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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/61-47

SLC/M/61-48

February 2, 1962

Minutes of Staff Loan Committee Meetings held on
Thursday, December 28, 1961, at 2:30 p.m., and on
Wednesday, January 3, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. G. M. Wilson
Mr. S. Aldewereld

Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. A. Broches
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff #
Mr. J. G. Beevor *
Mr. L. B. Rist
Mr. M. M. Mendels #
Mr. H. N. Graves

Mr. L. Nurick *
Mr. E. Iverson
Mr. G. R. Young #
Mrs. S. Boskey
Mr. A. Lord *

* First session only.
Second session only.

* IFC staff.

2. Multilateral Investment Insurance

The Committee considered a draft, dated December 20, 1961, of a proposed Bank report on multilateral investment insurance; and

NOTING

the consensus that multilateral investment insurance involved difficult problems and that there was a serious question whether the results which any such program could be expected to achieve would justify establishing it;

RECOMMENDED that

- (a) the report be revised to reflect the comments of the Committee;
- (b) the text of the report omit any reference to administration of a multilateral investment insurance scheme;
- (c) a preface be added to the report in which it should be stated:

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- (i) that discussion of the question of administration of such a scheme generally and administration by the Bank in particular would be premature; and
- (ii) that the report was a staff document and that in authorizing its publication the Executive Directors had not expressed, for themselves or their Governments, any views concerning the issues dealt with in the report.

3. Arbitration and Conciliation of Investment Disputes

The Committee also discussed the questions raised in the memorandum of the President to the Executive Directors entitled "Settlement of Disputes between Governments and Private Parties," dated December 28, 1961 (R 61-128) and in the note of the General Counsel on the same subject attached to the Secretary's memorandum of August 28, 1961 (SecM61-192).

4. The meeting adjourned at 5:00 p.m. on December 28, 1961, reconvened at 3:00 p.m. on January 3, 1962, and adjourned at 4:35 p.m.

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STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-1

January 23, 1962

Minutes of Staff Loan Committee Meeting held on
Tuesday, January 16, 1962, at 3:00 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. G. M. Wilson
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. A. Broches

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. P. J. Squire
Mr. K. Iverson
Mr. H. G. Hilken, Acting Secretary

In attendance:

Mr. J. H. Adler
Mr. A. G. Kheradjou
Mr. R. J. Benrubi
Mr. M. G. Blobel
Mr. W. M. Gilmartin
Mr. F. Lutolf

Miss A. L. Maher
Mr. R. Sadove
Mr. G. M. Street
Mr. H. van Helden
Mr. A. Wubnig

2. Korea

The Committee considered Memorandum SLC/O/62-1 on Korea; and
AGREED that

- (a) Korea is not creditworthy for Bank loans but is eligible for IDA credits;
- (b) if the present Government of Korea is determined to be constitutionally competent to enter into a binding credit agreement, the Government should be informed that:
 - (i) IDA is prepared to examine the possibilities for a credit of approximately \$10 million to finance the foreign exchange costs of a railway project; and
 - (ii) future operations would depend on the performance of the Government in its economic and financial affairs, progress in the revision of its development plan and proper preparation of projects; and
- (c) the report of the Economic Mission, revised in accordance with the Committee's comments, should be distributed to the Executive Directors.

3. The meeting adjourned at 3:55 p.m.

STAFF LOAN COMMITTEE

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SLC/M/62-2

WBG ARCHIVES

October 31, 1963

Minutes of Staff Loan Committee Meeting held on
Friday, January 26, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. R. H. Demuth

Mr. R. W. Cavanaugh
Mr. A. G. Kheradjou
Mr. D. Avramovic
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. M. Mendels 1/
Mr. W. J. Armstrong
Mr. E. B. Arnold 2/
Mr. J. Bravo
Mr. B. A. de Vries

Mr. W. M. Keltie
Mr. M. Piccagli 1/
Mrs. C. A. Ryshpan
Mr. R. H. Springuel

2/ Bogota power only.
1/ Part only.

2. Colombia

The Committee considered Memorandum SLC/O/62-2 on proposed loans for the Bogota Power and Paz del Rio steel projects; and

AGREED that

(a) in the case of the Bogota Power project,

- (i) the project was suitable for a Bank loan of about \$44 million, provided satisfactory assurances are obtained with respect to the conditions stated in para. 88 of the Technical Report (TO-307);
- (ii) the Bank should be prepared to grant a temporary waiver of the debt limitation covenant to the extent necessary to permit the Bogota Power Company to borrow the local funds needed to carry out the project;
- (iii) the loan might include an additional sum of about \$1.6 million to cover the local currency costs of local engineering services for the project during 1962 and 1963;
- (iv) the loan might also include an additional sum of about \$1.7 million to cover the foreign exchange cost of a program to construct transmission lines and improve distribution facilities in the region adjoining Bogota under the jurisdiction of the Corporation of the Sabana of Bogota (CAR), provided the program proves to be sound and satisfactory arrangements are made for the Bogota Power Company to carry it out;

- (b) in the case of the Paz del Rio steel project,
 - (i) the Bank should have further conversations with representatives of Paz del Rio to determine, in view of tentative proposals to establish a skelp mill at Barranquilla, whether the Paz del Rio project is sound and economic;
 - (ii) if such conversations confirm the soundness of the project, the Bank should be prepared to enter into negotiations for a loan of about \$22 million to Acerias Paz del Rio;
 - (iii) during the negotiations satisfactory arrangements for the protection of the Bank should be made along the lines stated in para. 96 of the Technical Report (TO-308) and arrangements satisfactory to the Bank should be worked out to provide that private shareholders shall be able to elect a majority of the Board of Directors and assume responsibility for the control and management of the Company.
3. The meeting adjourned at 5:00 p.m.

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STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-3

February 28, 1962

Minutes of Staff Loan Committee Meeting held on Wednesday,
January 31, 1962, at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. A. G. Kheradjou

Mr. K. Iverson
Mr. P. G. Ramm
Mr. E. E. Clark
Mr. D. Avramovic
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. L. Lejeune
Mr. J. Bataillard
Mr. J. H. Collier
Mr. J. M. Croome
Mr. C. Fligler

Mr. R. J. Gavin
Mr. A. M. Kamarck
Mr. H. Kordik
Mr. J. W. Lowdon
Mr. J. F. Main

2. Cyprus

The Committee considered Memorandum SLC/O/62-3 on proposed Bank operations in Cyprus; and

AGREED that

- (a) the Bank should be prepared to consider loans to Cyprus of up to £5 million equivalent, beginning with projects in electric power and transport, if further examination showed them to be suitable for Bank financing;
- (b) if requested by the Government of Cyprus, the Bank should take the lead in arranging informal consultations among potential lenders in order to help coordinate external financial assistance to Cyprus;
- (c) in the normal course of its relationship with Cyprus, the Bank should be prepared to provide technical assistance with respect to project preparation and general economic and financial problems, and, jointly with IFC, for plans for establishing a development bank.

3. The meeting adjourned at 11:35 a.m.

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STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-4

March 1, 1962

Minutes of Staff Loan Committee Meeting held on Monday,
February 12, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. R. H. Demuth

Mr. J. C. de Wilde
Mr. A. Broches
Mr. A. G. Kheradjou
Mr. P. G. Ramm
Mr. H. G. Hilken, Secretary

In attendance:

Sir William Iliff
Mr. M. M. Mendels *
Mr. J. H. Adler
Mr. A. Stevenson
Mr. R. J. Benrubi
Mr. H. Fuchs

Mr. P. Geli
Mr. R. J. Goodman
Mr. R. Hablutzel
Mr. K. D. Hartwich
Mr. H. B. Ripman
Mrs. C. A. Ryshpan

* Part only.

2. Pakistan

The Committee considered Memorandum SLC/O/62-4 on the Bank and IDA lending program in Pakistan; and

AGREED that

- (a) the \$210 million which the Bank and IDA had indicated they expected to contribute toward Pakistan's aid requirements in the 1961/62 and 1962/63 fiscal years should be apportioned in the approximate amounts of \$75 million in Bank loans and \$135 million in IDA credits;
- (b) IDA should be prepared to consider a credit of about \$35 million for water supply and sewerage systems in Dacca and Chittagong provided the projects are found to be technically sound and satisfactory arrangements are made for the administration of the systems;
- (c) the Gujranwala and Sialkot Industrial Estates project was suitable for an IDA credit to the Government of Pakistan of up to \$6.2 million, to be used as follows:
 - (i) \$5 million or one-half of the cost of the capital requirements of the project, whichever is less, to assist privately-owned enterprises in constructing buildings and acquiring equipment to be located on the Estates;
 - (ii) up to \$1.2 million to cover the foreign exchange cost of providing technical assistance services to the occupants of the Estates; and

- 2 -

- (iii) the funds to be used for capital requirements (sub-para. 1) might be channelled through the Pakistan Industrial Development Bank.

3. The meeting adjourned at 4:30 p.m.

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WBG ARCHIVES

SLC/M/62-5

March 26, 1962

Minutes of Staff Loan Committee Meeting held on Tuesday,
March 6, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. J. C. de Wilde
Mr. A. Broches

Mr. M. L. Hoffman
Mr. A. G. Kheradjou
Mr. A. Stevenson
Mr. P. G. Ramm
Mr. H. G. Hilken, Secretary

In attendance:

Mr. N. Bass
Mr. F. G. Bochenski
Mr. J. M. Croome
Mr. H. H. H. Eschenberg
Mr. H. F. Havlik

Mr. P. M. Mathew
Mr. R. Sadove
Mr. J. Sagne
Mr. I. A. Sirken
Mr. A. Wubnig

2. El Salvador

The Committee considered Memorandum SLC/O/62-5 on prospective Bank and IDA operations in El Salvador; and

AGREED that

- (a) the Bank should consider making further loans to El Salvador in the amount of approximately \$20 million for high priority projects such as telecommunications, power and highway projects now before the Bank, provided appraisal shows that the projects are satisfactory for Bank financing;
- (b) El Salvador should be considered eligible for a modest amount of IDA credit.

3. The meeting adjourned at 3:50 p.m.

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WBG ARCHIVES

SLC/M/62-6

April 18, 1962

Minutes of Staff Loan Committee Meeting held on Tuesday,
March 20, 1962, at 3:30 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. M. L. Hoffman

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. A. Broches
Mr. A. G. Kheradjou
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. H. Adler
Mr. E. E. Clark
Mr. R. J. Benrubi
Mr. A. A. Casson
Mr. C. Finne
Mr. N. A. Gibbs

Mr. W. M. Gilmartin
Mr. M. M. Hla
Mr. A. R. Johnson
Mr. P. A. Reid
Mr. C. W. Ruser
Mr. J. Sagne

2. Ceylon

The Committee considered Memorandum SLC/O/62-6, "Ceylon - Prospects for Lending," and

AGREED that

- (a) in view of the unsatisfactory nature of the present financial policies of Ceylon, neither the Bank nor IDA should undertake further lending operations in Ceylon at this time, with the exception that a loan to DFCC might be considered in a modest amount, if requested by Ceylon and if investigation showed that DFCC's operations had a high developmental priority; and
- (b) the Bank should be prepared to provide technical assistance to Ceylon for a feasibility study of the Mahaweli multipurpose project.

3. The meeting adjourned at 4:30 p.m.

STAFF LOAN COMMITTEE

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SLC/M/62-7

JUN 10 2014

October 31, 1963

Minutes of Staff Loan Committee Meeting held on
Monday, March 26, 1962, at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. A. G. Kheradjou
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. A. Stevenson
Mr. M. P. Bart
Mr. J. M. Croome
Mr. R. Harma
Mr. D. W. Jeffries

Mr. O. J. McDiarmid
Mr. P. A. Reid
Mr. P. Sella
Mr. A. Wubnig

2. Afghanistan

The Committee considered Memorandum SLC/O/62-7, "Relations with Afghanistan," and

AGREED that

- (a) IDA should be prepared to extend credits to Afghanistan, provided suitable projects were developed; the amount contemplated might be of the order of \$5-\$10 million with the exact amount dependent on the project developed;
- (b) an attempt should be made to work out an agricultural project, such as the rehabilitation of canals in the Kunduz and Kokcha River Valleys, and, as a first step, the Bank should offer to organize and contribute to the cost of a study, to be carried out by outside consultants, aimed at delineating a suitable project and analyzing its feasibility;
- (c) a project in the field of education might also be considered but further action should await the receipt and study of the UNESCO report;

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Special Representative in Europe
Special Adviser to the President
Executive Vice President (IFC)

- (d) a letter should be sent to the Government of Afghanistan informing it of the Bank's willingness to proceed along these lines and summarizing the major findings and conclusions of the Bank mission.

3. The meeting adjourned at 12:00 noon.

STAFF LOAN COMMITTEE

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SLC/M/62-8

JUN 10 2014

November 15, 1963

WBG ARCHIVES

Minutes of Meetings of Staff Loan Committee held on
Thursday, March 29, 1962 at 2:30 p.m. and on
Friday, March 30, 1962 at 10:30 a.m. in the Board Room

A. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. J. C. de Wilde
Mr. A. G. Kheradjou

Mr. P. J. Squire
Mr. K. Iverson
Mr. P. G. Ramm
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. W. Diamond
Mr. J. H. Adler
Mr. R. J. Benrubi
Mr. J. Bravo
Mr. R. A. Chaufournier
Mr. C. Duran-Ballen *
Mr. C. Fligler
Mr. H. F. Havlik

Mr. W. M. Keltie
Mr. P. P. Kuczynski
Mr. J. C. Mehaffey
Mr. P. Reitter
Mr. M. Ross
Mr. S. Takahashi
Mr. B. Walstedt

* Second session only.

B. Chile

1. The Committee considered Memorandum SLC/O/62-9, "Chile - Mission Report and Consultative Group," dated March 23, 1962, recommending that:

- (a) the Bank transmit the mission report (WH-116a) which reviewed Chile's long-range development program and commend the report's findings to the Government;
- (b) in transmitting the report, the Bank stress the need for measures to increase public savings, restore and maintain financial stability, and improve project formulation and investment co-ordination;

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DIRECTOR, ECONOMIC STAFF
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DIRECTOR, DEVELOPMENT SERVICES
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Vice President
Secretary
Director of Information
Director, Economic Development Institute
Special Representative in Europe
Special Adviser to the President
Executive Vice President (IFC)

- (c) the report and the letter of transmittal be distributed to the Executive Directors;
- (d) the Bank indicate its willingness to take the lead in organizing a consultative group to assist in financing the program (or a modified version as might be agreed), provided Chile took the steps outlined in (b) above;
- (e) to give the Bank a basis for such action, it be specified that the Chilean Government:
 - (i) give the Bank a statement of proposed corrective measures and their general time-table;
 - (ii) make adjustments in the next year or two of the program, as required by such time-table;
 - (iii) translate the adjusted program into a series of annual capital budgets based, as far as possible, on firm plans for all important projects; and
- (f) the Bank indicate to the Government that, upon receipt of the statement on corrective measures and general time-table, the Bank would convene a consultative group and begin discussion with interested countries of arrangements for financial assistance; and that such assistance would necessarily depend upon the extent to which Chile adhered to the time-table and its general performance in carrying out the program.

2. It was NOTED that

- (a) since the present dual exchange system, although transitional, would not be conducive to promotion of exports, devaluation might be necessary to increase non-copper exports, despite political difficulties;
- (b) the U.S. contribution to Chile's development program, covering about half of the foreign exchange gap, was contingent upon the Government's efforts to raise public savings, implement tax and land reforms and carry out the corrective measures prescribed by the IMF; and
- (c) the remaining half of the foreign exchange gap would have to be raised from other sources.

3. It was AGREED that

- (a) the report be distributed, with indicated changes wherever necessary;

(b) the Government be urged to note the recommendations and take measures to:

- (i) bring the fiscal accounts for 1962 into balance, and exert control over private credit;
 - (ii) prepare a capital budget and financial plan for 1963;
 - (iii) generate greater public savings to help finance the investment program for 1963;
 - (iv) stimulate exports, expand private investment and limit imports;
 - (v) ensure budgetary control, strengthen the Plan Office and prepare appropriate projects;
- (c) after the Chilean Government had taken measures to balance the 1962 fiscal accounts and control private credit, and had reached an agreement in principle with the Bank on the other measures in 3(b) above, and on a timetable for their implementation, the Bank be prepared to convene a Consultative Group for Chile;
- (d) such Consultative Group not be asked to fill the present foreign exchange gap in the program.

C. The meeting adjourned at 4:00 p.m. on March 29 and at 12:10 p.m. on March 30, 1962.

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SLC/M/62-9

WBG ARCHIVES

April 13, 1962

Minutes of Staff Loan Committee Meeting held on Tuesday,
April 3, 1962, at 3:30 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. G. M. Wilson
Mr. P. Moussa
Mr. S. Aldewereld

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. M. L. Hoffman
Mr. W. Diamond
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. G. Beevor (IFC)
Mr. M. L. Lejeune
Mr. J. H. Williams
Mr. E. H. Lee (IFC)
Mr. G. Apcar (IFC)
Mr. A. F. Beede (IFC)

Mrs. S. Boskey
Mr. J. H. Collier
Mr. D. Fontein
Mr. H. Huehne
Mr. W. M. van Saagsvelt
Mr. M. H. Wiehen

2. Austria

The Committee considered Memorandum SIC/O/62-10, "Lending to Development Banks - Austria," and

AGREED that

- (a) the Bank should be prepared to make a loan to Oesterreichische Investitionskredit A.G. (IVK) of \$5 million with a term of 15 years, including a five-year grace period;
- (b) the IVK should be required to obtain the Bank's approval before granting any loan in excess of an amount of around S 13 - S 15 million equivalent, the exact figure to be determined during negotiations.

3. The meeting adjourned at 4:50 p.m.

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STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-10

April 30, 1962

Minutes of Staff Loan Committee Meeting held on Friday,
March 30, 1962, at 2:30 p.m. in the Board Room.

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. J. C. de Wilde

Mr. A. G. Kheradjou
Mr. K. Iverson
Mr. P. G. Ramm
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. Bravo
Mr. A. Geolot
Mr. G. Gondicas
Mr. H. F. Havlik
Mr. W. M. Keltie

Mr. R. A. D. Loven
Mr. H. B. Ripman
Mr. C. E. Webb
Mr. A. Wenzell
Mr. S. P. Wheelock

2. Peru

The Committee considered Memorandum SLC/O/62-11 on the railway rehabilitation project of Peruvian Corporation Ltd.; and

AGREED that

- (a) Peru is creditworthy for a loan of the size in question;
- (b) the railway project is of high priority;
- (c) the Bank should carry out informal conversations with representatives of the principal owners of Peruvian Corporation Ltd. to determine if they would be prepared to establish a satisfactory standby to afford an additional margin of safety during 1962-67, or if an alternative financial arrangement for this purpose, satisfactory to the Bank, could be worked out;
- (d) if the results of the conversations in para. (c) were satisfactory, the Bank should be willing to assist in financing the project.

3. The meeting adjourned at 3:25 p.m.

STAFF LOAN COMMITTEE

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SLC/M/62-11

JUN 10 2014

October 31, 1963

Minutes of Staff Loan Committee Meeting held on **WDG ARCHIVES**
Monday, April 2, 1962, at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. J. D. de Wilde

Mr. R. W. Cavanaugh
Mr. M. L. Hoffman
Mr. A. G. Kheradjou
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. W. Diamond
Mr. J. Bravo
Mr. L. Cancio
Mr. R. A. Deely
Mr. L. M. Dominguez
Mr. G. Gondicas

Mr. H. C. Hittmair
Mr. C. E. Lind
Mr. A. E. Matter
Mr. R. H. Sheehan
Mr. A. D. Spottswood
Mr. S. P. Wheelock

2. Mexico

The Committee considered Memorandum SLC/O/62-12 on the economic position and prospects of Mexico and the proposed loan to Comision Federal de Electricidad (CFE); and

AGREED that

- (a) Mexico is creditworthy for additional Bank loans of \$200-\$250 million during the next two years provided Mexico pursues reasonable internal and external economic policies; and
- (b) a loan should be made to CFE for an amount of up to about \$125 million to finance CFE's program for 1962/63, provided that during negotiations CFE agrees to conditions along the lines indicated in the Technical Report (TO-314) and provided procedures governing international competitive bidding are worked out to reduce the protection given to Mexican suppliers.

3. The meeting adjourned at 12:00 noon.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-12

May 29, 1962

Minutes of Staff Loan Committee Meeting held on
Friday, May 25, 1962, at 11:00 a.m. in Board Room

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. R. W. Cavanaugh

Mr. A. Broches
Mr. M. L. Hoffman
Mr. A. Stevenson
Mr. A. M. Kamarck
Mr. D. Avramovic
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. H. Adler
Mr. M. L. Lejeune
Mr. G. R. Young
Mr. R. L. Bloor
Mr. C. Fligler

Mr. M. Piccagli
Mr. Y. Rovani
Mr. S. Sankaran
Mr. M. F. Verheyen
Mr. V. Wouters

2. Yugoslavia

The Committee considered Memorandum SLC/O/62-17 on Bank lending to Yugoslavia; and

AGREED that

- (a) the Bank should indicate its readiness to negotiate a loan of \$30 million for the Bajina-Basta and transmission lines project;
- (b) the questions of procurement and the financial policy of the power industry should be explored further during negotiations;
- (c) the Yugoslav Government should be informed that the Bank would be prepared to consider lending in 1962/63 a similar amount provided sound projects are available in high priority sectors and there is no marked deterioration in the external financial position.

3. The meeting adjourned at 11:45 a.m.

STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-13

May 25, 1962

Minutes of Staff Loan Committee Meeting held on
Thursday, May 24, 1962, at 11:30 a.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Gargill
Mr. G. M. Wilson
Mr. P. L. Moussa *

Mr. S. Aldewereld
Mr. R. H. Demuth
Mr. R. W. Cavanaugh
Mr. A. Broches
Mr. D. Avramovic
Mr. H. G. Hilken, Secretary

In attendance:

Mr. L. B. Rist *
Mr. M. L. Hoffman
Mr. J. H. Adler
Mr. J. H. Williams
Mr. K. Iverson
Mr. J. M. Croome

Sir Kenelm Guinness
Mr. J. M. Jentgen
Mr. A. M. Kamarck
Mr. F. Povey
Mr. H. B. Ripman
Mr. M. H. Wiehen

* Part only.

2. Tunisia

The Committee considered Memorandum SLC/O/62-19, "Tunisia - Education,"
and

AGREED that

- (a) the Bank should work out, in consultation with the Government, a detailed program of technical assistance for the design, construction and equipment of school buildings and that the Bank should pay the foreign exchange costs of the program, tentatively estimated to be \$300,000;
- (b) the Government should be informed that Management would be prepared to recommend to the Executive Directors that IDA provide financial assistance for school construction and equipment:
 - (i) as soon as a soundly conceived program had been worked out and satisfactory arrangements had been made with respect to teachers and school administration; and
 - (ii) provided IDA had uncommitted funds available at that time;

- (c) IDA should enter into negotiations with the Government for an immediate credit of up to \$5 million for an interim school construction program, the detailed application of the credit to be worked out by an early mission to Tunisia;
 - (d) no commitment should be made under paras. (b) and (c) above, without further reference to the Committee, to provide funds for any purpose other than school construction and equipment and normal engineering and other services directly involved in the execution of the project.
3. The meeting adjourned at 12:45 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-14

June 1, 1962

Minutes of Staff Loan Committee Meeting held on
Thursday, May 31, 1962, at 3:00 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. R. H. Demuth

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. M. L. Lejeune
Mr. L. Nurick
Mr. A. M. Kamarck
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. H. Collier
Mr. R. A. Hornstein
Mr. J. W. Lowdon
Mr. J. D. Methenate

Mr. O. M. Myhrer
Mr. J. Willems
Mr. O. Zwanzig *

* Consultant.

2. New Zealand

The Committee considered Memorandum SLC/O/62-15, on proposals for Bank lending to New Zealand; and

AGREED that

- (a) the Bank should consider lending to New Zealand on a project-by-project basis over the next two or three years;
- (b) the Bank should inform the Government of New Zealand that:
 - (i) while it would expect the Government to use every means of obtaining funds on the private market, it is in principle prepared to lend to New Zealand over the next few years;
 - (ii) it is prepared to explore the possibility of loans for electric power, ports, railways, and industrial development, perhaps jointly with market issues;
 - (iii) it would wish to discuss with the Government which project should be dealt with first.

3. The meeting adjourned at 4:45 p.m.

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STAFF LOAN COMMITTEE

SLC/M/62-15

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JUN 10 2014

June 22, 1962

Minutes of Staff Loan Committee Meeting held on
Monday, June 18, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. O. A. Schmidt
Mr. I. P. M. Cargill 1/
Mr. P. L. Moussa 1/
Mr. S. Aldewereld
Mr. R. H. Demuth

Mr. R. W. Cavanaugh
Mr. A. Broches
Mr. M. L. Lejeune
Mr. A. Stevenson
Mr. M. van der Mel
Mr. H. G. Hilken, Secretary

In attendance:

Mr. L. B. Rist
Mr. J. H. Adler
Mr. E. E. Clark
Mr. W. Diamond 1/
Mr. G. M. Alter
Dr. H. Branscomb 2/

Mr. B. A. de Vries
Mr. R. A. Nelson
Mr. L. V. Perez
Mr. J. J. Schettewi
Mr. R. H. Springuel
Mr. C. E. Webb

1/ Part only.
2/ Consultant.

2. Colombia

The Committee considered Memorandum SLC/O/62-22, "Colombia - Mission Report and Consultative Group;" and

AGREED that

- (a) the mission report should be revised to reflect the views of the Committee:
 - (i) that the report should not state a specific amount for loans that might be made to Colombia on special terms; and
 - (ii) that the credits to be made available from the proposed Private Investment Fund should be used only to provide medium- and long-term financing of permanent capital requirements in industry and agriculture;
- (b) the Bank should transmit the revised mission report with appropriate commendation to the Government of Colombia;

- (c) the Bank should be prepared to work along the lines set forth in the Memorandum toward the establishment of a Consultative Group for Colombia; and
 - (d) after the Finance Minister had had an opportunity to comment on the report, it should be distributed to the Executive Directors, with a separate note to representatives of IDA Part I countries calling their attention to the possible organization of a Consultative Group for Colombia.
3. The meeting adjourned at 5:00 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-16

July 10, 1962

Minutes of Staff Loan Committee Meeting held on
Monday, July 2, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh

Mr. A. Broches *
Mr. M. L. Lejeune
Mr. W. Diamond
Mr. A. G. Kheradjou
Mr. J. H. Williams
Mr. H. G. Hilken, Secretary

In attendance:

Mr. H. N. Graves *
Mr. J. H. Adler
Mr. E. E. Clark
Mr. M. P. Bart *
Mr. J. M. Croome
Mr. P. C. Deriaud
Mr. S. S. El Fishawy *
Mr. A. F. Geolot
Mr. R. J. Goodman *
Sir Kenelm Guinness

Mr. K. D. Hartwich *
Mr. D. W. Jeffries
Mr. N. G. Jones
Mr. B. B. King
Mr. R. Pantanali
Mr. S. R. F. Plasschaert
Mr. H. Pollan
Mr. R. Sadove
Mr. J. K. Schmedtje
Mr. E. P. Wright

* Pakistan only.

2. Pakistan

The Committee considered Memorandum SLC/O/62-25, "Pakistan - Terms of Relending Proceeds of IDA Credits", and

NOTING that

under the new Constitution of Pakistan, the Provinces of West Pakistan and East Pakistan have primary responsibility for developmental expenditures in the Nation,

AGREED that, in the exceptional case of Pakistan,

- (a) IDA should be prepared to permit the Government of Pakistan to relend the proceeds of IDA credits to the Provinces of West Pakistan and East Pakistan on the same terms on which the credits were obtained, provided

- (i) that the Government of Pakistan remains fully responsible for the repayment of the credits; and
 - (ii) that the credit documents specify the arrangements to be made with respect to charges to ultimate beneficiaries and, if the proceeds of the credit are relent by the Provinces to project agencies, the terms of repayment thereof; and
- (b) as an alternative and preferable procedure, IDA should be prepared to lend directly to the Provinces of West and East Pakistan, with a guarantee from the Central Government of Pakistan, subject to the proviso in para. (a)(ii).

3. India

The Committee considered Report AS-91, "Current Economic Position and Prospects of India", and

AGREED that

the Report should be revised in accordance with the Committee's comments and should then be sent to the Government of India for comment.

4. The meeting adjourned at 5:30 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-17

July 6, 1962

Minutes of Staff Loan Committee Meeting held on
Friday, July 6, 1962, at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. G. M. Wilson
Mr. S. Aldewereld
Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. M. L. Lejeune

Mr. W. Diamond
Mr. A. G. Kheradjou
Mr. P. G. Ramm
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. L. B. Rist
Mr. W. J. Armstrong
Mr. L. H. Bengston
Mr. J. Bravo
Mr. P. Callejas

Mr. S. Kuriyama
Mr. P. A. Reid
Mr. J. F. Rigby
Mr. J. A. Simmons
Mr. J. L. Upper

2. Nicaragua

The Committee considered Memorandum SLC/O/62-24, "Nicaragua - Prospective Lending Operations" and

AGREED that

- (a) Nicaragua should be considered eligible for a modest amount of IDA credit, and
- (b) the Government should be informed that IDA was prepared to negotiate a credit of about \$3 million for the Managua water supply project; and

NOTED that

the Area Department now intended to proceed with negotiations on the \$2.4 million loan for the Rivas irrigation project in accordance with the minutes of the meeting of the Committee on May 4, 1961 (SLC/M/61-18).

3. The meeting adjourned at 12:00 noon.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-18

July 23, 1962

Minutes of Staff Loan Committee Meeting held on
Thursday, July 19, 1962 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. G. M. Wilson
Mr. S. Aldewereld

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. M. L. Hoffman
Mr. J. H. Williams
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. W. J. Armstrong
Mr. G. R. Delaume
Mr. P. C. Deriaud
Mr. J. M. Jentgen

Mr. G. H. Kreuter
Mr. F. Povey
Mr. R. Skillings

2. Tunisia

The Committee considered Memorandum SLC/O/62-27 on "Tunisia - Education Program," and

AGREED that

IDA should invite the Government of Tunisia to send representatives to Washington to negotiate the proposed credit of \$5 million for a school construction program.

3. The meeting adjourned at 3:40 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-19

August 9, 1962

Minutes of Staff Loan Committee Meeting held on
Friday, August 3, 1962, at 11:00 a.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. P. L. Moussa
Mr. M. L. Hoffman

Mr. A. Stevenson
Mr. P. J. Squire
Mr. E. E. Clark
Mr. M. van der Mel
Mr. M. L. Verheyen
Mr. H. G. Hilken, Secretary

In attendance:

Mr. W. Diamond
Mr. A. E. Matter
Mr. P. Acheson
Mr. C. Duran-Ballen

Mr. J. L. Gabriel
Mr. A. F. Geolot
Mr. G. Lubbeke
Mr. M. L. Weiner

2. Uruguay

The Committee considered Memorandum SLC/O/62-29 on Bank lending to Uruguay, and

AGREED that

- (a) Uruguay should be considered creditworthy for additional loans in a total amount of \$35 to \$40 million over the next one to two years;
- (b) Uruguay should be informed that the Bank is prepared to negotiate a loan of about \$17 million for a highway project on the basis set forth in Report No. TO-332;
- (c) the Bank should be prepared to consider a loan of about \$15 to \$20 million for UTE's power expansion program, provided a suitable project is presented; and
- (d) the Bank should notify AFE and the Government that the Bank is not prepared to assist in financing the railroad rehabilitation program.

3. The meeting adjourned at 11:45 a.m.

STAFF LOAN COMMITTEE

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SLC/M/62-20

JUN 10 2014

November 15, 1963

Minutes of Meeting of Staff Loan Committee held on
Friday, August 10, 1962, at 11:00 a.m., in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. P. L. Moussa
Mr. A. E. Matter
Mr. A. G. Kheradjou

Mr. A. Stevenson
Mr. K. Iverson
Mr. F. R. Poore
Mr. L. Nurick
Mr. M. van der Mel
Mr. H. G. Hilken, Secretary

In attendance:

Mr. W. Diamond *
Mr. A. F. Beede *

Mr. M. L. Verheyen
Mr. V. Wouters

* IFC staff member.

2. Turkey - Industrial Development Bank

The Committee considered Memorandum SLC/O/62-30, "Turkey - Industrial Development Bank," dated August 6, 1962, recommending that IDA extend a credit of \$5 million to the Turkish Government for relending to the Industrial Development Bank, subject to satisfactory arrangements being made by the latter to improve management, institute periodical auditing and adopt appropriate accounting and lending procedures (paras. 2(a) to (g) of the Memorandum).

It was NOTED that

- (a) an independent audit of the IDB, to determine its assets and value of stock, would precede the proposed IFC investment of \$0.75 million in IDB equity;
- (b) weaknesses and deficiencies existed in the organization and operation of the IDB and steps needed to be taken for their correction;

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Executive Vice President (IFC)

- (c) nevertheless, the foreign exchange needs of the IDB to fulfill its lending program in the immediate future justified IDA assistance; and
- (d) IDA credit would be to the Turkish Government for relending to the IDB at conventional rates of interest.

It was AGREED that

a development credit for \$5 million be made available to Turkey for relending to the Industrial Development Bank at conventional rates of interest and subject to the terms suggested in SLC/O/62-30 of August 6, 1962.

3. The meeting adjourned at 12:30 p.m.

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

SLC/M/62-21
SIC/M/62-38

November 29, 1962

Minutes of a Joint Meeting of the Staff Loan Committee of the Bank
and the Staff Investment Committee of the Corporation, held on
Wednesday, October 24, 1962, at 11:10 a.m. in the Board Room

1. Present:

SLC

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope *
Mr. O. A. Schmidt
Mr. P. L. Moussa
Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. A. Broches *
Mr. A. G. Kheradjou
Mr. A. Stevenson
Mr. H. B. Ripman
Mr. H. G. Hilken, Secretary

SIC

Mr. M. M. Rosen
Mr. R. B. J. Richards
Mr. J. D. Dodd
Hon. L. Hall
Mr. N. J. Paterson
Mr. H. Huehne
Mr. C. H. Davies, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. J. H. Williams
Mr. M. L. Lejeune *
Mr. G. R. Delaume
Miss A. L. Maher
Mr. F. Povey
Mr. A. Rivkin
Mr. R. Skillings
Mr. A. Volait

Mr. G. C. Wishart
Mr. D. M. B. Castle
Mr. E. R. Ewing
Mr. R. T. Lundberg
Mr. R. Picciotto

* Part only.

2. Morocco

The Committees considered SLC/O/62-35 (also numbered SIC/O/62-62),
"Morocco - Development Bank," and

AGREED that

- (a) the Bank should be prepared to negotiate a loan of \$15 million to the Banque Nationale pour le Developpement Economique (BNDE) and IFC should be prepared to negotiate an equity investment of up to \$1.5 million along the lines summarized in paragraphs 132 to 134 of the Appraisal Report (DB-3);

- (b) during negotiations, efforts should be made to improve the terms of the Government's financial assistance to BNDE;
 - (c) during negotiations, the role and administration of the Development Fund, the activity of the commercial banks in medium-term lending and the ultimate enlargement of the quasi-equity should be discussed with the Government and BNDE.
3. The meeting adjourned at 1:00 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-22

November 19, 1962

Minutes of Staff Loan Committee Meeting held on Thursday,
October 25, 1962, at 4:00 p.m., in Room 927

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh

Mr. A. G. Kheradjou
Mr. A. Stevenson
Mr. J. H. Williams
Mr. H. B. Ripman
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Lejeune
Mr. J. H. Collier
Mr. J. Filippi

Mr. C. Fligler
Mr. R. J. Gavin
Mr. O. M. Myhrer
Mr. A. D. Spottswood

2. Cyprus

The Committee considered Memorandum SLC/O/62-34 on "Cyprus - Proposed Loan for Power Project," and

AGREED that

- (a) the Bank should be prepared to negotiate a loan of up to \$20 million to the Electricity Authority of Cyprus, subject to partial cancellation and on the conditions set forth in para. 57 of the Appraisal Report (TO-345);
- (b) the commitment charge should be paid in accordance with the Bank's established practice.

3. The meeting adjourned at 4:45 p.m.

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STAFF LOAN COMMITTEE

SLC/M/62-23

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JUN 10 2014

November 29, 1962

Minutes of Staff Loan Committee Meeting held on Tuesday,
November 6, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope 1/
Mr. E. Reid
Mr. O. A. Schmidt
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. A. G. Kheradjou
Mr. H. B. Ripman
Mr. E. E. Clark
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Hoffman
Mr. J. H. Williams
Mr. M. L. Lejeune

Mr. N. G. Jones
Mr. A. M. Kamarck 2/
Mr. S. Sankaran

1/ Second item only.
2/ First item only.

2. Proportion of Project Costs Eligible for IDA Financing

The Committee considered Memorandum SLC/O/62-37, "Proportion of Project Costs Eligible for IDA Financing," and

AGREED that

- (a) it was practically and psychologically important that a borrowing country make some contribution from its own resources to the cost of any project which IDA helped to finance, it being understood that the word "project" in this context might be interpreted to mean, in appropriate cases, a particular program (e.g., a sector program) of which the individual project was a part;
- (b) a maximum limit on the proportion of the costs of a project that IDA would finance should not be fixed a priori; and
- (c) in evaluating the adequacy of a country's contribution toward the costs of a project, IDA should consider, among other things, the total effort of the country to mobilize domestic resources, the composition and standards of the Government's current and investment expenditures, and the practical opportunities for raising money for the project by eliminating less essential expenditures or developing new sources of revenue.

3. Assistance in Program and Project Evaluation

The Committee considered the question of providing bilateral lenders with assistance in program and project evaluation; and

AGREED that

- (a) the Bank and IDA should take the lead in making evaluations of the general development programs or sector programs of aid-receiving countries in appropriate cases when requested by the country concerned;
- (b) the Bank and IDA cannot and should not undertake to appraise individual projects for bilateral lenders, unless the Bank or IDA expects to participate in financing:
 - (i) the individual project, or
 - (ii) a particular program (e.g., a sector program) of which the individual project is a part.

4. The meeting adjourned at 4:45 p.m.

STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/62-24

November 30, 1962

Minutes of Staff Loan Committee Meeting held on Wednesday,
November 28, 1962, at 3:30 p.m. in the Twelfth Floor Conference Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. E. Reid
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. J. H. Williams
Mr. A. G. Kheradjou
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Hoffman

Mr. H. N. Graves, Jr.

2. International Development Association

The Committee discussed general policy matters, including country allocation of IDA credits, financial terms of IDA credits, use of IDA's local currency resources, etc.

3. The meeting adjourned at 5:30 p.m.

STAFF LOAN COMMITTEE

SLC/M/62-25

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December 3, 1962

JUN 10 2014

WBG ARCHIVE

Minutes of Staff Loan Committee Meeting held on Friday,
November 30, 1962, at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. E. Reid
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. H. Demuth
Mr. J. C. de Wilde

Mr. J. H. Williams
Mr. A. G. Kheradjou
Mr. A. E. Matter
Mr. F. R. Poore
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. M. Mendels *
Mr. M. L. Hoffman
Mr. G. R. Young
Mr. M. P. Bart
Mr. A. A. Casson
Mr. J. M. Croome
Mr. S. S. El-Fishawy
Mr. T. Finsaas *
Mr. S. K. Govil
Mr. N. D. Gulhati *

Mr. E. T. Kuiper *
Mr. J. W. Lowdon
Mr. O. J. McDiarmid *
Prof. W. Owen *
Mr. P. A. Reid
Mr. S. M. Tolbert
Mr. R. Van Wagenen
Mr. M. H. Vloeberghs
Mr. G. Votaw *
Mr. E. P. Wright

* Consultant.

* Part only.

2. United Arab Republic

The Committee heard an oral report by members of the recent mission to the United Arab Republic.

3. The meeting adjourned at 12:25 p.m.

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STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-26

December 27, 1962

Minutes of Staff Loan Committee Meeting held on Friday,
December 7, 1962, at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. E. Reid
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. J. H. Williams
Mr. M. L. Lejeune
Mr. A. G. Kheradjou
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. J. H. Adler
Mr. L. Nurick
Mr. G. M. Alter
Mr. W. J. Armstrong
Mr. N. Baring *
Mr. N. Bass
Mr. F. G. Bochenski

Mr. J. Bravo
Mr. E. G. Broder
Mr. C. Fligler
Mr. J. F. Rigby
Mr. I. A. Sirken
Mr. H. van Helden
Mr. J. H. Vignes
Mr. H. Young

* Trainee.

2. Guatemala

The Committee considered Memorandum SLC/O/62-40, "Guatemala - Status of Operations," and

AGREED that

- (a) assuming that political and economic conditions do not substantially deteriorate, Guatemala should be considered creditworthy for Bank loans for the hydroelectric power project and a nickel mining and processing project in amounts which the Bank would consider appropriate for these projects;
- (b) before concluding a new loan for any project in Guatemala the Bank should be assured that
 - (i) a satisfactory solution of the sterling debt problem had been reached; and

- (ii) the covenants of previous loans dealing with the maintenance of highways were being respected;
 - (c) consideration should also be given to obtaining a statement or commitment from the Government regarding its use of supplier and short-term bank credits;
 - (d) before sending an appraisal mission to Guatemala the Bank should:
 - (i) inform INCO that the financial plan heretofore proposed by INCO was not satisfactory and that their purchase contract and/or guarantee arrangements would have to be tightened up;
 - (ii) obtain from the Guatemalan Government a more definite statement about their attitude toward the nickel project and their willingness to give a guarantee to any loan the Bank might be prepared to make.
3. The meeting adjourned at 12:30 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

SLC/M/62-27

WBG ARCHIVES

February 20, 1964

Minutes of Staff Loan Committee Meeting held on
Monday, December 10, 1962, at 11:00 a.m., in the Board Room

A. Present:

Mr. J. Burke Knapp, Chairman
Mr. R. Reid
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. J. H. Williams
Mr. M. L. Lejeune
Mr. A. G. Kheradjou
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. J. H. Adler
Mr. H. B. Ripman
Mr. G. M. Alter
Mr. J. Bravo
Mr. B. A. de Vries
Mr. R. M. Frost

Mr. W. M. Keltie
Mr. R. S. Nelson
Mr. A. Nespoulous Neuville
Mr. R. Springuel
Mr. R. Van Wagenen
Mr. C. E. Webb

B. Colombia

The Committee considered Memorandum SLC/O/62-39, "Colombia - Consultative Group and Prospective Lending," dated November 29, 1962; and

1. NOTED that

- (a) Colombia had agreed to enter into a stand-by agreement with the IMF under which it would be committed to the adoption of additional taxes and the maintenance of a limit on the expansion of bank credit;
- (b) when the IMF agreement became effective the U.S. would grant a balance of payments credit of \$60 million and agree to release local currency counterpart of the credit for budgetary support and investment;
- (c) convening of a Consultative Group meeting would stimulate the Government into taking necessary exchange and fiscal measures, and would provide an opportunity for the Bank and donor countries to exchange ideas on the development program and its projects.

2. It was AGREED that

- (a) a Consultative Group meeting be called in January 1963, and the Bank inform the Group that it would keep in close touch with the fiscal situation of Colombia;
- (b) the Bank proceed with loans up to \$74 million for the four projects under consideration; and be prepared to proceed with the appraisal in 1963 of other projects requiring loans up to about \$75 million provided that, after further assessment of Colombia's economic and financial position, it was considered that they were within the capacity of Colombia to service;
- (c) Colombia's present creditworthiness did not justify IDA financing in the immediate future.

C. The meeting adjourned at 1:00 p.m.

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WBG ARCHIVES
STAFF LOAN COMMITTEE

SLC/M/62-28

March 12, 1964

Minutes of Meeting of Staff Loan Committee held on
Wednesday, December 19, 1962, at 3:00 p.m., in the Board Room

A. Present:

Mr. J. Burke Knapp, Chairman
Mr. E. Reid
Mr. O. A. Schmidt
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. J. C. de Wilde

Mr. J. H. Williams
Mr. M. L. Lejeune
Mr. A. G. Kheradjou
Mr. E. E. Clark
Mr. R. Sadove
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Hoffman
Mr. J. H. Adler *
Mr. A. Stevenson
Mr. T. V. Andersen
Mr. W. Brakel

Mr. P. Courbois
Mr. O. J. McDiarmid
Mr. J. F. Rigby
Mr. S. Tolbert
Mr. M. H. Vloeberghs

* Part only.

B. Iran

1. The Committee considered Memorandum SLC/O/62-41, "Iran - Third Development Plan," dated December 12, 1962, recommending that

- (a) when new elections were ordered the Bank consider a loan for the road project;
- (b) a condition be stipulated that Iran undertake to carry out the provision of the Third Plan allocating oil revenues to the development program, and financing from such allocations only the increase (over their 1961/62 level) of the recurrent expenditures of development agencies;
- (c) the loan be secured against oil revenues;
- (d) the loan become effective on approval by the Iranian Parliament;
- (e) if the new Government demonstrates a resolve to pursue sound financial policies, the Bank proceed to organize a meeting of appropriate officials from countries and agencies interested in helping to finance Iran's Third Development Plan; and

- (f) the economic mission's report (AS-93 dated December 10, 1962) be distributed to Executive Directors.

2. The Committee NOTED that

- (a) Iran's record on Bank loans in the past was good;
- (b) the proposed loan of \$25 million for the road project would not provide adequate leverage for obtaining required reforms in Iran's financial administration;
- (c) even if future lending was made conditional on allocation of oil revenues to development spending, the danger existed of current expenditures being classified as development expenditures; and
- (d) lack of enthusiasm for development planning and expenditures in many Iranian Ministries and inadequacy of project preparation made it almost impossible for the Bank to organize a consultative group for Iran.

3. It was AGREED that

- (a) consideration of Bank lending for the road project be deferred until the decree for new elections was issued;
- (b) a consultative group not be convened at this time;
- (c) Iran was not eligible for IDA assistance at this time; and
- (d) the economic mission's report (AS-93 dated December 10, 1962) be distributed after examining the suggestions to delete the estimates on creditworthiness and to retain the chapters on development planning and administration.

C. The meeting adjourned at 5:10 p.m.

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WBG ARCHIVES
STAFF LOAN COMMITTEE

SLC/M/62-29

February 20, 1964

Minutes of Staff Loan Committee Meeting held on
Thursday, December 20, 1962, at 4:00 p.m. in the Board Room

A. Present:

Mr. J. Burke Knapp, Chairman	Mr. R. W. Cavanaugh
Mr. I. P. M. Gargill	Mr. R. H. Demuth
Mr. E. Reid	Mr. J. C. de Wilde
Mr. O. A. Schmidt	Mr. J. H. Williams
Mr. S. Aldewereld	Mr. M. L. Lejeune
Mr. A. Broches	Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. L. Hoffman	Mr. R. J. Gavin
Mr. J. H. Adler	Mr. G. A. Torelli
Mr. H. A. Adler	Mr. H. van Helden *
Mr. E. Franco-Holguin (IFC)	Mr. J. L. Gabriel

* Part only.

B. Spain

The Committee considered Memorandum SLC/O/62-42, "Lending Policy for Spain," dated December 13, 1962, and

1. NOTING that

- (a) Spain had followed policies satisfactory to the Bank;
- (b) Bank assistance was expected to be a large part of total foreign investment in Spain, although there were reasonable future prospects for Spain to borrow in the private capital markets;
- (c) proposed Bank lending of \$300 million, over a period of years, might be allocated to railway and highway projects, though the Bank might wish to consider diversifying its assistance by lending also in other sectors (possibly agriculture and irrigation) where its technical assistance might be useful;
- (d) the Spanish railway system (RENFE) required reorganization to overcome existing weaknesses;
- (e) General Counsel would look into outstanding investment disputes (para. 9 of SLC/O/62-42 of December 13, 1962) and ascertain whether Spain had accepted jurisdiction of the World Court in Barcelona Traction case;

2. AGREED that

- (a) the Bank be prepared to lend to Spain over a period of years up to \$300 million, principally for railway and highway projects, subject to existence of suitable projects and a continuing review of creditworthiness;
- (b) the proposed loan for the highway project might cover 40% of the project's cost, the foreign exchange component amounting to 20% of the project's cost, provided that contracts were awarded after international competition and that awards were made to domestic suppliers only when reasonably competitive;
- (c) the proposed lending for the railways be approached as a series of loans, the first of which would be made only after agreement had been reached on a detailed master plan and the railways revenues were close to covering the cash operating costs plus interest payments.
- (d) before recommending any loan to the Executive Directors the Bank be satisfied with respect to the position of the controversies with foreign investors.

C. The meeting adjourned at 5:05 p.m.

STAFF LOAN COMMITTEE

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WBG ARCHIVES

SLC/M/62-30

January 8, 1963

Minutes of Staff Loan Committee Meeting held on
Thursday, December 27, 1962, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. I. P. M. Cargill
Mr. E. Reid
Mr. O. A. Schmidt
Mr. A. Broches
Mr. R. W. Cavanaugh *

Mr. R. H. Demuth *
Mr. J. H. Williams
Mr. M. L. Lejeune
Mr. R. Sadove
Mr. J. P. Hayes
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson *
Mr. L. B. Rist *
Mr. W. Diamond (IFC)
Mr. A. G. Kheradjou
Mr. J. A. Edelman
Mr. N. A. Gibbs
Mr. W. M. Gilmartin

Mr. U. K. Ghoshal
Mr. M. J. Hasal
Mr. P. M. Mathew (IFC)
Mr. J. Sagne
Mr. S. Sankaran
Mr. C. E. Webb

* Part only.

2. Malaya

The Committee considered Memorandum SLC/O/62-43, "Malaya - Proposed Loan to Malayan Industrial Development Finance Limited," and

AGREED that

- (a) Malaya was creditworthy for a Bank loan of the size contemplated;
- (b) the Bank should inform the Government and the Malayan Industrial Development Finance Limited (MIDFL) that it would be prepared to invite representatives to negotiate a loan of \$8 million as part of a joint operation with IFC after the satisfactory completion of the proposed reorganization of MIDFL.

3. The meeting adjourned at 4:00 p.m.