

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Loan Committee - Minutes - 1963

Folder ID: 30043614

Dates: 2/27/1963 - 10/28/1963

ISAD(G) Reference Code: WB IBRD/IDA 39-01

Series: Minutes of Loan Committee Meetings

Fonds: Records of the Operations (Loan) Committee

Digitized: September 04, 2014

To cite materials from this archival folder, please follow the following format:

[Descriptive name of item], [Folder Title], Folder ID [Folder ID], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK

Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or

The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED



30043614

A1995-291 Other #: 2 Box # 213541B

Loan Committee - Minutes - 1963

Loan Committee - Minutes 1963



30043614

A1995-291 Other #: 2

213541B

Loan Committee - Minutes - 1963

DECLASSIFIED
WBG Archives

CONFIDENTIAL

DECLASSIFIED
STAFF LOAN COMMITTEE
WBG ARCHIVES

SIC/M/62-31

February 27, 1964¹³

Minutes of Staff Loan Committee Meeting held on
Thursday, January 3, 1963, at 4:00 p.m., in the Board Room

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. I. P. M. Cargill
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. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Hoffman
Mr. W. Diamond (IFC)
Mr. H. B. Ripman
Mr. G. M. Alter
Mr. J. Bravo
Mr. B. A. de Vries

Mr. R. M. Frost
Mr. N. G. Jones
Mr. P. Kerr
Mr. R. S. Nelson
Sir Ernest Vasey
Mr. C. E. Webb

2. Colombia

The Committee considered Memorandum SIC/O/62-44, "Supplementary Paper on Private Investment Fund" (PIF), dated December 27, 1962; and

AGREED that

- (a) until PIF had obtained more operational experience, it would not be an appropriate recipient for a Bank loan to assist in financing investment projects in the private sector;
- (b) in view of their increasing experience in project evaluation and supervision, the financieras in Bogota and Medellin would be suitable recipients of such a Bank loan; and
- (c) if it would facilitate obtaining a Government guarantee, a loan to the financieras could be channeled through PIF.

3. The meeting adjourned at 5:25 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-1

November 13, 1963

Minutes of Meeting of Staff Loan Committee held on
Tuesday, January 15, 1963, at 3:00 p.m. in the Board Room

A. 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. A. M. Kamarck
Mr. G. M. Street
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. L. Lejeune
Mr. J. H. Adler
Mr. J. H. Collier
Mr. G. R. Delaume

Mr. L. J. C. Evans
Mr. D. J. Fontein
Mr. R. J. Gavin
Mr. R. Harma
Mr. D. S. Mitchell

B. Turkey - Seyhan Irrigation Project

1. The Committee considered Memorandum SLC/O/63-2, "Turkey - Seyhan Irrigation Project," dated January 8, 1963, recommending that

- (a) IDA inform the Turkish Government of its readiness to negotiate a credit of \$15 million for the project described in Appraisal Report TO-348 of December 20, 1962;
- (b) during negotiations, IDA inform the Turkish authorities that, subject to satisfactory progress in Part I of the project and to acceptable plans being ready for Part II, IDA would, in due course, be prepared to consider a further credit for Part II; and
- (c) in order to ensure that on-farm development took place in time, a substantial part of the credit be disbursed only on production of evidence of on-farm development.

2. The Committee AGREED that

- (a) considering the total cost of the project, the credit should be for \$20 million (against \$15 million recommended);
- (b) before the start of the negotiations, the Area Department look into repayment terms, to see whether, in view of Turkey's per capita income and long-term development potential, the term of the credit could not be reduced to 30 years, including a 10-year grace period; and

- (c) on-farm development be included in the project and disbursements for the main works be made on the basis of evidence of satisfactory progress in on-farm development.

G. The meeting adjourned at 4:10 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-2

November 13, 1963

Minutes of Meeting of Staff Loan Committee held on Friday,
January 18, 1963, at 2:30 p.m., in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. O. A. Schmidt
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. A. Stevenson
Mr. H. B. Ripman
Mr. M. L. Hoffman
Mr. A. M. Kamarck
Mr. W. M. Gilmartin
Mr. H. G. Hilken, Secretary

In attendance:

Mr. L. B. Rist
Mr. M. L. Lejeune
Mr. M. G. Blobel
Mr. J. M. Croome
Mr. D. J. Fontein
Mr. U. K. Ghoshal
Mr. N. A. Gibbs
Mr. M. J. Hasal

Mr. P. R. H. Jacob
Mr. M. Piccagli
Mr. J. Sagne
Mr. P. Sella
Sir Ernest Vasey
Mr. C. White
Mr. A. R. Whyte

2. Singapore - Power and Water Supply Projects

The Committee considered Memorandum SLC/O/63-3, "Singapore - Thermal Power Project," dated January 15, 1963, recommending that the Bank invite representatives of the Singapore Government to negotiate a loan of \$15 million, to be guaranteed by the United Kingdom, for the thermal power project; and that the Bank also consider financing the water supply project, when ready. It was

AGREED that

- (a) the thermal power project was suitable for a Bank loan of \$15 million;
- (b) notwithstanding the impending incorporation of Singapore in the future Federation of Malaysia, the Bank make the loan at this

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

time with a U.K. guarantee;

- (c) provision be made that the management of the Public Utility Board would be satisfactory to the Bank; and
- (d) the TOD, Area and Legal Departments consider further the debt limit and power rate covenants to be included in the Loan Agreement including the use in the power rate covenant of "reasonable return" rather than "a minimum rate of return of 8%" on PUB's net fixed assets.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/63-3

November 13, 1963

Minutes of Staff Loan Committee Meeting held on
Friday, January 25, 1963, at 11:00 a.m. in the Board Room

A. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. J. H. Williams
Mr. A. Stevenson
Mr. A. E. Matter
Mr. M. L. Hoffman
Mr. D. Avramovic
Mr. H. G. Hilken (Secretary)

In attendance:

Mr. G. M. Wilson
Mr. M. L. Lejeune
Mr. J. Baneth
Mr. W. M. Gilmartin

Mr. M. M. Hla
Mr. J. F. Rigby
Mr. P. Sella
Mr. G. M. Street

B. China

1. The Committee considered Memorandum SLC/O/63-4, "China - IDA Operations," dated January 21, 1963, recommending that:

- (a) IDA proceed with consideration of the proposed ocean fisheries project;
- (b) subject to maintenance of sound fiscal and monetary policies, further loan requests of Taiwan be considered for Bank or IDA assistance; and
- (c) the economic report on China be sent to the Executive Directors and the Government.

2. It was NOTED that

- (a) future loans and credits to Taiwan would have to take account of the possible reduction of the amount of U.S. assistance to that country and of the prospects for Taiwan's exports; and

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

- (b) while financial assistance in the future might consist of a combination of Bank loans and IDA credits, at present Bank lending would be emphasized to achieve an over-all blend of Bank and IDA financing.

3. The Committee AGREED that

considering the healthy trend in the economy, the ocean fisheries project was suitable for a Bank loan of \$7 million.

C. India - Export Financing

The Committee discussed a suggestion made by the Indian Executive Director that in order to enable developing countries to offer their industrial exports on terms comparable to those offered by industrialized countries, the Bank should provide assistance to help the former finance their exports. The Chairman considered such a course inadvisable, but requested that the problem be examined by the Area Department to determine ways open to underdeveloped countries in such circumstances.

D. The meeting adjourned at 12:05 p.m.

chron

CONFIDENTIAL

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-4

March 29, 1963

Minutes of Staff Loan Committee Meeting held on Monday,
January 28, 1963, at 3:00 p.m., in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. E. Reid
Mr. S. Aldewereld
Mr. R. W. Cavanaugh

Mr. A. E. Matter
Mr. E. E. Clark
Mr. M. L. Hoffman
Mr. A. M. Kamarck
Mr. D. Avramovic *
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. H. N. Graves *
Mr. A. Stevenson
Mr. J. Baneth
Mr. M. P. Bart
Mr. W. Brakel
Mr. A. A. Casson

Mr. S. S. El-Fishawy
Mr. S. K. Govil
Mr. P. Sella
Mr. J. P. Simond
Mr. G. Votaw *

* Part only.
* Consultant.

2. United Arab Republic

The Committee considered Memorandum SLC/O/63-5, on Bank and IDA lending policy for the United Arab Republic; and

AGREED that

- (a) the UAR was not now creditworthy for Bank loans on normal conditions, but that, in view of the international character of the Suez Canal, the Bank should be prepared to consider a loan for the further deepening of the Canal if the project was found to be technically and economically sound and if suitable arrangements for the protection of the Bank were made with respect to Canal revenues;
- (b) IDA should be prepared to consider credits to the UAR, of about \$40 to \$50 million in the first 12 to 18 months after lending operations begin, for suitable agricultural projects along the lines suggested in the Economic Report (AS-94);

- (c) neither a Bank loan for the Suez Canal nor IDA credits should be extended until:
 - (i) the UAR had initiated appropriate measures to restore the economy to better balance, including steps to restrain internal demand and to increase domestic savings;
 - (ii) a settlement had been reached of foreign claims arising from nationalization; and
 - (iii) steps were being taken by the UAR to reduce its heavy reliance on short- and medium-term external credits;
- (d) although the Bank could not, in view of what had been said in the past, disclaim any interest in this matter, it should not encourage the formation of a "consultative group" for the UAR; also, the Bank should not take any initiative in sponsoring a conference to renegotiate the external debts and should not participate in the negotiations for compensation of foreign nationalization claims;
- (e) the Bank should write to the Government of the UAR along the lines of the draft letter attached to the Memorandum revised to take account of the views of the Committee expressed in para. (d) above, and should transmit to the Government the Economic Report (AS-94), revised in accordance with the comments of the Committee and omitting the last chapter (paras. 267 to 271).

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-5

November 6, 1963

Minutes of Meeting of Staff Loan Committee held on
Monday, February 11, 1963, at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. T. P. M. Cargill
Mr. S. Aldewereld
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. J. C. de Wilde
Mr. A. Stevenson
Mr. A. E. Matter
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. J. H. Adler
Mr. G. C. Wishart
Mr. T. C. Greyke
Mr. B. H. Decaux
Mr. S. S. El-Fishawy
Mr. R. M. Frost

Mr. K. D. Hartwich
Mr. N. G. Jones
Mr. G. S. Mason
Mr. O. J. McDiarmid
Mr. J. P. Simond
Mr. R. Sadove
Mr. S. Sankaran

2. Pakistan

The Committee considered Memorandum SLC/O/63-7, "Economic Development Program of Pakistan," dated February 6, 1963, recommending distribution to the Executive Directors of Report AS-96, dated February 6, 1963, on the economic development program of Pakistan, and suggesting that the Bank/IDA contribution for fiscal 1963/64 tentatively be \$60-\$70 million, the actual shares of the Bank and IDA to be determined when the amount of IDA's resources was known.

In considering Pakistan's request for additional Consortium assistance of \$500 million during 1963/64, concern was expressed at the time lag in committing past aid pledges to particular projects and at the slow rate of disbursement. It was recognized that in view of these problems, it was difficult to determine a firm figure to recommend as Pakistan's aid requirement in 1963/64.

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

It was AGREED that:

- (a) for planning purposes, the Bank and IDA should be prepared to pledge tentatively \$60-\$70 million as their share of assistance;
- (b) considering the debt service burden of Pakistan, IDA's share of the pledge should be considerably larger than the Bank's, but this would depend on the availability of additional resources to IDA;
- (c) Report AS-96, as modified, be distributed to the Executive Directors, so that it could be used at the preliminary meeting of the Pakistan Consortium in Paris in March. The Report should be changed as follows:
 - (i) the reference to a "review of the exchange rate system" [p. v, para. xiii(f)] should be deleted;
 - (ii) the report should be supplemented by a separate paper on terms of aid, including charts on export earnings and debt service obligations of Pakistan;
 - (iii) the part headed "Creditworthiness" (p. 27) should be deleted and a reference should be made in the summary to the separate paper on terms of aid; and
 - (iv) the reference to the programs of social welfare [p. iv, para. xiii(b)] should be revised to make clear that progress had been "less than originally planned."

The Chairman stated that to make a satisfactory analysis of the need for aid commitments, it might be desirable to consider aid requests for two years at a time.

3. The meeting adjourned at 12:10 p.m.

chron

(Draft of Nov. 22/63 Feb. 5, 1964)

Form No. 60
(4-63)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
.....
INTERNATIONAL DEVELOPMENT ASSOCIATION

CONFIDENTIAL

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/63-6

WBG ARCHIVES

November 6, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, February 28, 1963, at 2:30 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. M. L. Lejeune

Mr. A. Stevenson
Mr. E. E. Clark
Mr. D. Avramovic
Mr. A. E. Matter
Mr. R. Sadove
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. M. L. Hoffman
Mr. G. C. Wishart *
Mr. A. Bergan
Mr. W. Brakel
Mr. J. L. Gabriel

Mr. A. M. Kamarck
Mr. A. LeClerc
Mr. S. N. McIvor
Sir Leslie Melville
Mr. A. L. Pan
Mr. M. H. Wiehen

* Part only.

2. Liberia

The Committee considered Memorandum SLC/O/63-7 on Liberia, dated February 25, 1963, which recommended that if the road project were found acceptable for financing by the Bank, the Bank should inform the Liberian Government that it was willing to consider a loan to Liberia for 15 years or more, with a grace period of at least eight years. However, such consideration would be subject to satisfactory arrangements being made to re-negotiate existing debts and to limit future borrowings. The Committee examined Liberia's request in light of its external debt structure and its future export prospects in order to define the Bank's position prior to further discussions on financing the proposed road project.

The Committee noted that Liberia was a very poor country, had a discouraging record of financial mismanagement, and had uncertain export

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

prospects. The possibility of an IDA credit with shorter amortization than usual was suggested.

It was AGREED that:

- (a) a decision could not be made on Bank or IDA financing for the road program or on the terms of such financing until:
 - (i) the Bank's economic report had been completed;
 - (ii) the schedule of external debt payments of Liberia had been reorganized;
 - (iii) the IMF had completed its study of Liberia and made its arrangements with the Liberian Government;
 - (iv) new projections had been made of Liberia's fiscal and balance of payments figures; and
 - (v) a workable method had been devised for limiting additional borrowing by Liberia;
- (b) no information about the possibility of Bank or IDA financing should be given to the Liberian Government until the problems involved had received further consideration.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-7

November 6, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, March 7, 1963, at 3:00 p.m. in the Board Room

1. Present:

Mr. G. M. Wilson, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. R. W. Cavanaugh
Mr. R. H. Demuth

Mr. J. C. de Wilde
Mr. M. L. Lejeune
Mr. A. Stevenson
Mr. H. B. Ripman
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. D. J. Fontein
Mr. G. R. Young
Mr. G. C. Wishart
Mr. J. H. Collier
Mr. A. F. Geolot
Mr. R. A. Hornstein

Mr. R. A. D. Loven
Mr. J. W. Lowdon
Mr. J. A. McCunniff
Mr. C. B. Straut
Mr. H. van Helden

2. New Zealand

The Committee considered Memorandum SLC/O/63-8, "Proposed Loan for New Zealand Railways," dated March 4, 1963; and

AGREED that

- (a) considering the satisfactory return expected on the marginal investment proposed, and notwithstanding the previous uneconomic return yielded by the New Zealand railways, the Bank inform the New Zealand Government that it was willing, in principle, to consider lending for the New Zealand railways, provided that it was assured that measures would be taken to improve their financial condition; and

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

- (b) the New Zealand Government be invited to put forward specific proposals for improving the present financial situation and be advised that, in the Bank's view, an operating ratio of 85% would be a suitable target for the railways.

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

chron

CONFIDENTIAL

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-8

March 21, 1963

Minutes of Staff Loan Committee Meeting held on Thursday,
March 14, 1963, at 11:00 a.m. in the Board Room

1. Present:

Mr. G. M. Wilson, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. J. C. de Wilde
Mr. M. L. Lejeune
Mr. A. Stevenson
Mr. H. B. Ripman
Mr. H. G. Hilken, Secretary

In attendance:

Mr. D. Avramovic
Mr. J. H. Collier
Mr. R. J. Gavin

Mr. J. P. Hayes
Mr. V. Wouters

2. Turkey - Terms of Future IDA Credits

The Committee considered Memorandum SLC/O/63-11 on terms of future IDA credits to Turkey; and

AGREED that

the standard terms of IDA credits should continue to be applied in the case of Turkey.

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

STAFF LOAN COMMITTEE

SLC/M/63-9

February 18, 1964

Minutes of Meeting of Staff Loan Committee held on
Friday, April 12, 1963, at 11:00 a.m., in the Board Room

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. E. Reid
Mr. S. Aldewereld
Mr. R. W. Cavanaugh
Mr. R. H. Demuth

Mr. D. Avramovic
Mr. J. H. Williams
Mr. M. L. Lejeune
Mr. A. E. Matter
Mr. H. G. Hilken, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. M. L. Hoffman
Mr. G. R. Young
Mr. G. C. Wishart
Mr. M. Benjenk
Mr. J. M. Croome
Mr. J. P. Hayes

Mr. D. W. Jeffries
Mr. W. M. Keltie
Mr. O. J. McDiarmid
Mr. R. Pantanali
Mr. H. Pollan
Mr. C. H. Thompson
Mr. G. B. Votaw

* Part only.

2. India

The Committee considered Memorandum SLC/O/63-14, "India-Bank/IDA Assistance for Third Year of Third Plan," dated April 11, 1963; and

AGREED that

- (a) although the projects and programs proposed for Consortium assistance had not been appraised, India's request for \$1,250 million (about \$700 million for projects and \$550 million for non-project imports) for the third year of the Third Plan (April 1, 1963 to March 31, 1964) should be submitted to the Indian Consortium, keeping in mind \$1,000 million as an attainable target;
- (b) the scope for further Bank assistance was limited by the high level of India's external debt service, but the Bank should nevertheless commit \$60 million for the third year of the Third Plan (to cover, among other things, the projects of the private steel mills in which the Bank already had large investments), in addition to \$23 million for the Indus Basin Fund; and
- (c) considering IDA's available resources, IDA's commitment at the Consortium be \$140 million, to finance projects and programs to strengthen basic industries and services such as power and transport and to help keep the economy supplied with essential imports.

3. The meeting adjourned at 12:45 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-10

October 30, 1963

Minutes of Staff Loan Committee Meeting held on
Thursday, May 2, 1963, at 3:00 p.m., in Room 927

1. Present:

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

Mr. G. L. Martin
Mr. J. H. Williams
Mr. A. Stevenson
Mr. D. L. Gordon
Mr. D. Avramovic
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. H. Adler
Mr. M. L. Lejeune
Mr. H. B. Ripman
Mr. L. Nurick
Mr. M. G. Blobel
Mr. J. M. Croome
Mr. R. Diez-Hochleitner
Mr. L. C. J. Evans

Mr. N. A. Gibbs
Mr. W. M. Gilmartin
Mr. J. Sagne
Mr. J. E. Twining
Mr. M. H. Wiehen
Mr. G. C. Wishart
Mr. S. C. Yang

2. Philippines

The Committee considered Memorandum SLC/O/63-17, "Philippines - College of Agriculture, Los Banos," dated April 29, 1963; and

AGREED that

- (a) on the assumption that the program of expansion of the College of Agriculture proved to be sound, the project be considered as the basis for a Bank loan, without prejudice to later consideration of a Bank/IDA blend in the light of the findings of the impending economic mission to the Philippines;

~~DISTRIBUTION:~~

~~CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT~~

~~Copies for Information to:~~

~~President
Vice President
Secretary
Director of Information
Director, Economic Development Institute
Special Representative in Europe
Special Adviser to the President
Executive Vice President (IFC)~~

- (b) the loan exclude the capitalization of interest, and be in an amount of about \$4 million. The loan could be made for a period up to 30 years, but the exact period of the loan would be decided at the time of the negotiations;
 - (c) the Bank mission be asked to determine the extent of reforms required to improve agricultural research and extension services;
 - (d) the proposed loan be made conditional upon the Philippine Government expressing its willingness to carry out the necessary reforms of agricultural services; and
 - (e) the standards of construction of the College buildings be on an austere basis satisfactory to the Bank.
3. The meeting adjourned at 3:50 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

SLC/M/63-11

JUN 10 2014

October 31, 1963

Minutes of Meeting of Staff Loan Committee held on
Friday, May 10, 1963, at 3:00 p.m. in the Board Room

1. Present:

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

Mr. M. L. Lejuene
Mr. H. B. Ripman
Mr. L. Nurick
Mr. D. L. Gordon
Mr. D. Avramovic
Mr. H. G. Hilken, Secretary

In attendance:

Mr. A. E. Matter
Mr. G. M. Alter
Mr. M. Avila (Trainee)
Mr. F. G. Bochenski
Mr. F. S. Elofson
Mr. C. Finne
Mr. H. C. Johnson

Mr. S. Kuriyama
Mr. J. F. Rigby
Mr. I. A. Sirken
Mr. J. E. Twining, Jr.
Mr. R. R. Walsh
Mr. M. H. Wiehen
Mr. G. C. Wishart

2. Costa Rica

The Committee considered Memorandum SLC/O/63-19, "Costa Rica - Proposed Power and Telecommunications Project," dated May 7, 1963; and

AGREED that

the Government and Instituto Costarricense de Electricidad (ICE) be invited to negotiate a loan of \$22 million (with a term of 23 years, including a grace period of four years) provided that ICE undertook:

- (a) not to start the concrete stage of the Cachi area dam before detailed plans and supporting data were in the hands of the Bank;
- (b) to make arrangements satisfactory to the Bank for obtaining the technical and operating staff required to expand its telecommunications division, as well as the technical assistance and advice required for the engineering and execution of the telecommunications project;
- (c) not to place orders for long distance facilities before the plans were coordinated with those of the Central American regional telecommunications network;

- (d) to adjust and maintain power and telephone rates at levels sufficient to assure a return of at least 7.5% on net fixed assets in operations, in accordance with authoriactions already obtained from Servicio Nacional de Electricidad (SNE); permitting ICE to finance a reasonable portion of its future expansion from internal cash generation;

and further provided that:

- (e) the Bank obtained satisfactory assurances that Compania Nacional de Fuerza y Luz (CNFL) would turn over its telephone installations to ICE;
- (f) the Bank obtained satisfactory assurances that ICE could obtain the additional funds required to complete the financing of the proposed construction program; and
- (g) if required, ICE would arrange to give the Bank appropriate security defined in advance of negotiations.

3. The Chairman requested that the discussion of creditworthiness in the Economic Report be modified to avoid the implication that borrowing on special terms was essential and recommended.

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

STAFF LOAN COMMITTEE

SLC/M/63-12

DECLASSIFIED

JUN 10 2014

October 31, 1963

Minutes of Meeting of Staff Loan Committee held on
Friday, May 24, 1963, at 4:30 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. D. Avramovic
Mr. M. L. Lejeune
Mr. A. Stevenson
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. W. J. Armstrong
Mr. M. Benjenk
Mr. E. de Alba
Mr. X. de la Renaudiere
Mr. G. R. Delaume
Mr. H. Fuchs

Mr. J. P. Gern
Mr. C. MacNealy
Mr. F. Povey
Mr. J. D. Roulet
Mr. S. Sankaran
Mr. R. Skillings
Mr. A. Volait

2. Algeria

The Committee considered Memorandum SLC/O/63-20, "Algeria - Algerienne du Methane Liquide (CAMEL)," dated May 20, 1963; and

AGREED that

- (a) the Bank should not regard the present circumstances of Algeria's unsettled debt to France and certain unsettled private claims as constituting a bar to Bank lending to Algeria;
- (b) the CAMEL project was eligible for Bank assistance (in the amount of \$18 million for a term of 12 years with 2-1/4 years grace), notwithstanding the risk of nationalization and the uncertain creditworthiness of Algeria, provided that the Bank obtained:

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

- (i) the right to premature the loan if CAMEL or its assets were nationalized;
- (ii) a guarantee of the loan by CAMEL's shareholders against all risks except those arising from acts of the Algerian Government and those arising from 'force majeure' narrowly defined. (This guarantee was strongly preferred over a requirement that CAMEL maintain a satisfactory level of working capital);
- (iii) limitations on repayment of shareholders' loans and on distribution of profits; and
- (iv) a provision for accelerated repayment of the loan, with premium, at the option of the Bank or participants if CAMEL reached certain levels of profitability, although the Bank might waive the premium for itself.

3. The meeting adjourned at 5:50 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-13

October 31, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, June 20, 1963, at 2:30 p.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. D. Avramovic
Mr. J. H. Williams
Mr. D. Fontein
Mr. M. L. Lejeune
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson *
Mr. M. M. Mendels *
Mr. A. D. Spottswood
Mr. M. Benjenk
Mr. L. J. C. Evans
Mr. H. Kordik

Mr. S. N. McIvor
Mr. A. L. Pan
Mr. Thapa
Mr. G. B. Votaw
Mr. A. Wubnig

* Part only.

2. Liberia

The Committee considered Memorandum SLC/O/63-24, dated June 13, 1963, on a proposed road project in Liberia. While the Memorandum favored IDA financing, it was felt that by reason of unsatisfactory financial management and doubtful performance, Liberia did not qualify for assistance from IDA. For the same reasons, doubts were expressed about Liberia's creditworthiness for a Bank loan unless the Government was helped to develop financial discipline and restraint. In the belief that the Bank could play a useful role in assisting the development of sound governmental practices in Liberia,

it was AGREED that:

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

a Bank loan should be considered in a reduced amount of ^{about} \$3 million (from \$4.5 million), subject to the following conditions to be made known to the Liberian Government before the start of negotiations and discussed in detail during negotiations:

- (a) re-arrangement of present debt repayments by the Liberian Government;
- (b) reform of the present system of road construction and maintenance along lines acceptable to the Bank;
- (c) passage of annual budget appropriations sufficient to pay the local currency costs of the project and to ensure proper maintenance of the road network;
- (d) arrangements of logging concession on terms that would compensate the Government for the costs of building and maintaining the roads; and
- (e) undertaking by the Government to formulate an agricultural development program for the area which the new road would open.

3. It was also suggested that the amortization and grace period might be extended in relation to the general financial position of Liberia.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/63-14

October 31, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, June 27, 1963, at 4:00 p.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. H. Williams
Mr. D. Fontein
Mr. M. L. Lejeune
Mr. K. A. Bohr
Mr. H. G. Hilken, Secretary

In attendance:

Mr. E. E. Clark
Mr. J. H. Adler
Mr. M. Benjenk
Mr. W. C. Baum
Mr. B. M. Cheek
Mr. L. Cancio

Mr. R. J. Gavin
Miss A. L. Maher
Mr. G. Ronday
Mr. E. Schaefer
Mr. G. C. Wishart

2. Spain

The Committee considered Memorandum SLC/O/63-26, "Spain - Proposed Highway Loan," dated June 21, 1963; and

AGREED that

- (a) the Bank should be prepared to negotiate a loan to Spain of about \$32 million for a highway improvement (\$26 million) and maintenance (\$6 million) program;
- (b) the highway improvement program be subject to the relevant conditions set forth in Appraisal Report TO-378;

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

- (c) during negotiations every effort be made to include in the project description and list of goods the equipment for the maintenance program, with the provision that local producers of maintenance equipment be allowed a reasonable margin of preference, of the order of 15%, in international competitive bidding;
 - (d) before the loan was recommended to the Executive Directors, the Bank be satisfied with the progress toward a settlement of the Porto Pi question; and
 - (e) the Spanish Government be informed that the Bank would expect steps to be taken toward a reasonable settlement of the Barcelona Traction case, in the event that the World Court decided that it lacked jurisdiction on technical grounds in the case currently before it.
3. The meeting adjourned at 5:00 p.m.

*See
Supple.
letter
to loan
agreement*

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/63-15

WBG ARCHIVES

October 31, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, July 11, 1963, at 2:30 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. R. W. Cavanaugh
Mr. R. H. Demuth

Mr. D. Avramovic
Mr. J. H. Williams
Mr. D. Fontein
Mr. H. B. Ripman
Mr. L. Nurick
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. J. H. Adler
Mr. G. M. Alter
Mr. W. J. Armstrong
Mr. R. A. Chaufournier
Mr. J. H. Collier *
Mr. J. L. Gabriel

Mr. ~~M. L.~~ Loftus
Mr. C. MacNealy
Mr. V. Masoni
Mr. M. Ross
Mr. B. G. Sandberg
Mr. R. W. Wilson

* New Zealand only.

2. New Zealand

The Chairman informed the Committee that New Zealand had requested a Bank loan of \$35-\$45 million to help finance the power expansion and distribution program, which the Bank would not take up because of the recent addition to the program of the speculative Manipouri hydroelectric project. However, the Bank had indicated to the Government its willingness to consider financing the under-water transmission line project, which had high priority and was not related to the Manipouri project.

3. Chile

The Committee considered Memorandum SLC/O/63-28, "Chile - Questions for Decision," dated July 8, 1963: and

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

AGREED that

- (a) Chile's economic position and prospects permitted the Bank to proceed with new loans of the order of \$30 million for livestock, meat- and milk-processing, and power projects;
- (b) the loan for the livestock and meat- and milk-processing projects should be for 15 years, with a five-year grace period, in the amounts and on the conditions recommended in the Appraisal Reports (TO-318b and TO-337a respectively);
- (c) the disappointing performance of the Government in the highway and power loans should be considered separately from the livestock and meat- and milk-processing projects proposed for financing;
- (d) while the Bank should not make the solution of the Lota and Schwager problems a prerequisite to the financing of the livestock and meat- and milk-processing projects, the Bank should nevertheless discuss both matters and use the occasion to move towards agreement on action in Lota and Schwager; and
- (e) the convening of a Consultative Group for Chile should be deferred until Chile presented a satisfactory program, to which it would be committed, to raise by 1964 the level of public savings by 100 million escudoes a year in 1963 prices. In addition, Chile should first suggest a list of high priority projects on which work could be started in 1965 and 1966 and for which studies were either already under way or could be initiated promptly.

4. The meeting adjourned at 4:10 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/63-17

August 22, 1963

Minutes of Staff Loan Committee Meeting held on
Tuesday, August 20, 1963 at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. A. Broches

Mr. R. W. Cavanaugh
Mr. A. Stevenson
Mr. A. E. Matter
Mr. J. P. Hayes
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. C. Wishart
Mr. J. Baneth
Mr. W. Brakel
Mr. A. A. Casson
Sir Leslie Melville

Mr. G. Ronday
Mr. S. Sankaran
Mr. P. Sella
Mr. S. M. Tolbert

2. Syria

The Committee considered Memorandum SLC/O/63-29 (Revised), "Syria - Road Credit," and

AGREED that

- (a) in view of Syria's low per capita income (\$150) and the fact that Bank lending in Syria would be unduly risky at the present time, and despite some substantial deficiencies in Syria's level of "economic performance," Syria should be regarded as eligible for some IDA assistance;
- (b) IDA should invite the Government of Syria to enter into negotiations for a credit of about \$8 million for a highway improvement project;
- (c) during negotiations agreement should be reached that Syria will employ consultants, acceptable to IDA and Syria, to:

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

- (i) prepare the design and specifications for the highway improvement works for which foreign exchange financing would be provided under the credit;
- (ii) supervise the actual improvement works on the roads concerned;
- (iii) advise and assist in the reorganization and strengthening of the Highway Department, with special emphasis on the improvement of maintenance operations and on problems of management;
- (iv) advise and recommend with respect to the procurement of maintenance equipment under the credit; and
- (v) undertake a survey of Syria's future highway requirements.

3. The meeting adjourned at 11:15 a.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-18

July 23, 1963

Minutes of Meeting of Staff Loan Committee held on
Monday, July 22, 1963, at 3:00 p.m., in the Board Room

1. Present:

Mr. G. M. Wilson, Chairman
Mr. I. P. M. Cargill
Mr. E. Reid
Mr. O. A. Schmidt
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. J. H. Williams
Mr. D. Fontein
Mr. A. D. Spottswood
Mr. D. L. Gordon
Mr. J. P. Hayes
Mr. H. G. Hilken, Secretary

In attendance:

Mr. J. H. Adler
Mr. G. C. Wishart
Mr. G. M. Alter
Mr. L. Cancio
Mr. C. Finne
Mr. F. H. Howell

Mr. J. C. Lithgow
Miss A. L. Maher
Mr. R. Sadove
Mr. C. B. Straut
Gen. H. D. Vogel

2. Venezuela

The Committee considered Memorandum SLC/O/63-30, "Venezuela," and

AGREED that

- (a) Venezuela is creditworthy for loans in the amounts contemplated for the CADAPE project (\$14 million) and the Guri project (about \$85 million);
- (b) Venezuela's economic position and prospects permit the Bank to consider making additional loans of about \$100 million during the next year or two for high priority projects, provided the character and policies of the next Government are conducive to Venezuela's sound economic growth and development;

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

President
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 Guri project is a suitable basis for a loan of about \$85 million, provided that during negotiations agreement is reached on provisions along the lines of those stated in para. 80 of the Appraisal Report (TO-373a).
- 3. The meeting adjourned at 3:40 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-19

October 11, 1963

Minutes of Meeting of Staff Loan Committee held on
Tuesday, August 27, 1963 at 10:30 a.m. in Room 974 and on
Wednesday, September 4, 1963 at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. E. Reid 2/
Mr. S. Aldewereld 1/
Mr. A. Broches
Mr. R. W. Cavanaugh
Mr. R. H. Demuth

Mr. D. Avramovic 2/
Mr. A. Stevenson 1/
Mr. A. E. Matter
Mr. A. D. Spottswood 2/
Mr. F. R. Poore 2/
Mr. J. P. Hayes
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. M. M. Mendels
Mr. L. B. Rist 2/
Mr. D. Fontein 1/
Mr. L. Nurick 1/
Mr. J. H. Adler 2/
Mr. G. M. Alter 1/
Mr. K. A. Bohr 1/

Mrs. S. Boskey
Mr. J. M. Croome
Mr. B. A. de Vries 2/
Mr. W. M. Gilmartin 2/
Mr. R. Gulhati
Mr. R. Sadove
Mr. G. C. Wishart
Miss R. Zafirliou

1/ First session only.
2/ Second session only.

2. IDA Lending Policy

The Committee considered Report EC-119, "IDA Lending Policy," and

AGREED that

the Report should be revised in accordance with the views expressed in the meeting and then distributed to the Executive Directors.

3. The meeting adjourned at 12:15 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SIC/M/63-20

October 18, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, August 29, 1963 at 3:00 p.m. in Room 974

1. Present:

Mr. J. Burke Knapp, Chairman	Mr. R. H. Demuth
Mr. P. L. Moussa	Mr. A. Stevenson
Mr. S. R. Cope	Mr. A. E. Matter
Mr. I. P. M. Cargill	Mr. A. D. Spottswood
Mr. A. Broches	Mr. K. A. Bohr
Mr. R. W. Cavanaugh	Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson	Mr. R. Gulhati
Mr. M. Benjenk	Mr. J. P. Hayes
Mr. W. Brakel	Mr. G. Naleppa
Mrs. S. Boskey	Mr. S. Please
Mr. J. M. Croome	Mr. A. Tugan
Mr. R. Diez-Hochleitner	Mr. G. C. Wishart

2. Afghanistan

The Committee considered Memorandum SIC/O/63-33, "A Project for School Development in Afghanistan," and

AGREED that

- (a) IDA should attempt to work out a project with a total cost of about \$4 million, consisting of:
 - (i) a regional education program for the lower Kunduz-Khanabad river basin, consisting of the construction and equipment of a mechanical school, a teachers training school, an agricultural school, and, if appropriate, a commercial school; and
 - (ii) a national center in Kabul to train staff for teachers training schools throughout the country;

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

- (b) IDA should be prepared to finance the foreign exchange cost or up to three-fourths of the total cost of the project, whichever is higher;
- (c) IDA should inform Afghanistan of its readiness to send a mission to work out details of the project on this basis;
- (d) the Bank should meet the cost of an architect specialized in school building who would be associated with this mission with the responsibility to work out the designs and cost estimates of the construction of the schools; and
- (e) the mission should obtain further information on the need, cost and alternative sources of compensation for foreign teachers during the initial years of the operation of such schools.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-21

October 11, 1963

Minutes of Meeting of Staff Loan Committee held on
Thursday, August 29, 1963 at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman	Mr. R. W. Cavanaugh
Mr. P. L. Moussa	Mr. R. H. Demuth
Mr. S. R. Cope	Mr. A. Stevenson
Mr. I. P. M. Cargill	Mr. A. E. Matter
Mr. S. Aldewereld <u>1/</u>	Mr. J. P. Hayes
Mr. A. Broches	Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson	Mr. J. L. Gabriel <u>2/</u>
Mr. A. D. Spottswood	Mr. R. Gulhati <u>2/</u>
Mr. F. R. Poore <u>1/</u>	Mr. N. G. Jones <u>1/</u>
Mr. G. M. Alter	Mr. S. Please <u>2/</u>
Mr. K. A. Bohr <u>2/</u>	Mr. P. Reid <u>2/</u>
Mrs. S. Boskey	Mr. G. B. Votaw
Mr. M. Cojot <u>2/</u>	Mr. G. C. Wishart
Mr. J. M. Croome <u>2/</u>	

- 1/ First session only.
2/ Second session only.

2. Bank Financial Policy

The Committee discussed:

- (a) Delays in Disbursements of Loans and Credits, prepared in the Treasurer's Department.
- (b) Term of Bank Loans, prepared by Mr. Cope.
- (c) Comments on Dr. Machado's Proposal, prepared by the Economic Staff.

3. The meeting adjourned at 12:55 p.m., reconvened at 4:00 p.m., and adjourned at 5:00 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-22

October 9, 1963

Minutes of Meeting of Staff Loan Committee held on
Tuesday, September 3, 1963, at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. A. Broches
Mr. A. Stevenson
Mr. A. D. Spottswood

Mr. F. R. Poore
Mr. W. M. Gilmartin
Mr. M. Benjenk
Mr. K. A. Bohr
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. R. A. Chaufournier
Mr. R. Sadove

Mr. G. C. Wishart
Miss R. Zafiriou

2. Finland

The Committee considered Memorandum SLC/O/63-34, "Finland - Further Bank Lending," and

NOTING

that Finland was creditworthy for additional foreign borrowing and combined a need for long-term foreign capital with limited opportunities to borrow in private markets abroad;

AGREED that

- (a) Finland was eligible for additional Bank lending; and
- (b) the Bank should send an economic and operational mission to Finland to examine broadly Finland's transportation and other investment needs and, if warranted by the examination, to appraise the proposed highway project within the framework of the over-all transportation needs.

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

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

STAFF LOAN COMMITTEE

DECLASSIFIED

SLC/M/63-23

JUN 10 2014

October 15, 1963

Minutes of Meeting of Staff Loan Committee held on
Wednesday, September 11, 1963 at 11:00 a.m. in the Board Room

1. Present:

Mr. G. M. Wilson, Chairman
Mr. P. L. Moussa
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. E. Reid
Mr. A. Broches

Mr. R. H. Demuth
Mr. D. Avramovic
Mr. A. E. Matter
Mr. A. D. Spottswood
Mr. F. R. Poore
Mr. H. G. Hilken, Secretary

In attendance:

Mr. L. B. Rist
Mr. A. A. Casson
Mr. W. M. Gilmartin
Mr. C. J. A. Jansen
Miss A. L. Maher

Mr. O. J. McDiarmid
Mr. J. D. Roulet
Mr. R. Sadove
Mr. G. C. Wishart

2. Japan

The Committee considered Memorandum SLC/O/63-27, "Prospective Lending to Japan," and

NOTING that

Japan, despite a very high level of domestic private and public savings, had a pressing need for imported capital which was unlikely to be satisfied by increased borrowing in private markets abroad, especially in view of the balance of payments situation of the United States;

AGREED that

- (a) the Bank should be prepared to lend to Japan up to \$100 million during the 1964 calendar year for suitable projects; and
- (b) lending beyond 1964 should depend on the results of a review of Japan's financial situation a year from now.

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

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SIC/M/63-24

September 27, 1963

Minutes of Meeting of Staff Loan Committee held on
Friday, September 20, 1963, at 11:30 a.m. in the Board Room

1. Present:

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

Mr. R. H. Demuth
Mr. M. L. Lejeune
Mr. E. E. Clark
Mr. F. R. Poore
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. L. B. Rist
Mr. J. H. Williams
Mr. H. B. Ripman
Mr. M. Benjenk
Mr. R. Diez-Hochleitner
Mr. L. Kalderen

Mr. F. Lutolf
Mr. J. D. Methenate
Mr. B. E. Scheltema
Mr. S. Sankaran
Mr. H. N. Scott
Mr. G. Tobias
Mr. G. C. Wishart

2. Tanganyika

The Committee considered Memorandum SIC/O/63-39, "Tanganyika - School Construction and Equipment," and

- (a) NOTING that Tanganyika had limited capacity to service additional debt on conventional terms, had a low per capita income (about \$60), and was making a satisfactory effort to mobilize her own resources for development;

AGREED that

Tanganyika was eligible to receive financial assistance from IDA;

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for Information to:

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

- (b) NOTING that Tanganyika, with the assistance of UNESCO, had developed a high-priority program for the expansion of secondary schools for the period July 1962-June 1967, which was economical and appropriate to the needs of the country and whose annual recurrent costs were within Tanganyika's budgetary capacity;

AGREED that

- (i) IDA should consider favorably a credit of about \$4.6 million to Tanganyika to assist in financing the school expansion program; and
- (ii) the Government's expenditure of about \$1.5 million on the program in its first year should be accepted as the Government's contribution to the program.

3. The meeting adjourned at 12:45 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVE

SLC/M/63-25

September 27, 1963

Minutes of Meeting of Staff Loan Committee held on
Wednesday, September 25, 1963, at 11:15 a.m. in the Board Room

1. Present:

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

Mr. A. M. Kamarck
Mr. W. M. Gilmartin
Mr. C. E. Webb
Mr. J. P. Hayes
Mr. H. G. Hilken, Secretary

In attendance:

Mr. G. M. Wilson
Mr. J. H. Adler
Mr. A. Stevenson
Mr. H. B. Ripman
Mr. J. Baneth
Mr. W. Brakel

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

2. Iraq

The Committee considered Memorandum SLC/O/63-40, "Iraq - Bank Lending Prospects," and

AGREED that

- (a) Iraq was creditworthy for additional foreign loans and that the Bank should reestablish working relations with Iraq;
- (b) the Bank should consider favorably, as a beginning, a loan of about \$10-\$20 million, provided a high priority project with a satisfactory economic return was presented;
- (c) a "set-aside" of oil revenues should not be requested for such a loan; and

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

- (d) if requested by the Government, the Bank should be willing to provide or obtain for Iraq technical assistance in development programming and in administrative and financial coordination with a view to improving the efficiency of Iraq's general investment program.

3. The meeting adjourned at 12:00 noon.

Shen

CONFIDENTIAL

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/63-26

October 28, 1963

Minutes of Meeting of Staff Loan Committee held on
Wednesday, October 16, 1963 at 2:30 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. P. L. Moussa
Mr. I. P. M. Cargill
Mr. E. Reid
Mr. O. A. Schmidt

Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh
Mr. D. L. Gordon
Mr. K. A. Bohr
Mr. W. D. S. Fraser

In attendance:

Mr. G. M. Wilson
Mr. L. B. Rist
Mr. A. Stevenson
Mr. E. E. Clark
Mr. M. P. Bart
Mr. W. Brakel
Mr. P. A. Courbois
Mr. C. H. Davies
Mr. C. Duran-Ballen
Mr. A. M. Kamarck

Mr. J. Loftus
Mr. C. P. McMeekan
Mr. P. A. Reid
Mr. J. F. Rigby
Mr. M. Ross
Mr. S. Sankaran
Mr. S. Tolbert
Mr. C. E. Webb
Mr. G. C. Wishart
Mr. R. W. Wilson

2. Paraguay and Jordan

The Committee considered Memorandum SLC/O/63-41, "Paraguay - Livestock Project," and Memorandum SLC/O/63-42, "Jordan - Agricultural Credit Corporation," with special reference to the desirability of putting the funds repaid by the ultimate borrowers in a revolving fund for further investment in the agricultural sectors of those countries.

It was noted that in previous discussions of IDA lending policy, there had been agreement that where the proceeds of an IDA credit to a Government were relent to a revenue-producing project, IDA should not attempt to exercise any continuing control over the administration of these "counterpart"

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF OPERATIONAL DEPARTMENTS
GENERAL COUNSEL
DIRECTOR, ECONOMIC STAFF
TREASURER
DIRECTOR, DEVELOPMENT SERVICES
DEPARTMENT

Copies for information to:

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

funds. It had been envisaged that the repayments would accrue to the Government to be used perhaps for investment in some other sector. Some members of the Committee recognized that credits for relending to farmers might deserve special treatment. Others questioned whether, in the cases of Paraguay and Jordan, the Governments could be relied upon to make the right judgements on where and how these "second round" investments should be made, and that perhaps it would be wise to insist on the creation of a revolving fund administered by the relative institution responsible for the execution of the projects for further investment in the agricultural sector. The representatives of the Legal Department pointed out how unrealistic it would be to have any undertaking on a matter of this kind for very long periods.

As far as Jordan was concerned the Area Department representatives indicated that providing the ACC with additional permanent capital might cause it to be less energetic in collecting on past loans. It was noted that the Government was proposing to lend the proceeds of the IDA credit to the ACC over a period of 20 years with a three-year grace period, so that some revolving was envisaged. It was agreed that this arrangement should be amended so that the Government would use the repayments for further lending to ACC for a term of 20 years with a 10-year grace period.

The Committee did not feel strongly about a difference of $\frac{1}{4}$ of 1% in the rate of interest charged on loans by ACC to farmers, and agreed that an attempt should again be made to press the Jordanian negotiators to accept a $5\frac{1}{2}\%$ rate, but if the attempt failed, to agree to a $5\frac{1}{4}\%$ rate.

As far as Paraguay was concerned it was noted that the procedure for passing on the proceeds of the IDA credit to ranchers and contractors was more direct, and there was no intermediary institution to strengthen. Loans would be made through the central bank to ranchers for a term of 12 years (including a four-year grace period) and to contractors of three to five years. It was agreed that, for a period of 20 years from the date of the IDA credit, repayments would be used by the central bank for further relending to ranchers and contractors. It was also agreed that the other recommendations of Memorandum SIC/O/63-41 be accepted, and that negotiators be invited.

3. Iran

The Committee considered Memorandum SIC/O/63-43, "Iran - Set-Aside Arrangements." In connection with the arrangements for existing loans, it was agreed to accept the Iranian proposal to have the Bank Markazi undertake to set aside on its books from the oil revenues the foreign exchange required to meet each repayment installment on Bank loans rather than to issue standing instructions to the Bank of England and/or the Midland Bank for this purpose. It was also agreed that for the Road loan now under consideration the set-aside arrangements be dropped and reliance be placed on the normal negative pledge clause.

4. The meeting adjourned at 4:15 p.m.