked Mr. Kamarck to allocate someone to this task.

External Debt

3. Mr. Friedman said a position paper on external debt problems had been prepared. The next steps would be to get the comments of the President's Council on it and then to have a series of discussions with Area Departments on the potential debt difficulty countries.

4. Further questions for consideration were whether to keep the ad hoc group which had put the position paper together in being to work on ideas for a procedure to deal with the problems identified. Consideration would have to be given to the provision of material to CIAP and other organizations.

Annual Report

5. Mr. Kamarck, reporting on the Board's discussion of the Annual Report, said there had been brief exchanges on the inclusion of a section on domestic financing of economic development and the omission of any appreciative comment on the work of the Bank staff. The section on external debt had been labelled dramatic, perhaps a transferred epithet Mr. Kamarck opined. The section on urbanization attracted no comment.

Development Programs Studies Group

6. Mr. Sundrum said eight studies from his Group were being presented in the next day or so.

Mr. Sundrum

7. Mr. Friedman paid a short valedictory tribute to Mr. Sundrum, who will be leaving the Bank shortly. Members of the Economics Group presented Mr. Sundrum with a gift to mark the occasion.

J. Chaffey

Secretary's Department

Distribution:

All Present
Mr. Stevenson
Mr. Sacchetti

6. Mr. McNamara had welcomed Mr. Gaud's suggestion that, if the CDB were to set up a separate fund for investment in small private industry, then IFC might be able to invest through the agency of the fund.

Ceylon

7. Mr. McNamara had reported that the new Ceylon government had indicated that they would not go ahead with the Mahaweli project.

Supplementary Finance

8. Mr. McNamara had reported that he had indicated to Mr. Herrera that as it was felt that funds for Supplementary Finance could only be obtained at the expense of IDA resources, the proposals were not being pursued for the present.

Seminar on Mexico

9. Mr. Goreux reported that it appeared likely that the report on the Mexico study would be published on schedule in January, 1970. The report would have two parts; first a description of the models for the economy as a whole, for the energy sector, for electricity and for electrical machinery; secondly describing the linkage between the models and the extent to which decisions at one level should be modified when considered at another level.

10. Mr. Kamarck reiterated the need to consider the form of publication and, if necessary, to put the Publications Committee on notice.

J. Chaffey

Secretary's Department

Distribution:

Those Present
Messrs. Friedman, Sacchetti and McGibbon.

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June 17, 1970

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Sp. -

ECONOMICS GROUP

Note of Meeting on June 15, 1970

Present: Messrs. Friedman (in the Chair) Sacchetti
Kamarck Sundrum
Stevenson Chaffey
Goreux

Pearson Commission

Mr. Friedman said a meeting would be held on June 17 to discuss the handling of the Pearson Commission papers for the Board's discussions.

Third IDA Replenishment

2. Mr. Friedman said the next meeting of Deputies was scheduled for June 24, when it was hoped to get the agreement of the Australian and Austrian Governments to the proposed replenishment.

3. A draft paper on the Allocation of IBRD Net Income had been prepared.

Project Auditing

4. Mr. Friedman said Mr. McNamara had asked him to confer with Mr. Aldewereld on the issue of the Departments to be concerned in project auditing.

World Capital Markets

5. Mr. Friedman said Mr. McNamara might call for a study on the implications for the Bank of current trends in world capital markets. Mr. Sacchetti was asked to let Mr. Friedman have copies of any work done on this topic so far.

Berne Union

6. Mr. Sacchetti reported briefly on his visit and said that the Bank's system of creditworthiness analysis was commented on favorably.

7. Mr. Sacchetti announced his plans for visiting Rome (World Food Planning officials) and Tunis (Seminar on World Economic Trends) in July, before going on to the (UNCTAD) CIFT meeting in Geneva. Among topics to be raised in Geneva would be the report on the "link".

Basic Research Center

8. Mr. Goreux reported on his recent visit to Europe and the Ivory Coast.

9. Mr. Goreux also announced that the Center's next quarterly review would begin on June 16 when it was hoped to finalize plans for the Mexican study.

Publications

10. There was a brief discussion of the appropriateness of the Bank's procedure for issuing "Occasional Papers" as the vehicle for publishing papers from the Basic Research Center and the desirability of publishing the results of Bank research work in other learned journals. Mr. Friedman said that papers for this series should be identified well in advance so that budgetary provision could be made and the procedure via the Publications Committee carried out.

J. Chaffey

Secretary's Department

Distribution:

All Present

Techniques of Lending

2. Mr. Sacchetti reported that Mr. McNamara had approved the Paper, which would now go to Board members.

Refinancing of Export Credits

3. Mr. Sacchetti was working on the conclusions of this Paper for UNCTAD which should reflect the Bank's view (in a Pearson Commission Paper) that the Regional Development Banks were the competent authorities for and should take the lead on this.

Debt Study

4. Mr. McGibbon reported on work in progress looking at breakdowns of loans outstanding by creditors and by terms and at previous rescheduling exercises.

Basic Research Center

5. Mr. Goreux reported briefly on progress with the Mexico and Ivory Coast models and cited some of the unique features of the latter.

J. Chaffey

Distribution:

Mr. Friedman
All Present

Secretary's Department

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EG/70 - 13

ECONOMICS GROUP

Note of Meeting on April 27, 1970

APR 28 1970

930-

Present: Messrs. Friedman (in the Chair)	Singh (S.K.)
Stevenson	Sundrum
de Vries	Chaffey
Sacchetti	

Reports

Mr. Chaffey was asked to collate by April 29 the monthly and quarterly reports from the Study Groups together with the monthly status reports from the Economics Department under a draft memorandum for Mr. Friedman to send to Mr. McNamara. Mr. de Vries was asked to submit his quarterly report in time for this exercise.

2. Mr. Chaffey was asked to check details of requests for additional staff for FY71.

Material for UNCTAD

3. Mr. Sacchetti reported that he had been asked to provide material for the UNCTAD annual report. He proposed to offer information on certain Bank activities e.g. the proposed increases in capital subscriptions, the decisions on commodity stabilization together with details of the work on debt statistics (which the Bank alone was in a position to provide). He asked for suggestions on material from others present.

J. Chaffey

Secretary's Department
April 28, 1970

Distribution:

All present
Messrs. Kamarck
Goreux

6) Inflation

Mr. Kamarck said he was working on a paper contrasting the methods of dealing with inflation in Brazil and Indonesia.

J. Chaffey

Distribution:

All present

Secretary's Department
April 22, 1970

It was noted that a small group (Messrs. Cope, Adler, Baum and Kamarck) were looking, at the request of Mr. McNamara, at questions of the coverage of and time taken to write Country Economic Reports.

J. Chaffey

Secretary's Department
April 7, 1970

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EG/70 - 7

ECONOMICS GROUP

Note of Meeting on March 16, 1970

MAR 18 1970

104-

Present: Messrs. Friedman (in the Chair)	Sacchetti
Kamarck	Sundrum
Goreux	Chaffey
McGibbon	

Budget FY71

Mr. Friedman said he would welcome the opportunity to discuss with the Study Group Directors their FY71 budget submissions before the end of the week.

2. Mr. Friedman advised the Directors that they should seek to identify the number of staff necessary to carry out all the tasks that the Groups were required to undertake. Against this it should be borne in mind that there was a strong presumption that there would be no overall staff increase in the Economics Group in FY71.

Debt Management Problems

3. Mr. Friedman asked Mr. McGibbon, who was responsible for this study, to let him have a memorandum detailing the timing and staff requirements for sending to Mr. McNamara.

President's Review Meetings on CPPs

4. Mr. Friedman said that in future he proposed to make a practice of reporting on the issues raised at these meetings. Apropos of this he said that he was considering whether to invite Division Heads from the Economics Department to attend the Group meetings.

Employment and Economic Development

5. Mr. Friedman asked Mr. Chaffey to draft a memorandum for sending to Mr. Demuth drawing attention to the liaison that was already taking place with the ILO on covering employment aspects in economic missions. The recently issued memorandum on Employment and Economic Development should be amended to include reference to the liaison with the ILO.

Technical Notes

6. Mr. Friedman drew attention to his request that some initiative be taken on these (see EG/70 - 6, paragraph 8). Notes should be sent to Mr. Friedman and copied to other Group members.

Basic Research Center Seminar

7. Mr. Goreux reported that he would be holding his next seminar at the end of June, 1970.

Mr. Friedman's Absence

8. Mr. Friedman said he would be away in Pakistan for two weeks from the end of this week. He said the Study Group Directors should look to Mr. Kamarck for guidance in his absence.

J. Chaffey

Secretary's Department
March 17, 1970

Distribution:

All Present
Mr. Stevenson
Mr. de Vries (o.r.)

SEP 1 2 2012

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EG/70 - 6 MAR 11 1970

3 p

ECONOMICS GROUPNote of Meeting on March 9 and 10, 1970

Present: Messrs. Friedman (in the Chair)	Sacchetti
Kamarck	Sundrum
de Vries	Chaffey
Goreux	

Peterson Report

Mr. Friedman urged that those concerned with the Export Credit Study and the External Debt Study should take note of the Peterson Report's comments on these topics.

2. Mr. Friedman, referring to the New York Times' article on the Report, said it would appear that the Report called for more coordination between U.S. aid and aid from multilateral agencies and recommended that the U.S. contribute one billion dollars for IDA.

External Debt Study

3. Mr. Friedman said he expected the study to cover three main aspects - the position of Latin American countries vis-a-vis each other, the United States, and the rest of the world. For both the outline and the general study, the starting point should be the Caracas resolution.

4. Mr. Friedman said that the study should be seen by Mr. Cope before it went to Mr. McNamara.

Basic Research Center Seminar

5. Mr. Goreux announced that he had circulated a timetable and a list of documents for his Seminar on the three research projects from March 12-14. He hoped to restrict the number of participants only to those with an interest in a particular project.

Regional Development Banks

6. In the course of discussion on the scheduling of missions, reference was made to subject of the role of the Regional Development Banks in economic reporting. Mr. Sundrum was asked to prepare a Paper on this topic.

Lists of Studies and Technical Notes

7. Mr. Friedman said he would like Mr. Kamarck and the Study Group Directors to let him have as soon as possible lists of the studies carried out in their bailiwicks:

- (a) over the past say six months; and
- (b) currently being undertaken (including the scheduled date of completion).

The lists should identify (perhaps by asterisk) those studies for which it might be useful to prepare a "technical note" summarizing the main issues and conclusions (which may be only interim judgments if the study is currently under way). The criteria for identifying the need for a "technical note" were:

- (i) (for a study already completed) the likelihood that Mr. McNamara has not read it;
- (ii) the emergence of issues or points of particular interest to the management; and
- (iii) the likelihood that the final Study would be of such length as to deter all but the most avid readers.

8. Mr. Friedman emphasized that, as a general rule, he would welcome those undertaking studies to take the initiative in preparing "technical notes" and submitting them to him through the proper channels. The lists of studies would be sent to the President, who might call promptly for "technical notes" in particular on past studies. But the notes were not intended only for circulation to the President, but as valuable précis of the main issues and conclusions.

9. Mr. Kamarck suggested that it would be useful in so identifying candidates for "technical notes" if information was made available at the earliest date on Mr. McNamara's travel plans. Mr. Friedman agreed to look into this.

J. Chaffey

March 11, 1970
Secretary's Department

Distribution:

All present
Mr. Stevenson

Review of Economic Reports

7. Mr. Kamarck said he was drafting an instruction on this.

Review of Economic Committee Meetings on CPP's

8. Mr. Chaffey was asked to draw up an agenda paper for a meeting of the Economic Committee on this.

Travel

9. Mr. Friedman said he would like to be informed of all proposed travel by those present.

J. Chaffey

Secretary's Department
March 4, 1970

Distribution

All present
Mr. Sundrum

not circulation - copy to Chaffey 2/2/70
EL

D R A F T
JChaffey:mwp

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EG/70 - 2

ECONOMICS GROUP

Note of Meeting on January 27, 1970

Present: Messrs. Friedman (in the Chair)	Singh (S.K.)
Stevenson	Sundrum
de Vries	Chaffey
Sacchetti	

Budget for FY71

Mr. Friedman said that it was expected that FY71 would be a period largely for consolidating earlier expansion. The presumption could be made that there would be no staff increases overall for the Economics Group. Thus the budget exercise should prompt a careful reexamination of the priorities of tasks undertaken within the Group.

2. Mr. Friedman said that, aside from operational work for which the priorities were clearly established, he expected all concerned to take the initiative in putting forward suggestions for new research and other projects bearing in mind the overall staff constraint. He would also expect those present to establish priorities for their own bailiwicks. Mr. Friedman said that he would like to be consulted beforehand on any proposed FY71 budgetary discussions with Programming and Budgeting Department.

3. Mr. Friedman said he might wish to hold a special meeting of the Group on the FY71 budget.

Review of Economic Reports

4. Mr. Friedman said he would want to discuss this topic in detail at an early stage (~~perhaps a special meeting of the Economic Committee~~). In the meantime, he would welcome recommendations for a review procedure designed to preserve the quality of Economic Reports. Such a procedure should not be too bureaucratic or impede the scheduled flow of Reports.

5. In a brief discussion, Mr. de Vries favored the notion of a review procedure, separate from the Economic Committee's scrutiny of Country Program Papers, which would require competent economists of some experience to be seconded full-time for limited periods for this task. Mr. Friedman suggested allocating responsibility for given country Reports to ^{each} the Chief Economists and finding a way of ensuring they were able to give to the task the time and importance it merited. Mr. Chaffey pointed out that, by FY71 the Reports and CPPs should normally be coming forward in draft more or less at the same time. From an operational viewpoint, the Economic Committee's scrutiny of a country's Report and CPP should be a joint exercise. For publication outside the Bank, perhaps some sort of Publications Committee could be set up. Mr. Friedman said he would like to have a special meeting of the Economic Committee to discuss this aspect.

Bank/Fund Cooperation

6. Apropos of ^{his} the discussions with the Fund on this, Mr. Friedman called for views on the notion that there could be some degree of ^{discussion} discussion of labor between Bank and Fund missions if it were agreed that, for example, the Fund mission would probe say exchange rate policy matters and the Bank ^{on behalf of both institutions} would give the Fund a list of questions to raise on this. The Bank mission would accept that section of the Fund Report on this topic and of course vice versa on other agreed topics.

7. It was generally agreed that there was merit in joint information gathering exercises of this kind. But it would be feasible only if the Bank and Fund missions went out about the same time and assuming agreement could be reached on the areas of responsibility for joint questioning. It was more difficult to envisage an acceptance of the mutuality of interest in projection work and on policy exchanges with the host government.

8. Mr. de Vries made a plea for encouraging more cooperation at the operational level, without first attempting at a higher level to delineate areas or topics for formal collaboration.

J. Chaffey

Distribution:

All Present

Mr. Kamarck

Mr. Goreux

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EG/69 - 18

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ECONOMICS GROUP

WBG ARCHIVES

Note of Meeting on Monday, December 15, 1969

DEC 17 1969

G.P.

Present: Messrs. Friedman (in the chair)	Hulley
Kamarck	Singh (S.K.)
Stevenson	Sundrum
de Vries	Chaffey

Sir Alexander Cairncross

Mr. Friedman mentioned that Sir Alexander Cairncross would be in Washington early in January in connection with the EDI review.

Industrial Coordination Committee

2. Mr. Kamarck referred to a memorandum he had written for the file in connection with the setting up of the Industrial Coordination Committee and a proposed Coordinating Group on Capital Market Development in Developing Countries.

Back-to-Office Reports

3. Mr. Friedman said that he would like to receive a Back-to-Office Report following visits by Economics Department and Study Group members to Conferences etc, comparable to the Back-to-Office Reports after missions (see OM 4.02 paragraph 10).

4. Mr. Sundrum mentioned the highlights of the informal UNCTAD meeting he attended last week on Performance Indicators, on which he will very shortly be submitting a report.

Country Program Papers

5. Mr. Kamarck asked for five copies of the draft CPPs to be sent to him.

6. Mr. Friedman reiterated his earlier request to all concerned to ensure that the draft CPPs should be scrutinized carefully by the appropriate Divisions/Groups and important issues brought to the attention of the Economic Committee.

7. Arising out of the CPP Review meeting on Iran, Mr. Friedman said that he would be asking Mr. Kamarck to get the Trade Policies and Export Projections Division to undertake a study on the oil situation and outlook, in consultation with the East Asia Department.

8. The meeting also briefly discussed the problem of the review by the Economic Committee of "Green Cover" Economic Reports, and the linking of this task with the Committee's scrutiny of draft CPPs, but no agreement was reached.

Employment

9. Mr. Friedman said that Mr. McNamara felt
- (a) that there should be a separate chapter on employment in the Economic Reports; and
 - (b) employment should be regarded as being comparable to growth in importance for the Bank in relation to overall development strategies.

Mr. Stevenson said that Mr. Henderson would be producing very shortly a draft review of the role of the Bank in relation to the problems of unemployment in Developing Countries. Mr. Friedman said he wished to report back to Mr. McNamara shortly on the implementation of (a).

Next Meeting

10. Provisionally scheduled for Monday, December 22 at 11:30 a.m.

J. Chaffey

Distribution:

All Present
Messrs. Goreux
Sacchetti

Secretary's Department

OFFICE MEMORANDUM

DEC 10 1969
3.30 PM

TO: Mr. Irving S. Friedman

FROM: J. Chaffey *ll*

SUBJECT: Economics Group

DATE: December 10, 1969

Mr. Friedman has asked me to issue an amended note of the meeting on Monday, December 8, 1969.

Attachment

Secretary's Department

Economic Reports

7. Mr. Friedman said he was looking at the question of the review of Economic Reports at the green cover stage. At present this review process was neglected and it would probably be necessary to set up a new system which provided for comprehensive review of these reports.

8. One part of this process was looking closely at the current periodicity of mission and report schedules on which Mr. Chaffey would be reporting.

Next Meeting

9. Will be held at 11:30 a.m. on Monday, December 15, 1969.

J. Chaffey

Distribution:

All present
Messrs. Kamarck
Stevenson
Goreux
Sacchetti
Sundrum

Secretary's Department
December 10, 1969

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SEP 17 2012

EG/69 - 16

WRG ARCHIVES

DEC 1 1969

NOTE OF THE MEETING OF THE ECONOMICS GROUP IN MR. FRIEDMAN'S OFFICE 9 a.m.

ON WEDNESDAY, NOVEMBER 26, 1969

Present: Messrs. Friedman (in the chair)
Kamarck
Stevenson
de Vries

Hulley
Sundrum
Chaffey

Country Program Paper Review Meetings

1. Reporting briefly on these, Mr. Friedman said one of the issues was the disproportionate amount of time that would have to be given by Projects Departments to the problems of mini-states. Mr. Friedman also said that in the main the discussions focussed on the lending program.

2. Mr. Kamarck asked about the distribution of the CPPs after they had been reviewed. (Note: According to Mr. Willoughby there is no fixed distribution but the Area Department concerned will make a copy of the Paper available on request, on a "need to know" basis.)

Economic Committee Meetings

3. Mr. Friedman emphasized the need for Study Group Directors to participate actively in the Committee's discussions and be prepared to raise questions on aspects of a CPP which bore upon their fields of interest.

Program of Work

4. Mr. Friedman called for periodic reports on work accomplished by all professional staff to be submitted by the Study Group Directors, along the same lines as those submitted by Division Heads in the Economics Department.

5. Mr. Friedman repeated an earlier request for proposed schedules of individual professional activity over the forthcoming six months to be prepared by Groups and Divisions. Mr. Chaffey was being asked to pursue this.

Export Credit Study

6. It was agreed that Mr. Hulley should ask Mr. Nespoulous-Neuville to prepare a note summarizing the Bank's view of this study, which Mr. Friedman would circularize to Messrs. Knapp, Aldewereld and Demuth.

Next Meeting

7. Will be held on Monday, December 1, 1969 at 12:00 p.m.

Secretary's Department

J. Chaffey

Distribution:

All present
Messrs. Goreux and Sacchetti

SEP 12 2012

EG/69 - 15

WBG ARCHIVES

NOTE OF POINTS RAISED AT THE
ECONOMICS GROUP MEETING IN MR. FRIEDMAN'S OFFICE
ON MONDAY, NOVEMBER 17, 1969

Present: Messrs. Friedman (in the chair)	Hulley
Stevenson	Sundrum
de Vries	Chaffey
Goreux	

NOV 18 1969
Sp

Information Required for Executive Directors

1. Referring to the memorandum from Mr. Mendels to him dated November 6, 1969 (copy attached), Mr. Friedman asked Mr. de Vries to undertake study (a) and Mr. Stevenson studies (c) and (e).
2. Transcripts of the relevant parts of the Board discussions may be read in Mr. Mendels' office by arrangement with Mr. Venkatraman (extension 3660) and with one hour's notice.

Rockefeller Report

3. Mr. Friedman asked Mr. de Vries and Mr. Hulley to arrange for "notes" to be prepared as indicated for Mr. McNamara on:

- (a) Mr. de Vries -
 - i) the proposals in the report on U.S. debt relief;
 - ii) what these proposals mean in terms of the schedule of debt servicing of Latin American countries;
 - iii) how the proposals fit into the total external debt picture of Latin America (U.S., non U.S., private etc.);
 - iv) what legislation would be required to effect the proposals.
- (b) Mr. Hulley - the implications for Latin America of the untying of U.S. procurement.

The first step would be to get hold of a copy of the Rockefeller Report, probably from Public Relations. Note (a) was required by the end of this week.

Rockefeller Proposal on Preferences

4. Mr. Friedman asked Mr. Stevenson to arrange for the preparation of a note on the implications of the U.S. proposal on Trade Preferences indicating for example, which commodities would be involved, what volume of trade was involved, which nations would benefit from the proposed

changes, what potential merit the proposals had and what the current thinking was on the subject in the U.S. and elsewhere.

5. The note was required in time for a Board Meeting on a parallel subject (Domestic Suppliers' Preferences) on November 25, 1969.

6. Mr. Stevenson has asked Mr. Kalmanoff to take this on.

Next Meeting

7. This will be held on Monday, November 24, 1969 at 11:30 a.m.

Attachment

J. Chaffey

Distribution

All present
Mr. Kamarck
Mr. Sacchetti

Economic Committee Secretariat
Secretary's Department
November 18, 1969

NOTE OF POINTS RAISED AT THE
ECONOMICS GROUP MEETING IN MR. FRIEDMAN'S OFFICE
ON WEDNESDAY, OCTOBER 29, 1969

EG/69 - 12

Present: Messrs. Friedman (in the chair)
 Kamarck
 Stevenson
 de Vries

Goreux
 Sacchetti
 Sundrum
 Chaffey

OCT 31 1969
 10 a.m.
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Country Program Review Meetings

1. Commenting on the first round of these meetings, Mr. Friedman said that the Projects Departments had expressed concern about being able to fulfill all the demands for sectoral work being made upon them. Mr. Stevenson drew attention to the problem (for Projects and Economics Departments) of being asked to accept commitments without necessarily being informed of all the contemporaneous demands of a similar kind that would be made.

Matrix

2. After a lengthy discussion, Mr. Friedman asked Mr. Chaffey to prepare three tables showing
- (a) the recognized main functions of the Group, identified against the Divisions etc. carrying them out;
 - (b) the assignments within those functions identified against the individuals designated to carry them out; and
 - ✓ (c) the actual and forecast work programs of the professional staff, up to the end of FY70.

Supplementary Finance

3. In response to a point raised by Mr. Sacchetti, it was confirmed that in the work he was doing on Supplementary Finance, he would require the immediate help of Messrs. Henderson and Macone who were respectively to prepare technical papers on defining and measuring unexpected shortfall and on assessing the likely cost of a support scheme. Mr. Friedman said that the President was waiting to see whether the Bank could formulate a scheme that could be recommended to the Board, after which it would be necessary to explore in detail a number of technical aspects, including the relationship between unexpected shortfall and development problems.

Study on Suppliers Credits by Developing Countries

4. In response to a request from Mr. Sacchetti, Mr. Kamarck said that Mr. Nespoulous-Neuville should get in touch directly with the people in Economics Department who could be of help. Mr. Kamarck also drew attention to the help Statistical Services Division could give in this and other connections.

J. Chaffey

Economic Committee Secretariat
 October 30, 1969

Distribution:
 All present

NOTE OF POINTS RAISED AT THE ECONOMICS GROUP MEETINGIN MR. FRIEDMAN'S OFFICE ON OCTOBER 13, 1969

Present: Messrs. Friedman (in the Chair) Sacchetti
Stevenson Sundrum
de Vries Chaffey
Goreux

Industrial Projects Department: Industrialization Division

1. Mr. Friedman asked Mr. Stevenson to make recommendations to him on the division of duties between these two units.

Special Projects Department

2. Mr. Friedman said he would welcome suggestions on further projects for this Department to undertake.

Current Interest Rates

3. Mr. Friedman asked Mr. Sacchetti for a short analytical note on current short and longer term interest rates.

Bank Activity on the Pearson Report

4. Mr. Friedman said that the Report recommendations broke down into three categories:

- a) those relating to current Bank activity
- b) those relating to emerging Bank roles e.g. with regard to financing of buffer stocks, and
- c) those relating to the general field of development financing and which fell outside the Bank's purview.

5. The immediate problems were

- a) the need for all present to comment quickly on what assignments identified by Mr. Demuth (and other recommendations if thought relevant) it would be most worthwhile to pursue. Mr. Friedman expected the Study Group Directors to discuss this on Tuesday morning, October 14. (Copies of Mr. Demuth's provisional allocation of departmental responsibilities are attached.)
- b) to formulate a view on the extent to which the Economics Group (identified either individually or by Division or Study Group) could undertake these assignments without detriment to existing tasks.

It was pointed out that it would be desirable to find out on what recommendations other parts of the Bank were writing position papers.

Program of Work

6. Mr. Friedman said he wanted a detailed analysis made of the work assignments within the Group^{1/} and the relationship each assignment had with comparable or parallel activities elsewhere in the Bank. Mr. Friedman wanted a framework of programmed activity which he could use as a reference document on all the individual assignments within the Group.

7. Mr. Chaffey was asked to prepare a matrix of the roles being undertaken, after consultation with the others present and Mr. Kamarck.

Country Program Papers

8. Mr. Friedman said that in future all members of the Group would receive copies of draft Country Program Papers, which were distributed by the Economic Committee Secretariat. He would therefore welcome written comments from all present on matters arising in the draft Country Paper which fell within their respective bailiwicks.

Next Meeting

9. This will be held on Monday, October 20, 1969 at 11:30 a.m.

J. Chaffey
October 13, 1969

Attachment

1/ The Group refers to both the Economics Department and the Study Groups.

Distribution

All present
Mr. Kamarck

Mr. J. Chaffey

October 14, 1969

Louis M. Goreux

OCT 15 1969

Report on the October 6 Meeting, para. 1, EG/69/10

12 noon

According to my understanding confirmed by the discussion on October 13, Mr. Friedman said that the discussion on substance should be held after Mr. Sundrum's return. This is quite different from what is written in the last sentence of paragraph 1. I therefore recommend the deletion of this sentence.

cc: Mr. I.S. Friedman ✓

LMGoreux:pmh

OFFICE MEMORANDUM

TO: Mr. Irving S. Friedman

FROM: J. Chaffey *JC*

SUBJECT: Draft Notes of Economics Group Meeting

DATE: October 7, 1969

OCT 7 1969

5 p.m.

1. My draft note of yesterday's meeting is attached for your approval.
2. I feel that these notes are of value only if they are circulated promptly. May I therefore have your permission to circulate them without your prior approval. My drafts for the last two meetings have not yet been approved.

Attachment

Economic Committee Secretariat
Secretary's Department

a memorandum commenting on the report.

India: Export Credits

5. Mr. Sacchetti reported that Mr. Cargill was interested in setting up a working party to study the possibility of establishing a refinancing facility for export credits by India and had asked Mr. Sacchetti if he were interested in organizing it. Mr. Friedman felt this might be a worthwhile assignment for Mr. Sacchetti to pursue.

Next Meeting

6. Will be held in Mr. Friedman's office on Monday, October 13, 1969 at 11 a.m.

J. Chaffey

Distribution

All present
Mr. Sundrum

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP		Date
		September 23, 1969
NAME		ROOM NO.
Mr. Irving S. Friedman		A1221
		SEP 23 1969
		187
To Handle	Note and File	
Appropriate Disposition	Note and Return	
Approval	Prepare Reply	
Comment	Per Our Conversation	
Full Report	Recommendation	
Information	Signature	
Initial	Send On	
REMARKS		
<u>Economics Group Meeting-September 22/69</u>		
A draft note of this meeting is attached for your approval.		
From	J. Chaffey	26

paper on the proposed time schedule for the third replenishment discussions, and also for a paper setting out a likely Board resolution on the exercise.

5. Mr. Sacchetti mentioned two other papers he was preparing. The first explored the implications of three alternative payment flows on the common assumption of \$1 billion per annum being made available over three years. The second was a list of questions which were extractions from the briefing papers prepared for the President and which could be posed by him at the Governors' meeting.

Draft OM on Economic Reports

6. Mr. Friedman said the draft OM would be published simultaneously with that on Country Program Papers. He would like to discuss with Mr. Kamarck the question of Principal Outside Readers.

Copenhagen Seminar

7. Mr. Kamarck said that, as for the Annual Meeting in Rio, plans were being made to hold a seminar in Copenhagen. This would be attended by leading Nordic Economists.

Date of Next Meeting

8. Monday, September 22, 1969 at 11:30 a.m.

J. Chaffey

Distribution

All present

NOTE OF POINTS RAISED AT THE ECONOMICS GROUP MEETING
IN MR. FRIEDMAN'S OFFICE
ON MONDAY, SEPTEMBER 8, 1969

<u>Present:</u> Messrs. Friedman (in the Chair)	Goreux
Kamarck	Sacchetti
Stevenson	Sundrum
de Vries	Chaffey

Current Activity

1. Mr. Sacchetti reported on the preliminary work on the third IDA Replenishment.
2. Mr. de Vries said he had received Mr. Armstrong's report on the long term creditworthiness of Morocco from the Europe, Middle East and North Africa Department which Mr. Lejeune had asked for his views on.
3. Mr. Sundrum said he would be attending a seminar on Development Planning in Bangkok from September 15-26, organized by the U.N. Center for Development Planning and ECAFE.
4. Mr. Goreux spoke of his visit to Mexico in connection with his work on the relation between the project, sectoral and country approach to return on investment. The work of the consultant would be reviewed at the end of October.
5. Mr. Friedman asked about the relationship of this work with that of Mr. Henderson's Division (Quantitative Techniques) and about the extent to which the Bank's current economic analyses differed from Mr. Goreux's approach. Mr. Goreux said he was concerned with the methodology of relating the internal return to the project with the economic return to the country.

Mission Schedules

6. Mr. Kamarck said that in the past it had been difficult for Economics and Projects Departments to schedule their own programs because of the need to respond to Area Department mission needs, frequently at short notice. He said the revised mission schedules now being produced on a twelve-month ongoing basis would go some way towards helping Economics and Projects Departments to overcome this difficulty. There was still a need to find a way of showing the change from an identified to an agreed requirement on these schedules.

Draft OM on Economic Reports

7. Mr. Kamarck said the latest draft was with the President and Mr. Friedman. This draft had been amended in the light of Programming and Budgeting's draft OM on Country Program Papers.
8. Mr. de Vries mentioned the need to ensure that the criteria for eligibility for Bank lending were suitably reviewed in the new draft procedure for clearance of Country Program Papers.

Date of Next Meeting

9. Monday, September 15 at 11:30 a.m.

J. Chaffey

Cleared with Mr. Friedman

Distribution

All present

Economic Committee Secretariat
Secretary's Department
September 12, 1969